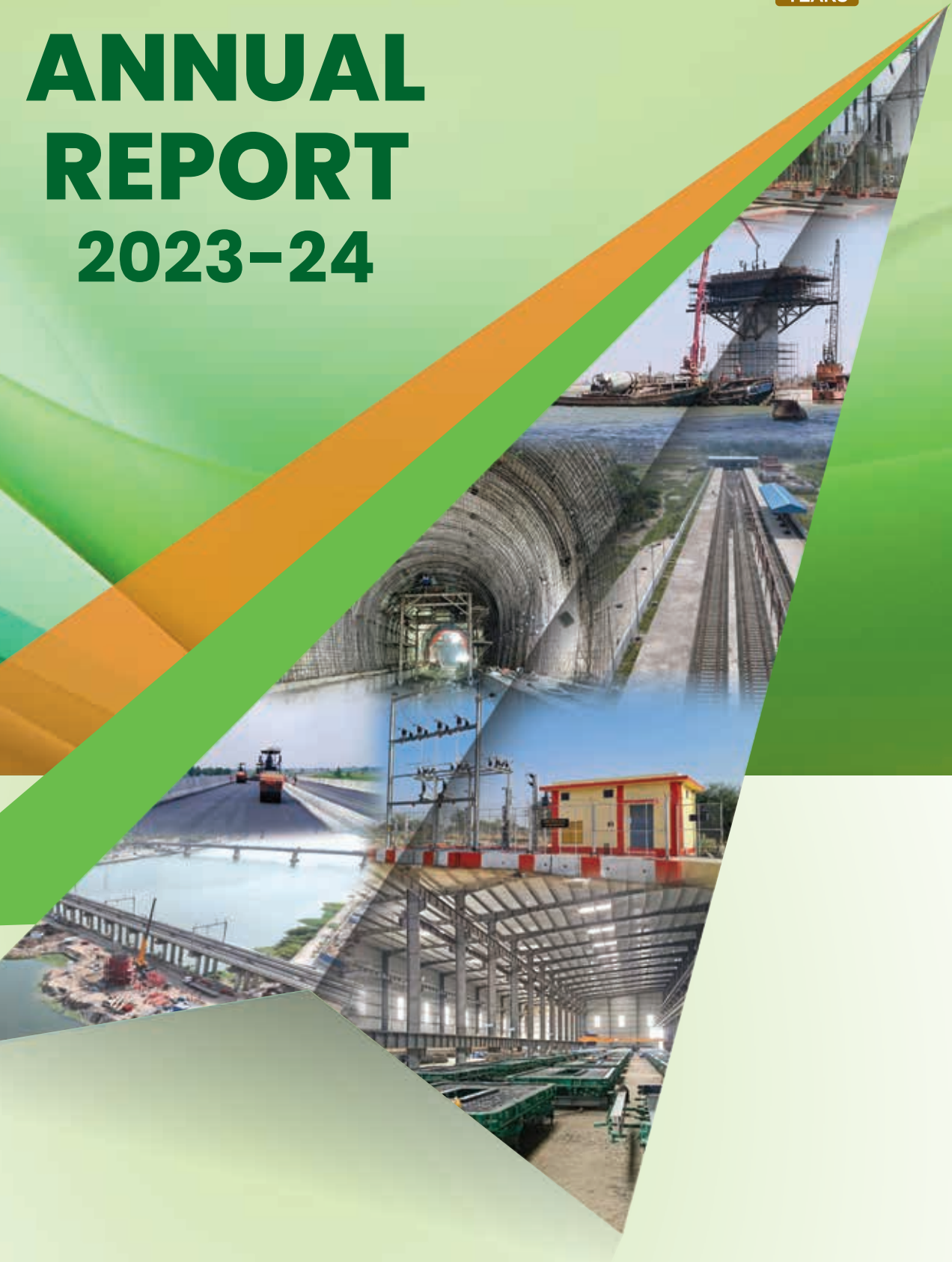




ANNUAL REPORT 2023-24



इरकॉन इंटरनेशनल लिमिटेड
IRCON INTERNATIONAL LIMITED
(A Govt. of India Undertaking)
Navratna Company



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WHAT DRIVE US

VISION

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



MISSION

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



VALUES

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





CORPORATE INFORMATION

Registered Office

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

Company Secretary

Smt. Pratibha Aggarwal

Chief Financial Officer & Chief Investor Relations Officer

Shri B. Mugunthan

Statutory Auditors

M/s Ramesh C. Agrawal & Co.
Chartered Accountants

Cost Auditors

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

Secretarial Auditors

M/s VAP & Associates
Company Secretaries

Internal Auditors

M/s A.M.A.A. & Associates
Chartered Accountants

Bankers

Indian Overseas Bank, HDFC Bank,
State Bank of India, Axis Bank, ICICI Bank
IDBI Bank, Kotak Mahindra Bank and Standard Chartered
Bank

Registrar & Share Transfer Agent

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

Shares listed at

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

Depositories

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

SCRIP CODE

BSE: 541956
NSE: IRCON

ISIN No.

INE962Y01021

As on March 31, 2024

PROJECT COMPLETED

Domestic

401

Foreign (in 25 countries)

128

EXECUTED WORK

Railway Track

5564 TKM

Roads & Highways

6807 KMS

Tunnels

157 KMS

Railway Electrification

9654 RKM

Buildings

1.56 Mn Sqm.

ROBs

159

Signaling & Telecommunication

455 Stations

1500 KM OFC Network
Connecting 2178 Network
Elements

IRCON AT A GLANCE

IRCON, a **Navratna Central Public Sector Undertaking** is a rapidly growing integrated engineering and construction company specializing in major infrastructure sectors.



OUR CERTIFICATIONS

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



CREDIT RATINGS:

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

RANKING (2023)

USA ENR

Construction Companies

229th

Fortune India 500

205th

BS 1000

Revenue (March 2024)

142th



Engineering, Procurement and Construction (EPC)

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

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

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



Public Private Partnership (PPP)

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



Project Management & Consultancy (PMC)

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



Real Estate (RE)

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

DIVERSIFIED GLOBAL INFRASTRUCTURE PSU

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

INDUSTRY SECTORS SERVED

| | | | | | |
|--|---|---|---|--|---|
|  Railways (Concept to Commissioning) |  Highways |  Bridge & Flyovers |  Buildings |  Aircraft Hangars |  Solar |
|  Comm., Institutional & Residential |  Development of Industrial Areas |  Electrical & Mechanical |  OHE Sub-station |  Tunnels |  Runways & Hangars |

MAJOR EXECUTED WORK

RAILWAYS EXECUTED WORK

| | | | |
|--|---|---|--|
|  Signaling & Telecommunication 455 Stations, 1500 KM OFC Network Connecting 2178 Network Elements. |  ROBs 159 No. |  Tunnel 157 KMS |  Metro 348 TKM |
| STEP 1 | STEP 2 | STEP 3 | STEP 4 |

RAILWAYS EXECUTED WORK

Other Roads
(Including Foreign Projects)
4516 KMS

National Highway
1105 KMS

State Highway
1186 KMS



BUILDINGS

1.56 Mn. Sqm.



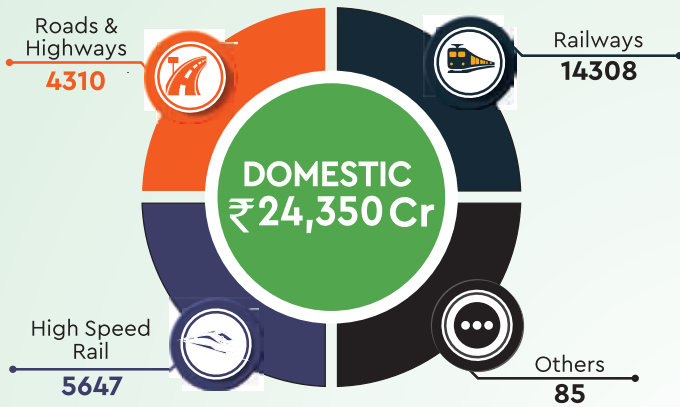
RELIABLE BUSINESS STRENGTH

As on March 31, 2024

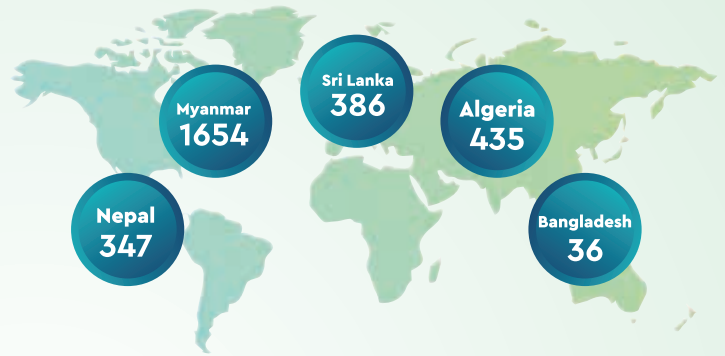
(₹ in Crore)

PROJECT POSITION - ORDER BOOK (₹ 27,208 Cr)

DOMESTIC (₹ 24,350 Cr)



FOREIGN (₹ 2,858 Cr)



GEOGRAPHICAL FOOTPRINTS



128
Projects

25+
Countries

Iraq, Iran, Saudi Arabia, United Kingdom, Angola, Jordan, Turkey, Indonesia, - Malaysia, Algeria, Bangladesh, Nepal, Afghanistan, Nigeria, Liberia, Syria, Tanzania, Zambia, Brazil, Mozambique, Ethiopia, Sri Lanka, Brazil, Bhutan, Myanmar

CHAIRMAN'S STATEMENT



Dear Shareholders,

It's a matter of profound honour to present you the 48th Annual Report of your Company and give you an insight of the performance of your Company during FY 2023-24 and Company's new initiatives and future plans. I am delighted to share that our financial performance has been commendable, with robust revenue growth and enhanced profitability. On a standalone basis, your Company has achieved highest ever total turnover of ₹12387.85 Crore (previous year ₹10261.63 Crore) representing an increase of 20.72%; also on a consolidated basis, total turnover registered an increase of 19.73% and stood at ₹12870.52 Crore (previous year ₹10749.89 Crore).

The Company has capability and experience across diverse sectors in infrastructure space. It has credentials in PMC, EPC as well as PPP projects.

I am delighted to share with you that considering the consistent outstanding performance of your Company, the Union Government has upgraded the status of your Company from Mini Ratna Category I to **NAVRATNA** during this financial year. With Navratna status, comes a greater autonomy and responsibility. I am sure that your company will scale newer heights in times to come.

CONTRACTS SECURED IN INDIA & ABROAD

During the FY 2023-24, your Company was awarded five projects in India viz., S&T Works for Jiribam – Imphal new Railway Line Project for NFR; Composite works in connection with Detachment free rake examination facilities (Ph-II) at Exchange Yard of Bondamunda for SER; Engagement of Nodal Agency for establishment of Technology Centres/ Extension Centres across India for MSME; Construction of Twin Tube Uni-directional Aizawl Bypass Tunnel of 2.5 Km in Mizoram on EPC Mode for NHIDCL; Procurement of Goods incl. Machinery, Plant & Equipment for establishment of Technology Centres/ Extension Centres across India for MSME.

The Company continues to actively participate in new projects in foreign countries, and has ongoing projects in Bangladesh, Algeria, Sri Lanka, Nepal and Myanmar. By continuing to diversify its business and geographical focus, the Company strives to secure a broader range of projects to maximize business volume and profits.

FINANCIAL PERFORMANCE

Financial Highlights:

On Standalone basis, apart from recording the highest ever total turnover, we have also recorded highest ever operating turnover of ₹11950.40 Crore in FY 2023-24, as against ₹9921.20 Crore in the previous financial year registering an increase of 20.45%. Profit Before Tax (PBT) for FY 2023-24 stood at ₹1155.54 Crore thereby showing an increase of

30.84% as compared to ₹883.19 Crore in the previous financial year. Profit After Tax (PAT) stood at ₹862.90 Crore in FY 2023-24, registering a growth of 11.08%, as against ₹776.83 Crore in the previous financial year. The Net Worth of your company has increased by 11.46% to ₹5771.76 Crore as at 31.03.2024, as against ₹5178.48 Crore as at 31.03.2023.

During FY 2023-24, the Railway sector contributed around 84% to our operating turnover and operating turnover from highway/ other sector was approximately 16%.

On a consolidated basis, stupendous financial performance of the Company is evident from a jump of 18.93% in the operating turnover during FY 2023- 24, which touched ₹12330.91 Crore (previous year ₹10367.93 Crore). We have achieved a consolidated Net Profit of ₹929.51 Crore for FY 2023-24 as against ₹765.23 Crore in the previous year registering a growth of 21.47%.

Furthermore, I would like to mention that the Statutory Auditors have not given any qualification or remarks in the Auditors' Report and the Comptroller & Auditor General of India (C&AG) has given 'Nil' comments for the FY 2023-24.

Financial results for the quarter ended 30.06.2024:

Total income for this quarter stood at Rs.2,278 crore as against Rs.2,693 crore of Q1 of FY 2023-24; Revenue from Operations stood at Rs.2,180 crore as against Rs.2,626 crore of Q1 of FY 2023-24. Profit After Tax (PAT) for this quarter has increased by 9.2% to ₹177 Crore from ₹162 Crore of Q1 of FY 2023-24.

Dividend:

The Board of Directors declared and disbursed an interim dividend of Rs.1.80 per equity share of a face value of Rs.2/- per share during FY 2023-24. In addition to interim dividend, your company has proposed a final dividend of Rs.1.30 per equity share of a face value of Rs.2/- per share. With this the total dividend pay-out for FY 2023-24 would stand at 155% on the paid-up equity share capital, aggregating to ₹291.56 Crore (approx.), which is 33.79% of the post-tax profits of FY 2023-24 and 5.05% of net worth of the Company as on March 31, 2024.

After declaration and payment of the proposed final dividend, the cumulative dividend paid to shareholders up to FY 2023-24 would stand close to Rs.300 Crore.

Share Capital:

During the FY 2023-24 the paid-up share capital stood at ₹188.10 Crore. As on March 31, 2024 the shareholding of the Promoter i.e. President of India stood at 65.17% of the paid-up equity share capital. During FY 2023-24, the Government of India had disinvested 8.01% of the total paid up equity share capital of the Company by way of Offer for Sale (OFS) through Stock Exchange mechanism. Your Company is in compliance of the Minimum Public Shareholding (MPS) requirement in terms of the Securities Contracts (Regulation) Rules, 1957.

IRCON GROUP COMPANIES

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

The details of investments made, loans granted and guarantees extended by IRCON to its subsidiary and joint venture companies during the FY 2023-24 forms part of the notes to the standalone financial statements provided in the Annual Report.

RATINGS & COMMENDATIONS

In terms of Memorandum of Understanding (MoU) signed with the Ministry of Railways, Government of India, your company has been rated as "Excellent" for year 2022-23.

As per 2023 edition of USA's Engineering News Record (ENR), IRCON is the only Indian PSU to make it to the list of top 250 International Contractors as well as top 250 Global Contractors. Further in the Business Standard BS 1000 Annual Magazine released in March 2024, IRCON has been ranked 142 in 2023 by total revenue and stands at 5th position under the 'Construction and Infrastructure' Sector. IRCON is also ranked 205th in 2023 in the list of fortune India 500.

During the FY 2023-24, IRCON has been awarded several prestigious awards viz; (1) CE&CR Annual award for "Outstanding Tunnel Structure" for the project "Udhampur- Srinagar – Baramulla New BG Rail line – Construction of Tunnel T-49 on Dharam – Qazigund Section; (2) 'Governance Now' 10th PSU Award – CSR Commitment and 'Governance Now' 10th PSU Award for Nation Building; (3) Dun & Bradstreet award – ESG Champions of India 2024 in the Engineering & Construction services sector; (4) Excellence in Civil Engineering, Testing and Commissioning of Rail Projects by Rail Analysis India; (5) Top Challenger 2022-23 award by Construction MOU World; (6) Safety Innovation Award 2023 for implementing Innovative Safety Management Systems. Recently, we have been nominated for Dun & Bradstreet award for 'Contract & Construction and Tech. Consultancy Services (Central PSU)' category.

CORPORATE GOVERNANCE

We are fully aware that sound principles of corporate governance are essential for long term development & sustainability and we are operating within the ambit of these principles. In realization of its commitment to responsible business, we follow the highest standards of ethical business operations and best practices by adopting a robust

Corporate Governance Policy and Code of Conduct. Your Company is adhering to the provisions contained in the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Companies Act 2013, and DPE Corporate Governance Guidelines 2010 and other applicable regulatory requirements.

A certificate on Compliance of conditions of Corporate Governance under the SEBI Regulation and DPE Guidelines on Corporate Governance forms part of this Report. Your Company has secured 'Excellent' rating for FY 2023-24, on a self-evaluation basis, in compliance of Corporate Governance for FY 2023-24.

ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG)

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

We consistently strive to make positive impact on the communities in which we operate. As a corporate citizen we have spent ₹11.65 Crore towards Corporate Social Responsibility (CSR) activities during FY 2023-24, as against the allocated budget of ₹11.64 Crore. Focussing on the Annual Theme – 'Health & Nutrition' as announced by the DPE and to give preference to the Aspirational districts under their CSR, the Company Implemented many CSR Projects in 14 Aspirational districts by Conducting Health Camps, provided nutritional foods to pregnant women's and children's, conducted sports activities for girls, provided astronomy labs and furniture's in government schools. We have also contributed ₹0.67 Crore towards Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund).

HUMAN RESOURCE, THE BIGGEST ASSET

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

The Company believes that retention of well-trained, competent, and committed employees and also expanding our workforce who can usher in new ideas, strategies and processes will ultimately help in improving the efficiency of the Company. The total strength of our human resources as of March 31, 2024 stood at 1270, with 155 newly employed personnel.

EMPOWERMENT THROUGH INFORMATION TECHNOLOGY

In the process of improving the levels of transparency and efficiency through technology advancement, IRCON is in the process of upgrades to SAP S/4 Hana as Enterprise Resource Planning (ERP) application software. SAP S/4 Hana is already being used in Finance, Controlling and Human Resource Management functions to a large extent. E-Office system is deployed across IRCON as a step towards paperless office initiative from Government of India. Implementation of S4-HANA as well as e-office will be in conjunction to each other, and has helped IRCON to march ahead with near paperless requirement in the entire organization.

Your Company has formulated a Cyber Crisis Management Plan to fight against Cyber and Social Engineering attacks. Incidents of Cyber-attacks are reported to CERT-IN for record and further guidance. Steps are being taken to ensure that proper Cyber security audits of IT applications and IT infrastructure are done as per industry practice and norms. Employee awareness programs/trainings are being conducted on regular basis.

For efficient and transparency, eProcurement through GeM (Government E-Market Place) and CPP Portal (Central Public Procurement Portal) have been adopted organization wide. Online collaboration tools are used by employees for information sharing and business communication. Further, dedicated video conferencing facility based on the cutting edge AI based online meeting is being widely used for conducting review meetings with project offices, trainings, promotion interviews and contract management issues, meetings of the Board, its committees and also General meetings.

FUTURE OUTLOOK

Indian Railways is planning to implement three major economic railway corridor programmes viz. energy, mineral and cement corridors, port connectivity corridors and high traffic density corridors. The projects have been identified under the PM Gati Shakti for enabling multi-modal connectivity. They will improve logistics efficiency and reduce cost. Metro Rail and NaMo Bharat can be the catalyst for the required urban transformation. Expansion of these systems will be supported in large cities focusing on transit-oriented development.

In Budget 2024-25, capital investment outlay for infrastructure has been increased by 11.11% to Rs.11.11 lakh crore, which would be 3.4% of GDP. As per the Budget 2023-24, a capital outlay of Rs. 2.52 lakh crore and Rs.2.72 lakh crore has been provided for the Railways and Roads & Highways, respectively, which is the highest ever outlay.

IRCON has a long-standing reputation as one of the Industry leaders in transportation infrastructure with proven expertise in railway and road projects. To uphold our reputation in the industry and to get higher turnover, we intend to capitalize our advantageous position in the market both in terms of our expertise and financial strength. As we move ahead, we plan to build on our strategy of diversifying across industry segments through new engines of growth.

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

We are confident that various infrastructure initiatives decreed by the Government of India will help us in fostering our future growth. We believe that we are well positioned to execute projects under these modes due to our strong technological capabilities and sound financial position. With sound experience and solid performance, we expect to see steady growth in our business.

ACKNOWLEDGEMENT

I am incredibly thankful to all the predecessors and present Board Members, our Shareholders, and all other Stakeholders for their co-operation and trust in IRCON. On behalf of the Board of Directors, I take this opportunity to record our gratitude and appreciation for the untiring efforts of all the past and present employees of the Company. The Company is grateful for the valuable support received from our parent Ministry of Railways as well as other ministries such as Road Transport and Highways, External Affairs, Finance, Commerce, Urban Development and other government departments i.e. our association with DPE and DIPAM under Ministry of Finance for Navratna upgradation, MOU, OFS and other related matter, who have been very supportive and helpful. We are also grateful for the support received from the office of Comptroller & Auditor General of India, Reserve Bank of India, Bankers, Statutory, Branch, Cost, Secretarial & Internal Auditors of the Company, Indian Embassies & Missions abroad, Foreign Missions & Embassies in India, EXIM Bank, ECGC Limited, Protector of Immigration, Passport Authority, and our esteemed clients both within India and overseas. Without their active support, the Company would not have achieved its milestones during the year under review.

Thank you all!!!

Best Regards

Sd/-

(Hari Mohan Gupta)

Chairman & Managing Director & CEO

(DIN: 08453476)

Date: August 13, 2024

Place: New Delhi



BOARD OF DIRECTORS

Shri Hari Mohan Gupta

Chairman & Managing Director and CEO

Shri Hari Mohan Gupta (DIN:08453476), is an Indian Railway Officer of 1989 Exam Batch (Indian Engineering Services, IES-89), graduated in Civil Engineering in 1988 from University of Roorkee (renamed as IIT/Roorkee). Before joining IRCON, he was holding the position of Director (Infrastructure) of DFCCIL (Dedicated Freight Corridor Corporation of India Limited) for almost 4 years and during this tenure of Director/Infra/DFC, 1404 Route Kms (3173 Track Kms) double line electrified with automatic signaling of WDFC has been Commissioned.

He worked as Executive Director (Works) in Ministry of Railways, Railway Board, New Delhi from 23-04-2019 to 12-10-2020.

Before joining Ministry office, he worked for 7 years on deputation on a challenging Iconic Project as Chief Project Manager of Rewari-Dadri section of Western Dedicated Freight Corridor in DFCCIL Organization and was instrumental in acquisition of land in 7 Prime Districts (Rewari, Alwar, Mewat, Gurgaon, Palwal, Faridabad & GB Nagar of UP) of National Capital Region territory, ensuring Forestry clearances in all Districts including special permission to pass through Aravali Ranges by making a tunnel in Aravali Hills. All Designs & Drawings of the project components were finalized during his tenure and construction activities all along the alignment started in a big way.

He is also having experience of track maintenance, repair/maintenance/operation/overhauling of huge Railway track machines responsible for laying/maintenance of Railway track network, tendering/contract finalization/arbitration/administration of Zonal Railways etc. Also, during his stint in Railway Board while working as ED/Works, he helped Zonal Railways in a big way and gained lot of experience in project monitoring, financing & other related fields.

He is very passionate & hardworking person & approach to leadership has always been to accommodate input from each and every member of team, keep their motivation high and pursue the project on a mission mode. He truly believes in the power of honesty, integrity, perseverance & a healthy work culture in an organization, hence, always ensured on maintaining good interpersonal relations across various departments, seniors & juniors. This has not only brought harmony in his working but has also helped him in getting faster clearances & approvals from various State Governments & Authorities.



Smt. Ragini Advani
Director (Finance)

Smt. Ragini Advani (DIN: 09575213), is Director (Finance) of our Company. She is a Chartered Accountant and Cost Accountant by qualification with about 26 years of post-qualification experience in Finance. She is a rank holder in both Chartered Accountancy and Cost Accountancy exams.

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

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



Shri Parag Verma
Director (Works)

Shri Parag Verma (DIN: 05272169) joined IRCON in 1991. Shri Verma is a post graduate in Engineering with more than 33 years of experience of working on national and international infrastructure projects. His core strength lies in project planning, estimation and conceptualization and structuring of the projects and its execution.

He has the experience of (i) commissioning of mega projects of Railways and Highways including Railway Electrification works in India and Abroad; (ii) establishing wholly owned subsidiary and JV companies for parent organization to take up the specialized projects. His experience as Director includes Business Developments, Railway Electrification and similar works. Before joining as Director (Works), he is the first Chief Operating Officer of Indian Railway Stations Development Corporation Limited (IRSDC) and was instrumental in the development of the whole concept of station development program on PPP model in India and was instrumental in awarding first project of station development on Indian Railways on PPP model which has been successfully inaugurated by Hon'ble PM. Before joining as Director (Works), he was ED (Infrastructure) and looking after the Highway, Building & Real Estate and Business Development in domestic and international market. He is not only responsible for maintaining healthy order book of company by bagging national and international & infrastructure projects either on EPC, Item Rate, PPP model but their execution also. Work in New sectors of high speed railway, ballast less slab track and highway tunnel large bridges have been secured and are being executed under his administrative control. His recent achievements include commissioning of three block sections of Quazigund - Baramulla Rail Link Project, more than 1000 RKM of RE Works and commissioning of 65 KM of Khulna-Mongla Rail Link Project in Bangladesh.



Shri Anand Kumar Singh
Director (Projects)

Shri Anand Kumar Singh (DIN: 07918656) is a Civil Engineer from I.I.T. Delhi and M.B.A. (Finance) from MDI, Gurugram. He started his career as an IRSE officer in January 1990 with Ministry of Railway and brings more than 34 years of experience in development of major Railway infrastructures (26 Years plus) & Highway infrastructures (8 Years plus).

Shri Singh previously served for 3 Years as Director on NHA Board as Member (Project) NHA from 2016-2019 and led major highway development projects.

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

Shri Singh has also made significant contributions in all prevalent methods of project implementation viz Item rate EPC, FIDIC, EPC (turn key), PPP, OMT, HAM, TOT models and his accomplishments include asset monetization, InVIT, divestments, fund raising, marketing international projects, attracting foreign investments and business development.

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

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

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



Shri Brijesh Kumar Gupta
Government Nominee
(Part-Time (Official)) Director

Shri Brijesh Kumar Gupta (DIN: 10092756) holds a Bachelor Degree in Civil Engineer (B.E. – Civil) from Madhav Institute of Technology and Science (MITS), Gwalior and Post Graduate Degree (M.Tech) in Applied Mechanics from IIT, Delhi.

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

He is presently working as Additional Member (Civil Engineer), Railway Board. He has over 38 years of enriched and varied experience in Railways, especially in execution and management of Railway Projects. He held various important and challenging posts in Railways such as Chief Administrative Officer (Const.), [North Western Railway, Jaipur & East Coast Railway, Bhubaneswar], Chief Safety Officer [West Central Railway, Jabalpur], Divisional Railway Manager [Central Railway, Nagpur].

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



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

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

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



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

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

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

He was nominated by the Government of India for a foreign deputation to Sydney, Australia under the Commonwealth Exchange Programme. During his tenure of foreign deputation, he undertook important field projects as a part of Advance business strategy course at the Graduate School of Business, University of Sydney, Australia which includes emerging Corporate Structure of Rail Business in Australia, Penfold Wines Plc, Australia: Strategies of Market Expansion. He has written articles on various subjects as Fringe Benefit Tax; Study on the Tax implication on Tax payers in Australia; Tourism Industry questions the Income-tax Equity; The Australian reality exposed and; Research Papers on Australian Tax Research Foundation Research Study 1996. He has been on the Board of IRCON since November 11, 2021.



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

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

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



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

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

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



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

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

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

He is a philanthropist who believes in serving the society and strengthening the community as demonstrated by his numerous initiatives. He is actively associated with more than 10 social organisations. He is the Vice President trustee of Vidhyabharti affiliated school "Shree Saraswati Shishu Mandir" where over 800 students from lower socioeconomic status come to receive an education of a higher standard. He is actively doing so many programmes for parents on the subject 'IDEAL PARENTING FOR NATION BUILDING". He is a Motivational Speaker for Doctors on the subject - Ideal Life of a Doctor". He is a Poet and has written poetries in HINDI, GUJARATI and KUTCHHI language and taken part as a poet in many Kavi Sammelan with PATRIOTISM as the main subject.

He is HIMALAYAN TREKKER and GOOD STAGE ARTIST (acting) also. He has established UDAN (Unnat Desh-Adarsh Nagrik) foundation- a unique awareness programme managed and operated by him and his patriotic team of stalwarts from different spheres of life. He has been on the Board of IRCON since December 31, 2021.

SENIOR EXECUTIVES



Shri Yogesh Kumar Misra
Executive Director/Infrastructure



Shri B. Mugunthan
Executive Director/Finance



Shri Surender Singh
Executive Director/Project



Shri Naveen Babu
Executive Director/J&K



Shri Vinod Kumar Gupta
Executive Director/Works



Shri Rajeev Kumar Sinha
Executive Director/Special Works



Shri Debajyoti Kumar
Executive Director/Technical

SENIOR EXECUTIVES



Shri H.D. Daddaiah
Project Director/Vadodara Mumbai Expressway



Shri Mohinder Singh
Project Director/Sivok Rangpo



Shri Sitesh Kumar Singh
Project Director/DFCC



Shri Jayasankar V.K
Project Director/Algeria

DOMESTIC PROJECTS



132 KV Cable termination at Lalkuan TSS end, RE PKG-5



132KV-25KV Badarpur Ghat TSS, RE PKG-2, Lumding Project



Aerial View of Bhoj End Road Work



Bridge no. 138, USBRL Project



Casting of Pier Cap



Completed Rail Formation Section at Vedchha, DFC Project



Construction of RE Wall at Rangpo Yard



DBM laying , Gurgaon Rewari Highway Project

DOMESTIC PROJECTS



Drone Photo of Depot at Poonamalee, Chennai Metro Project



Girder Launching & Sub Structure WIP at Major Bridge, Haridwar Bypass Project



IPS Room, Moradabad S&T Project



Katni Grade Separator Project



Khari Station Building



Korichhapar Yard



MAHSR C-7 (2)



MAHSR C-7

DOMESTIC PROJECTS



NMZ TSS, RE PKG-7



OHE Work in Korichhapar to Dharamjaigarh Section



OWG Erection is in progress at Br. 02, Sivok Rangpo



Palghar ROB



RC Track Bed Works on Viaduct at Ch. 237 Km, MAHSR T-2



Relay Room, Moradabad S&T Project



ROB in lieu of LC 28, ROB Gujarat Project



Sathin Road SSP, RE PKG-3

DOMESTIC PROJECTS



T11P1-Overt reinforcement binding work is in progress



Thick web canted turnouts with weldable crossings on ballast less track



Track Slabs Manufacturing Factory (TSMF) at Kim



Viaduct, Agartala Akhaura Rail Link Project



Well Foundation in Progress

FOREIGN PROJECTS



Bijalpura Station



GSB Top Layer Laying @KM 3+400, Myanmar



Inarwa_Nepal Custom Yard



Mohammand Nagar Yard, Bangladesh



Mongla Station Yard



Relizane Railway Station, Algeria



Awards & Accolades (2023-24)

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



Governance Now 10th PSU Award – CSR Commitment



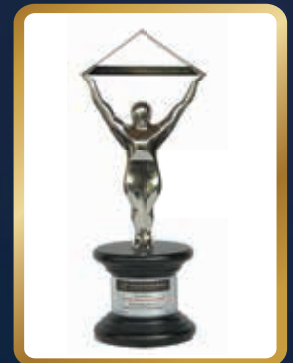
CE&CR Annual award for "Outstanding Tunnel Structure" for the project "Udhampur- Srinagar – Baramulla New BG Rail line – Construction of Tunnel T-49 on Dharam – Qazigund Section".



Safety Innovation Award 2023 for implementing Innovative Safety Management Systems.



Excellence in Civil Engineering, Testing and Commissioning of Rail Projects by Rail Analysis India



Top Challenger 2022-23 award by Construction World



Dun & Bradstreet award – ESG Champions of India 2024 in the Engineering & Construction services sector

CSR ACTIVITIES CONDUCTED IN FY 2023-24

Health



Eye Check-up camps & Spectacle distribution at Kaushambi district of UP. Ms Shri Ganeshdeen Shiksha Samiti 2023-24



Installation 4- Mini Science Center set up in Government Schools at Udham Singh Nagar District of Uttarakhand. Ms SAMABHAVANA

Social



Conducting self-defence training and distributing self-defence kit, in Aspirational district of kupwara to 354 females Ms Sports, Physical Education, Fitness & Leisure Skills Council (SPEFL-SC)

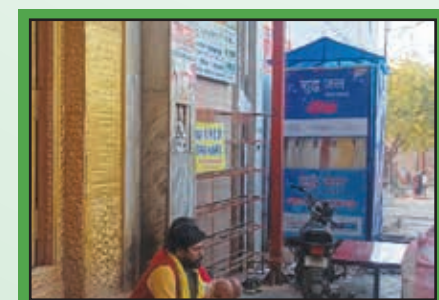
Education



Installation 4- Mini Science Center set up in Government Schools at Udham Singh Nagar District of Uttarakhand. Ms SAMABHAVANA



Mobile First-Aid Skill Training to SC & ST womens at Morigiaon Assam Ms North Eastern Development Council for Human Resource 2023-24

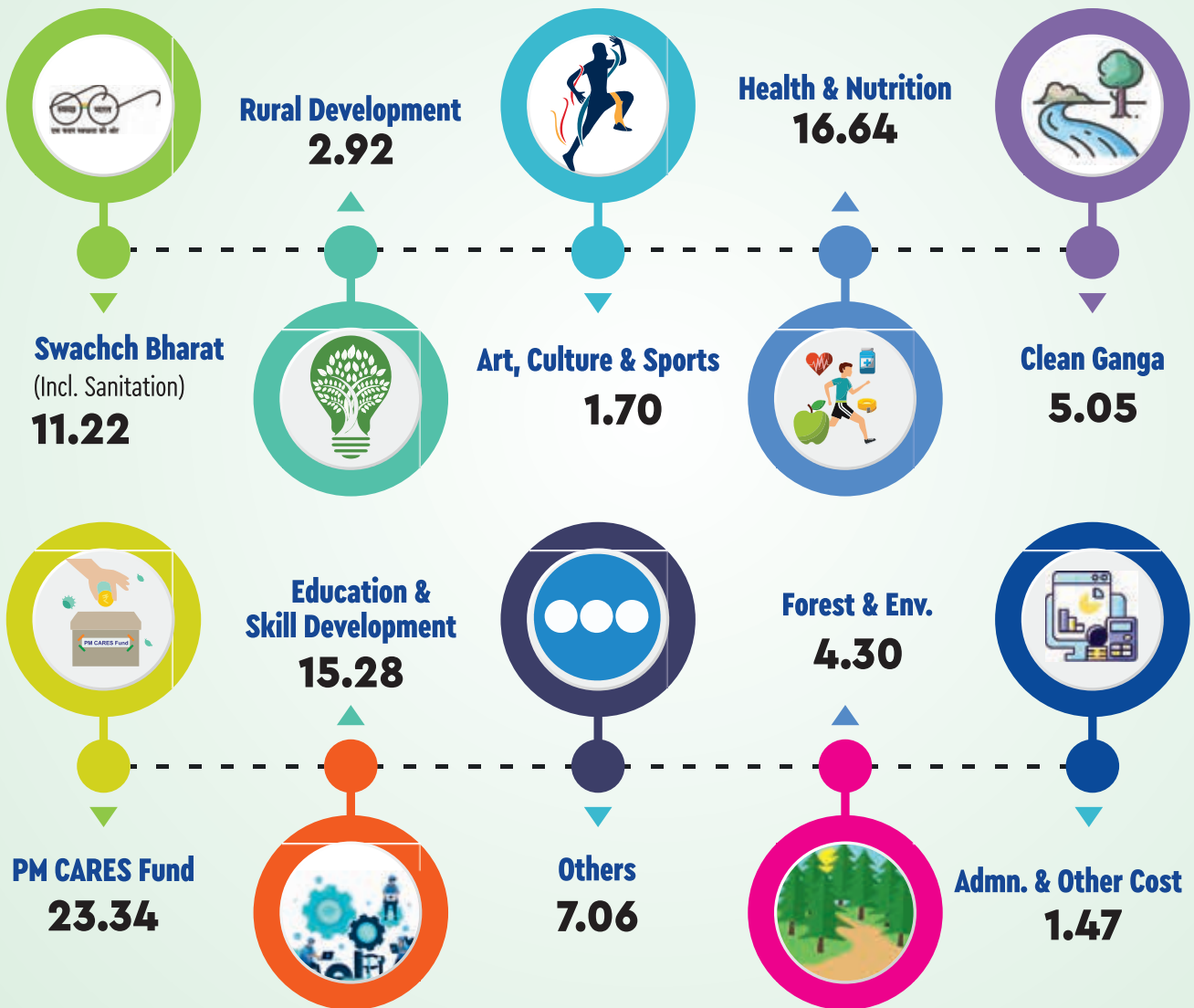


Installation of 2 Community Epio Drinking water Machines in Chanduali district of Uttar Pradesh by Ms Pacific Creative Society 2023-24

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

CSR Spend
(from Fy14 to FY 24)
+ ₹89 Cr

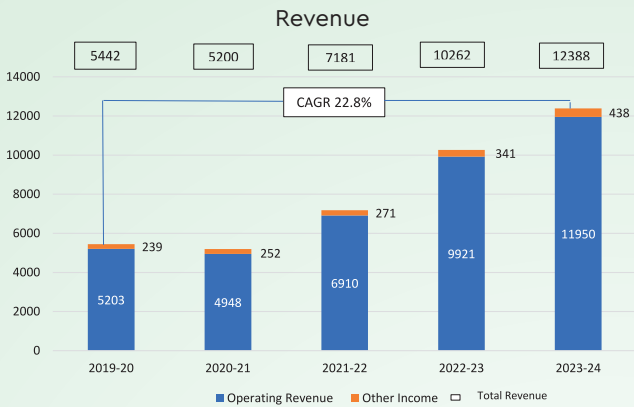
₹ in crore



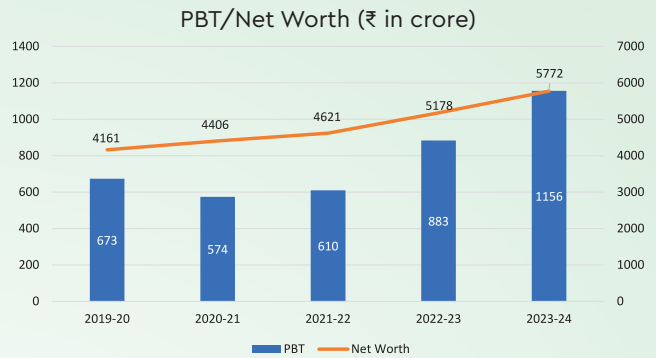
CSR Spend in FY 24
+ ₹ 11.65 Cr

KEY PERFORMANCE INDICATORS (STANDALONE)

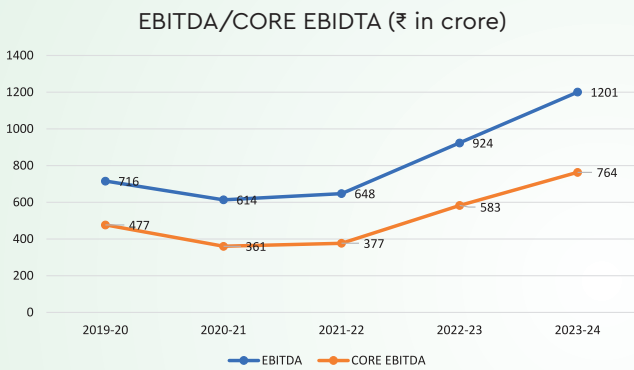
Total Revenue/Operating Revenue:



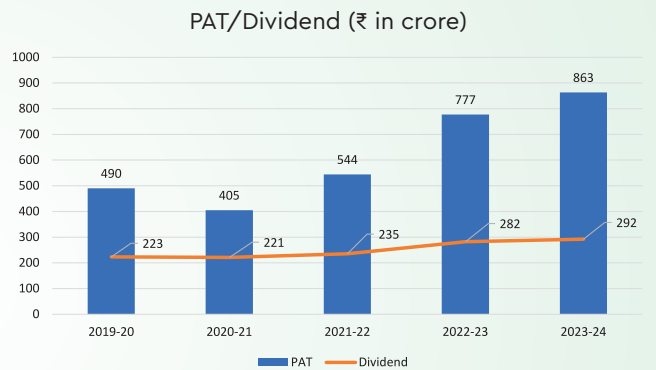
Profit Before Tax (PBT)/Net Worth:



EBITDA/CORE EBITDA:



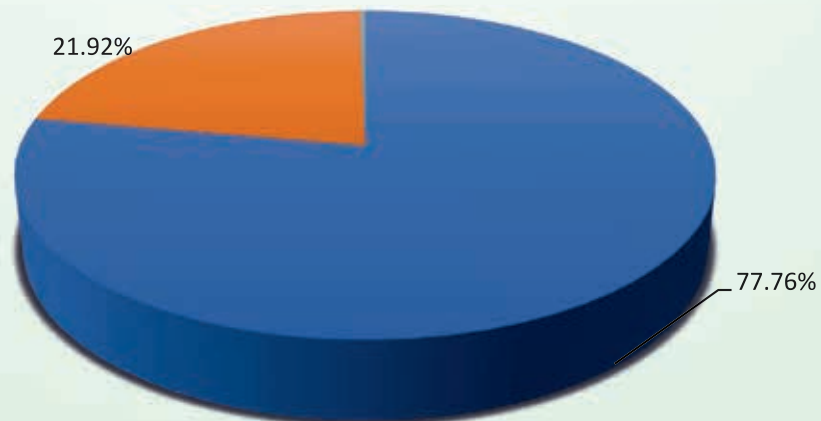
Profit after Tax (PAT)/Dividend:



Order Book:

Order Book - ₹ 27,208 crore

0.32%



■ Railways - ₹ 21,158 crore ■ Highways - ₹ 5,964 crore ■ Others - ₹ 86 crore

FINANCIAL HIGHLIGHTS (STANDALONE)

(₹ in Crore)

| Sl. No. | Particulars | Ind AS | | | | | | | | | | IGAAP | |
|---------|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------|---------|
| | | 2023-24 | 2022-23 | 2021-22 | 2020-21 | 2019-20 | 2018-19 | 2017-18 | 2016-17 | 2015-16 | 2014-15 | 2014-15 | 2014-15 |
| 1 | Revenue from Operations | 11,950 | 9,921 | 6,910 | 4,948 | 5,202 | 4,415 | 3,896 | 2,995 | 2,419 | 2,864 | | |
| 2 | Other Income | 437 | 340 | 271 | 253 | 240 | 264 | 227 | 260 | 442 | 258 | | |
| 3 | Total Income | 12,388 | 10,262 | 7,181 | 5,200 | 5,442 | 4,679 | 4,123 | 3,254 | 2,861 | 3,122 | | |
| 4 | Expenditure Before Finance Cost and Depreciation & Ammortisation | 11,186 | 9,338 | 6,534 | 4,587 | 4,726 | 4,037 | 3,512 | 2,718 | 2,187 | 2,258 | | |
| 5 | Finance Cost | 10 | 3 | 10 | 15 | 27 | 16 | 64.53 | 61 | 43 | 9 | | |
| 6 | Depreciation and Ammortisation | 36 | 38 | 27 | 25 | 16 | 12 | 13 | 18 | 28 | 10 | | |
| 7 | Earning Before Interest, Tax and Depreciation (EBITDA) | 1,201 | 924 | 647 | 614 | 716 | 642 | 611 | 611 | 673 | 863 | | |
| 8 | Earning Before Interest, Tax (EBIT) | 1,165 | 886 | 620 | 589 | 700 | 631 | 598 | 593 | 645 | 853 | | |
| 9 | Profit Before Tax | 1,156 | 883 | 610 | 574 | 673 | 615 | 533 | 532 | 602 | 844 | | |
| 10 | Profit After Tax | 863 | 777 | 544 | 405 | 490 | 445 | 391 | 369 | 395 | 579 | | |
| 11 | Dividend for the Year | 292 | 282 | 235 | 221 | 223 | 203 | 192 | 192 | 168 | 182 | | |
| 12 | Share Capital | 188.10 | 188.10 | 188.10 | 94.05 | 94.05 | 94.05 | 94.05 | 98.980 | 19.800 | 19.800 | | |
| 13 | Capital Employed * | 5,772 | 5,178 | 4,621 | 4,406 | 6,007 | 6,510 | 6,952 | 3,829 | 3,667 | 3,354 | | |
| 14 | Net Worth | 5,772 | 5,178 | 4,621 | 4,406 | 4,161 | 3,950 | 3,752 | 3,829 | 3,667 | 3,354 | | |
| 15 | PBT Margin (%) (PBT/Total Income) | 9.33 | 8.61 | 8.49 | 11.04 | 12.37 | 13.14 | 12.93 | 16.35 | 21.04 | 27.05 | | |
| 16 | PAT Margin (%) (PAT/Total Income) | 6.97 | 7.57 | 7.58 | 7.78 | 9.00 | 9.51 | 9.48 | 11.34 | 13.81 | 18.56 | | |
| 17 | Return on Net Worth (%) (PAT/Net Worth) | 14.95 | 15.00 | 11.77 | 9.18 | 11.77 | 11.27 | 10.42 | 9.64 | 10.77 | 17.28 | | |
| 18 | Return on Capital Employed (%) (EBIT/Capital Employed) | 20.18 | 17.11 | 13.42 | 13.36 | 11.66 | 9.69 | 8.60 | 15.48 | 17.59 | 25.44 | | |
| 19 | Number of Employees (No.) | 1,272 | 1,341 | 1,278 | 1,295 | 1,369 | 1,576 | 1,622 | 1,496 | 1,499 | 1,472 | | |
| 20 | Income per Employee (Total Income/Number of Employee) | 9.74 | 7.65 | 5.62 | 4.02 | 3.98 | 2.97 | 2.54 | 2.18 | 1.91 | 2.12 | | |

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT



MANAGEMENT DISCUSSION AND ANALYSIS

MANAGEMENT DISCUSSION AND ANALYSIS

India's path to achieving developed nation status by 2047 largely depends on enhancing its infrastructure, which is crucial for creating sustainable, climate-resilient, and inclusive cities that boost economic growth. The government's dedication to this goal is reflected in its allocation of 3.3% of GDP to the infrastructure sector for the fiscal year 2024, with special emphasis on the transport and logistics sectors.

Strong infrastructure underpins economic activities by lowering logistics cost boosting efficiency, and enhancing connectivity. Infrastructure projects generate jobs directly through construction and indirectly by spurring economic activities.

According to World Bank, by 2036, 600 million people will be living in urban cities in India, representing ~40% of the population. This is likely to put additional pressure on the already stretched urban infrastructure and services of Indian cities with more demand for clean drinking water, reliable power supply, efficient and safe transport amongst others.

The government's initiatives such as the National Infrastructure Pipeline, Bharatmala Pariyojana, Sagarmala Project, Gati Shakti National Master Plan, Smart Cities Mission, Atal Mission for Rejuvenation and Urban Transformation (AMRUT) have been instrumental in driving infrastructure development and attracting investments. Under the National Infrastructure Pipeline (NIP), projects worth Rs. 108 trillion are currently at different stages of implementation. These initiatives are designed to support economic growth, improve connectivity, enhance quality of life, and foster sustainable development.

These government initiatives underscore India's commitment to developing a robust infrastructure framework, essential for achieving its long-term development goals and improving the quality of life for its citizens.

The Indian government has introduced various formats in order to attract private investments, especially in roads and highways, airports, industrial parks and higher education and skill development sectors. Private Equity-Venture Capital firms invested US\$ 3.5 billion (across 71 deals) in Indian companies in May 2023.

The future of India's infrastructure sector looks promising, with increased government focus and private sector participation. The emphasis on creating resilient, sustainable, and inclusive infrastructure is expected to bolster economic growth and improve the quality of life for India's population. As India progresses toward its 2047 vision, the infrastructure sector will remain a vital driver of the nation's development.

GLOBAL ECONOMIC OVERVIEW

After sharp declines in 2021-22, global public debt edged up again in 2023 and remained above pre pandemic levels by 9% of GDP. The share of low-income countries and emerging markets in or at high risk of debt distress remained elevated. Revenues in advanced economies (excluding the United States) and emerging

market economies (excluding China) exceeded pre pandemic projections by about 1.4% of GDP, as past inflation provided a boost through bracket creep effects. However, primary spending remained more than 3% of GDP above pre pandemic projections in advanced economies excluding the United States and over 2% of GDP in emerging market economies excluding China. Increased social spending was the main driver of higher spending in emerging market and developing economies. In advanced economies, higher spending reflected a slow unwinding of pandemic crisis subsidies and transfers, alongside new industrial policy measures, subsidies, and tax incentives (Japan, United States). Higher nominal interest rates pushed up net interest outlays in most economies. Fiscal tightening is projected for 2024, but it is subject to considerable uncertainty.

Near-term financial stability risks have therefore receded, and there is less of a downside risk to global growth in the coming year, based on the IMF's growth-at-risk framework analysis. The last mile of disinflation, however, may be complicated by several salient near-term financial fragilities.

In medium term, both public and private debt continues to accumulate in advanced economies and emerging markets, which could exacerbate adverse shocks and worsen downside risks to growth down the road. Major emerging markets continue to show resilience. With central banks having tightened policy aggressively and early, inflation has eased markedly in many emerging markets, allowing some to start their cutting cycles.

In late 2023, headline inflation neared its pre-pandemic level in most economies for the first time since the start of the global inflation surge. In the last quarter of 2023, headline inflation for advanced economies was 2.3% on a quarter-over-quarter annualized basis, down from a peak of 9.5% in the second quarter of 2022. For emerging market and developing economies, inflation was 9.9% in the last quarter of 2023, down from a peak of 13.7% in the first quarter of 2022, but this average was driven by high inflation in a few countries; for the median emerging market and developing economy, inflation declined to 3.9%. This progress notwithstanding, inflation is not yet at target in most economies.

Growth for 2024 and 2025 will hold steady around 3.2%, with median headline inflation declining from 2.8% at the end of 2024 to 2.4% at the end of 2025. Most indicators point to a soft landing.

Commodity supply is generally set to improve, but commodity demand is also expected to pick up even against a backdrop of still subdued global GDP growth because industrial activity and trade growth are set to firm after stagnating in 2023. The metals price index is expected to see little change in 2024-25.

Base metal prices are forecast to edge up in both years and remain well above 2015-19 levels, reflecting a pick-up in global industrial activity and growing production of clean energy technologies.

INDIAN ECONOMY

Global growth is projected to stabilize at 2.6% this year, holding steady for the first time in three years despite

MANAGEMENT DISCUSSION AND ANALYSIS

flaring geopolitical tensions and high interest rates. However, India's economy has been sustained by strong domestic demand, with a surge in investment, and robust services activity. It is projected to grow an average of 6.7% per fiscal year from 2024 through 2026 making South Asia the world's fastest-growing region.

As per RBI Monetary Policy June 2024, Headline inflation has seen sequential moderation since February 2024, albeit in a narrow range from 5.1% in February to 4.8% in April 2024. CPI inflation for 2024-25 is projected at 4.5% with Q1 at 4.9%; Q2 at 3.8%; Q3 at 4.6%; and Q4 at 4.5%.

Going forward, high frequency indicators of domestic activity are showing resilience in 2024-25. The south-west monsoon is expected to be above normal, which augurs well for agriculture and rural demand. Coupled with sustained momentum in manufacturing and services activity, this should enable a revival in private consumption. Investment activity is likely to remain on track, with high-capacity utilization, healthy balance sheets of banks and corporates, government's continued thrust on infrastructure spending, and optimism in business sentiments. Improving world trade prospects could support external demand. Headwinds from geopolitical tensions, volatility in international commodity prices, and geoeconomic fragmentation, however, pose risks to the outlook. Real GDP growth for 2024-25 is projected at 7.2% with Q1 at 7.3%; Q2 at 7.2%; Q3 at 7.3%; and Q4 at 7.2%.

According to the provisional estimates released by the National Statistical Office (NSO) on May 31, 2024, real gross domestic product (GDP) growth in Q4:2023-24 stood at 7.8% as against 8.6% in Q3. Real GDP growth for 2023-24 was placed at 8.2%. On the supply side, real gross value added (GVA) rose by 6.3% in Q4:2023-24. Real GVA recorded a growth of 7.2% in 2023-24.

According to RBI Half Yearly Report on Management of Foreign Exchange Reserves March 2024, Foreign Exchange reserves increased from US\$ 587.71 billion as at end-September 2023 to US\$ 646.42 billion as at end-March 2024. Foreign exchange reserves in nominal terms (including valuation effects) increased by US\$ 44 billion during April-December 2023 as against a decrease of US\$ 44.6 billion in the corresponding period of the preceding year.

Way Forward

Building on the massive tripling of the capital expenditure outlay in the past 4 years resulting in huge multiplier impact on economic growth and employment creation. In Budget 2024-25, capital investment outlay for infrastructure has been increased by 11.1% to Rs.11.11 lakh crore (US\$ 133.86 billion), which would be 3.4% of GDP. As per the Budget 2023-24, a capital outlay of Rs. 2.52 lakh crore (US\$ 30.72 billion) has been made for the Railways, an increase of 5.8% over the previous year.

Three major economic railway corridor programmes viz. energy, mineral and cement corridors, port connectivity corridors and high traffic density corridors will be implemented. The projects have been identified under the PM Gati Shakti for enabling multi-modal connectivity. They will improve logistics efficiency and reduce cost. Metro Rail and NaMo Bharat can be the catalyst for

the required urban transformation. Expansion of these systems will be supported in large cities focusing on transit-oriented development.

India's logistics market is estimated to be US\$ 317.26 billion in 2024 and is expected to reach US\$ 484.43 billion by 2029, growing at a CAGR of 8.8%. The Ministry of Commerce and Industry, states that the logistics sector accounts for 5% of India's GDP and provides jobs for nearly 2.2 crore Indians.

In 2024-25, Indian railways is planning to Create three important railway routes for moving energy, minerals, and cement efficiently; connecting ports better; and improving busy traffic routes. In 2024-2025, the goal is to upgrade 40,000 conventional rail bogies to meet the 'Vande Bharat' standards. Ultra-modern Tejas trains have been introduced on the LHB platform with sleeper coaches over Indian Railways.

International Monetary Fund (IMF) in its World Economic Outlook (April 2024), projected the Indian growth of 6.8% in 2024 and 6.5% in 2025 with the robustness reflecting continuing strength in domestic demand against the global growth of 3.2%.

INDUSTRY OVERVIEW

Indian government prioritizes infrastructure and construction services through various policies. These include open FDI norms, significant budget allocations for infrastructure, and the Smart Cities Mission. To streamline and accelerate infrastructure development, the Prime Minister has introduced the Gati Shakti Master Plan, which aims to integrate various modes of transportation and enhance the speed of project execution. The government's commitment is evident through its allocation of 3.3% of GDP to the infrastructure sector in the fiscal year 2024, with particular focus on the transport and logistics segments.

The government has set ambitious targets for the transport sector, including development of 2 lakh-km national highway network by 2025 and expanding airports to 220. Additionally, plans include operationalizing 23 waterways by 2030 and developing 35 Multi-Modal Logistics Parks (MMLPs). The total budgetary outlay for infrastructure-related ministries increased from around Rs.3.7 Lakh crore in FY23 to Rs.5 Lakh crore in FY24, offering investment prospects for the private sector across various transport sub-segments.

India's National Logistics Policy, launched on 17th September 2022, aims to reduce logistics costs in India to be comparable to global benchmarks by 2030. According to National Council of Applied Economic Research (ANCAER) report on Logistic Cost in India-Assessment and Long-Term Framework released in December 2023, aggregated logistics costs for India fall in the range of 7.8%-8.9% of GDP for 2021-22. To further reduce its logistics costs, India should gradually reduce the absolute cost of logistics as a percentage of sales of agriculture and manufactured goods. Reduced logistics costs would improve efficiency and competitiveness across various sectors of the economy and encourage greater value addition and innovation.

MANAGEMENT DISCUSSION AND ANALYSIS

Railway Sector

In the Budget 2024, Government has allocated capital outlay of Rs. 2.52 lakh crore, which is highest ever allocation for railways. Indian Railways is planning to implement three major economic railway corridor programmes viz. energy, mineral and cement corridors, port connectivity corridors and high traffic density corridors, which will have been identified under the PM Gati Shakti for enabling multi-modal connectivity. They will improve logistics efficiency and reduce cost. The resultant decongestion of the high-traffic corridors will also help in improving operations of passenger trains, resulting in safety and higher travel speed for passengers.

The National Infrastructure Pipeline (NIP) is a framework established by the Government of India to drive infrastructure development across the country. It aims to provide world-class infrastructure facilities, which are crucial for economic growth, job creation, and improving the quality of life for citizens. Under the National Infrastructure Pipeline (NIP), projects worth Rs. 108 trillion (US\$ 1.3 trillion) are currently at different stages of implementation. Currently, 9800 projects are under this scheme out of which 2006 are under development.

An UIDF will be established through the use of priority sector lending shortfall, which will be managed by the National Housing Bank, and will be used by public agencies to create urban infrastructure in Tier 2 and Tier 3 cities.

Indian Railways is exploring a new public-private partnership (PPP) model to attract private investment to re-develop railway stations. Under this model, investors would receive up to 40% of the total project cost as viability-gap funding (VGF) and be allowed to use the space above platforms and tracks commercially. Under the hybrid PPP model, bids will be chosen based on the quantum of VGF support required by the private investor. The private developer will be allowed to develop air space to generate additional revenue through commercial activities, including the lease of office space, development of entertainment and recreational facilities, hospitality services, malls and even healthcare facilities.

Indian Railways to enhance safety and efficiency on its rail network, "Kavach" an indigenous technology for train collision avoidance system is introduced. It aims to prevent train accidents caused by human error or signal failure by automating train control and signaling. As a part of the efforts to strengthen Aatmanirbhar Bharat, Indian Railways is planning to cover 34,000 Kms of network will be brought under KAVACH.

The 'Green Energy Project' is an initiative to make Indian Railways environment-friendly by focusing on renewable sources of energy. Indian Railways aims to become a Net Zero Carbon Emitter by 2030, with 211 MW of solar plants and 103 MW of wind power plants commissioned as of October 2023, along with 2150 MW of renewable capacity tied up.

Road Sector

India has the second-largest road network in the world, spanning over 6.7 million kms. Over 64.5% of all goods in

the country are transported through roads, while 90% of the total passenger traffic uses road network to commute.

As of January 2024, the total length of National Highways in the country was 1,46,145 km. In addition to National Highways, State Highways also accounts 1,79,535 Km. in December 2023. In March 2024, Prime Minister Narendra Modi inaugurated and laid the foundation stone for 112 national highway projects across various states, with a total worth of approximately Rs.1 lakh crore. The Government aims to construct 65,000 kms of national highways at a cost of Rs. 5.35 lakh crore. The government has set ambitious targets for the transport sector, including development of 2 lakh-km national highway network by 2025.

The NHAI launched the "One Vehicle, One FASTag" campaign with the goal of discouraging user behaviour that links several FASTags to a single car or uses a single FASTag for many vehicles. This programme intends to improve the efficiency of the Electronic Toll Collection system and allow smooth movement at the Toll Plazas.

Under the Budget 2024-25, the Government of India allocated Rs. 2.72 lakh crore to the Ministry of Road Transport and Highways.

In February 2024, NHAI raised over Rs. 15,624 crore through InviT mode. FDI inflows in construction development stood at US\$ 26.54 billion between April 2000 – December 2023.

34,800 km of National Highway length was planned for development under Phase-I of Bharatmala Pariyojana. As of Dec-2023, 26,418 km (i.e., 76% of 34,800 km) have been awarded for construction with completion of about 15,549 km. The projects under Bharatmala Pariyojana are mainly funded by Central Government and resource mobilisation by the Ministry.

Gati Shakti National Master Plan (NMP) was launched for providing multimodal connectivity infrastructure to various economic zones. PM Gati Shakti National Master Plan provides a comprehensive database of the trunk & utility infrastructure, ongoing & future projects of various Infrastructure and Economic Ministries/ Departments of Central Government and States/UTs. This data is integrated with the GIS-enabled PM Gati Shakti platform, there by facilitating the integrated planning, designing, and monitoring of the Next Generation infrastructure projects on a single portal.

In G20 Summit, PM announced the ambitious project of mega India-Middle East-Europe shipping and railway connectivity corridor, which will develop connectivity and infrastructure involving India, UAE, Saudi Arabia, EU, France, Italy, Germany and the US. The infrastructure deal is expected to connect countries in the Middle East via a network of railways.

Renewable Energy Sector

India has low conventional energy resources compared to its required energy needs driven by a huge population and a rapidly increasing economy. However, India can harness the huge potential of solar energy as it receives sunshine for most of the year. It also has vast potential in

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the hydropower sector which is being explored across states, especially in the northeast.

As of January 2024, Renewable energy sources, including biomass, waste to power and waste to energy, have a combined installed capacity of 136.6 GW. India's installed renewable energy capacity is expected to increase to about 170 GW by March 2025 from the level of 135 GW as of December 2023, according to research agency ICRA.

Prime Minister Mr. Narendra Modi initially set the target of installing 175 GW of renewable energy capacity by 2030, but has now increased it to 450 GW. US\$ 2.4 billion National Hydrogen Mission for production of 5 MMT by 2030 and US\$ 36 million additional in budget.

The Indian government's commitment to reaching net-zero emissions by 2070 and increasing its renewable energy target to 500 GW by 2030 at the COP26 summit has provided great support to the industry and spurred unprecedented growth. On February 13, 2024, Prime Minister Mr. Narendra Modi launched PM Surya Ghar Muft Bijli Yojana, offering free rooftop solar electricity to 1 crore households, backed by subsidies and concessional loans.

Ministry of New and Renewable Energy targets 500 GW non-fossil-based electricity generation by 2030, as per the Prime Minister's COP26 announcement, with an added installation of 13.5 GW renewable energy capacity in 2023, corresponding to an investment of around Rs.74,000 crore. The Central Electricity Authority (CEA) estimates India's power requirement to grow to reach 817 GW by 2030. As the economy grows, the electricity consumption is projected to reach 15,280 TWh in 2040 from 4,926 TWh in 2012. Power generation from solar and wind projects are likely to be cost-competitive relative to thermal power generation in India in 2025-2030.

In the Interim Budget for 2024-2025, the fiscal allocation for solar power grid infrastructure development surged to Rs. 8,500 Crore, a significant rise from the previous year's Rs. 4,970 Crore. Further, Rs. 17,490 crores were allocated for the Green Hydrogen Mission and the Strategic Interventions for Green Hydrogen Transition (SIGHT) Programme. The Government of India doubled funding for the National Green Hydrogen Mission, allocating Rs. 600 crore.

The country plans to reach 450 GW of installed renewable energy capacity by 2030, with 280 GW (over 60%) expected from solar power. The ambitious target of 450 GW will provide investment opportunities worth US\$ 221 billion by 2030. The International Energy Agency's World Energy Outlook projects a growth of renewable energy supply to 4,550 GW in 2040 on a global basis.

The country ranks fourth worldwide in terms of the total installed wind power capacity. Due to its favorable location in the solar belt (400 S to 400 N), India is one of the best recipients of solar energy with abundant availability.

COMPANY OVERVIEW

Ircon International Limited (IRCON), an integrated engineering and construction company having expertise in major infrastructure sectors including railways, highways, bridges, flyovers, tunnels, metro,

railway electrification, EHV sub-stations, electrical and mechanical works, commercial and residential buildings, railway production units, amongst others. It offers Engineering Procurement and Construction (EPC) services on a lumpsum turnkey, EPC and item-rate basis for various infrastructure projects. To boost coal evacuation from states like Odisha, Jharkhand & Chhattisgarh, IRCON is executing coal connectivity projects in joint venture with other CPSEs under the Ministry of Coal. In addition to this, IRCON executes projects on Build, Operate and Transfer (BOT) mode and Hybrid Annuity Mode (HAM) by leveraging the financial strength of the Company to build long term wealth.

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

Over the past 48 years, IRCON has successfully completed numerous significant construction projects, both domestically and internationally. The Company has actively pursued a strategy of diversification, expanding its presence in various sectors and geographical locations. While IRCON ventured into the field of Solar Power Development recently, its primary focus and core strength have always remained firmly rooted in the railway sector.

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

Over the years, IRCON has expanded its business footprints in different geographies such as Algeria, Afghanistan, Bangladesh, Bhutan, Brazil, Indonesia, Iran, Iraq, Liberia, Malaysia, Mozambique, Myanmar, Nepal, Nigeria, Saudi Arabia, South Africa, Sri Lanka, Turkey, UK and Zambia. So far, the Company has completed over 129 projects in 25 countries across the globe, and more than 401 projects in India. In the domestic market, it specializes in working in difficult terrains and disturbed regions. Furthermore, it is an active participant in prestigious nation-building projects.

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

LEGAL STATUS AND AUTONOMY

During the Financial Year 2023-24, the Department of Public Enterprises has granted the Navratna Status to IRCON. IRCON is the 15th Navratna amongst the CPSEs. It is a legal entity separate from the Government, and is a lawfully, functionally, and financially autonomous Company that operates under the corporate laws as an independent commercial enterprise. The Company does not receive any budgetary or financial support from the Government and is not dependent on the Government for any aid or assistance. However, the Government of India through the Ministry of Railways and the Department

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

The Promoter of your Company i.e. the President of India holds 65.17% of the total paid-up equity share capital of the Company, as on March 31, 2024. In December 2023, through Offer for Sale (OFS) Government of India divested 8.01% paid-up equity share capital and the Company is compliant with the Minimum Public Shareholding (MPS) requirements specified in Rule 19(2) and Rule 19A of the Securities Contracts (Regulation) Rules, 1957.

As per 2023 edition of USA's Engineering News Record (ENR), IRCON is the only Indian PSU to make it to the list of top 250 International Contractors as well as top 250 Global Contractors. Further in the Business Standard BS 1000 Annual Magazine released in March 2024, IRCON has been ranked 142 in 2023 by total revenue, and stands at 5th position under the 'Construction and Infrastructure' Sector. IRCON is also ranked 205th in 2023 in the list of fortune India 500.

BUSINESS UNITS / DIVISIONS

Major business units / divisions of IRCON are as follows:

1. Civil Engineering Department

IRCON has established itself as a prominent construction organization in the country, with the Civil Engineering Department serving as the backbone of the Company and generating a significant portion of its revenue. It plays a pivotal role and provides leadership in the successful execution of large-scale composite projects. The department input and leadership are essential for the smooth implementation of the numerous projects awarded to IRCON. This department is led by a highly experienced senior management team, consisting of professionals from renowned Engineering and Business Schools. They are supported by a large group of motivated and skilled Civil Engineers who have graduated from prestigious institutes like IITs and NITs. As on March 31, 2023, there are 690 Civil Engineers in the department, accounting for approx. 50% of the total staff strength.

IRCON is committed to incorporate the latest technology in project execution to ensure timely and cost-effective delivery. With its highly qualified and experienced workforce, the Company has significantly enhanced its competitiveness in the construction industry. It has an impressive track record of growth and expansion in various construction domains, including Railways, Highways, Bridges, Flyovers, Airports, Commercial & Industrial Buildings, Tunnels, Water treatment Plants, Residential Quarters, and more. IRCON's Civil Engineers are adept at working in remote areas, both in India and abroad, utilizing advanced Project Management

Tools such as Primavera, TILOS, and MS Project. They are also trained in the latest surveying techniques, including GPS Surveying, Aerial LIDAR Surveying with Drones, and Total Station Surveying.

The department has successfully completed numerous mega projects, demonstrating its competency in Line in IRAQ, Jamuna Bridge Rail Link-II in Bangladesh, the Double track project between Seremban & Gemas in Malaysia, the Upgradation of Railway Lines in the Northern Province of Sri Lanka, the completion of the Qazigund – Baramulla New BG Railway Line in J&K, and the completion of the 11.2 km Pir Panjal Tunnel, the longest transportation tunnel in India, in J&K, Longest Rail cum Road Bridge (at the time of commissioning, in India) at Patna. IRCON is the only public sector undertaking (PSU) to connect the rail network in the J&K State's valley region. IRCON has also commissioned a new line works from Khulna-Mongla (65Km) route and track length (91 Km). on 31st March, 2024. It was first of its kind commissioned by any Indian Company in Bangladesh out of LOC fund by GoI. Track linking of 186 km route double line for DFCCIL under CTP-12 project has also been completed during year 2023-24 and the project is commissioned for traffic operations 38.262 Km New BG line in Udhampur-Srinagar-Banihal Section during year 2023-24.

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

In another prestigious tunneling project to connect Sikkim by Railway line, has achieved tunneling of 35 Km by NATM, in very challenging geology.

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

2. Design and Development Cell

IRCON's Design and Development Cell (D.D. Cell) is dedicated to develop in-house civil designs & review designs submitted by consultants duly addressing safety, durability and project cost optimization etc. as per all the relevant CODAL provisions; value engineering and estimation of quantities for bidding for various big-ticket national & international projects and other civil engineering solutions to most of IRCON's projects. Sophisticated design softwares such as Bentley Open Rail/Open Roads (for Alignment Design), STAAD Pro, ETABS & MIDAS (for Structural design and Bridge Design), IITPAVE & KGPBACK (for Pavement & Overlay

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Design), SLIDE (for Slope Stability Analysis of Soil), RS2 (for FEM Analysis of Soil/Rock for the design of foundation and Tunnel), ReSSA & MSEW (for the design of Reinforced Earth wall /Reinforced Earth Slopes) are being used for developing designs and corresponding drawings are developed with the help of efficient CAD Engineers.

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

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

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

IRCON Design Team has been extensively involved in finalizing designs of various domestic projects as well as international projects viz. Mokama Viaduct Project, Mahanadi Coal Rail Linked (MCL&MCR) project, CERL-2 Dharamjaigarh- Urga section, ROB at Shalimar & Santragachi project, Shivpir-Kathautia Rail line project (JCRL), Agartala- Akhaura (India Portion) Railway Viaduct Project, Chhattisgarh East West Rail project Gevra-Pendra CEWRL Section, Sivok Rangpo Railway line project, Maho- Omanthai railway line project in Sri-Lanka, DFCCIL CTP-12, CERL Dharamjaigarh- Kharsia section including spur line and feeder line.

Some of the noteworthy projects done earlier wherein D.D Cell has been involved in providing design solutions are: 2-tier Road cum Railway Bridge across River Ganges in Bihar at Digha Ghat, Bikaner-Phaloudi Road Project, Buildings of RAPDRP, Railway link in Northern province of Sri Lanka, Railway Bridges of Jaynagar Bardibas Railway Project (India and Nepal), Seremban-Gemas Electrified double track Railway Project (SGEDT) in Malaysia, Beira Rail Project in Mozambique including Dona Ana Bridge across the mighty River Zambezi etc.

The team has also played an important role in quantity estimation while bidding for various major rail/road projects viz Aizwal Bypass Tunnel; Oman Ethiad Rail Package-C, I&II; Gomoh-Koderma, Gaya-Sonnagar, Gaya Detour, Kottavalasa-Koraput Doubling project; Sindhanur to Hirekotangal & Hirekotangal to Momadpur packages ;4-laning of Jitnagar to Nandad of NH-56; Mizoram Tunnel; 4-Laning of NH in

districts of Darjeeling & Jalpaiguri, Maldives Harbor Project, Sudhmahadev – Dranga Tunnel of approx. length 4.5 Km and its approach roads on Chenani Sudhmahadev-Goha road portion, Vailoo Tunnel of approx. length 10.00 Km under Sinthan Pass and its approach roads on Goha – Khellani – Khanabal road portion, HRIDC C-4, C23 Project, High-Speed Rail Project C4, C5, C6 & C7 Packages, Gurgaon-Rewari Highway Project, DFCCIL CTP 1, 2, 3, 3A, 11, 12 & 14 Packages, Vadodara-Kim Expressway Pkg-II, Davanagere-Haveri in Karnataka, Shivpuri-Guna Highway Project, Etihad Rail in UAE, various projects in Bangladesh, Maldives, Iran, Ethiopia, Oman etc.

3. Electrical Department

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

IRCON undertook its first major Railway Electrification Project of the Delhi – Ring – Railway in 1980 and offered environment-friendly electric traction services to passengers during the Asian Games organized in 1982. Thereafter, in its journey of 4 decades, the company has executed more than 10,124 TKM of Railway Electrification works in India & abroad and established itself as the leader in the market.

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

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

IRCON has extensive experience for execution of Tunnel Ventilation, Safety & Electro Mechanical works. Electro Mechanical works of 65 km Railway

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Tunnels (T-43, T-44, T-49, T-50/51, T-52, T-53, T-54, T-55 & T-80) including 13 km longest Rail Tunnel, stretch from Banihal to Sawlakote under USBRL Project, has been completed. This will provide all weather Rail connectivity to Kashmir Valley. Banihal to Sangaldan section was inaugurated by Hon'ble Prime Minister on 20.02.2024. Complete turnkey E&M work comprises of design, planning, project management, testing, commissioning, operation, and maintenance facility for Electrical Works (complete HT and LT works), Tunnel Ventilation System (TVS), Fire Fighting Systems, Operational Management and Control System (SCADA).

About 38.6 km of Electro Mechanical works in Railway tunnels T-1 to T-14 connecting Sikkim state to India is under design and execution stage.

IRCON has the experience of executing railway electrification work at high altitude (1650m above msl), which was implemented for the first time in Indian Railways between Baramulla to Banihal (J&K) – 200 TKM including tunnel T-80 with Flexible Overhead Catenary system (FOCS). IRCON has also executed about 38km of Rigid Overhead Catenary system (ROCS) works in Banihal to Dharam (J&K), which has also been implemented for the first time in Indian Railways.

About 38.6 km of ROCS works in Railway tunnels T-1 to T-14 connecting Sikkim state to India is under planning stage.

IRCON is also executing Traction & Power Supply works of India's first Semi-High Speed Regional Rapid Transit System in Delhi-Meerut Section for National Capital Region Transport Corporation (NCRTC). The work involves Extra High Voltage 220 kV Power Cabling, 05 Nos. Receiving Sub-Stations (RSS), 09 Nos. of Auxiliary Sub-Stations (ASS), Overhead Equipment (OHE) with a design speed of 180 kmph. The section from Sahibabad to Meerut South including Duhai Depot has already been commissioned. The Inauguration of Stage-1 (Sahibabad to Duhai) was done by Hon'ble Prime Minister of India on 18.10.2023 & Stage-2 (Duhai to Meerut South) on 06.03.2024.

For the prestigious 'Mission 100% Railway Electrification' of the Ministry of Railways (Government of India), IRCON is executing more than 2700 RKM Railway Electrification & 28 Traction sub-station works in various Railway Electrification works, out of which more than 2140 RKM & 12 Nos. Traction Sub-Stations (TSS) have been commissioned along with 98 kms. of 132 kV Transmission Lines.

4. Mechanical Engineering Department

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

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

IRCON has secured a contract of Rs. 534.54 crores from M/o MSME for procurement of various M&P for MSME Technology centers at various locations in India.

IRCON is playing a vital role in execution of India's prestigious high speed rail project i.e. MAHSR-T2. This Project is being executed by Govt. of India under the expert guidance of Japanese Consultant from Shinkansen Bullet trains. As per the methodology adopted by the Japanese consultant all the track machineries to be deployed in the construction of Track & Track related works are either Japanese machineries or machines developed by Japanese Engineers/ manufacturer's for track related works. IRCON, Mechanical team has developed these critical machineries in-house under Make-in-India program by guiding Indian manufacturer's on the technical design and specific functional requirement of the track machines. In this endeavor, IRCON has not only developed Indian manufacturers at par with Japanese design but also saved a significant cost to IRCON by getting these track machineries manufactured in India instead of procuring these machines from Japan. Some of these track machineries are Rail Feeder cum drawer Car, Track Motor Car, Trolley/ Wagons & Flash Butt Welding machines. These machines are specially developed in the same line as that of Japanese technological requirements.

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

Coach production facility at Rai-Bareilly is an engineering marvel and an integrated unit having

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

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

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



5. Signal & Telecom Department

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

IRCON has been executing number of state-of-the-art S&T projects, starting from Relay Interlocking to Electronic Interlocking (EI), Automatic Train Protection (ATP), Centralized Traffic Control (CTC) systems

In the year 2023- 24, IRCON commissioned Signalling Works at 104 Stations of Indian Railways as part of New Line, Doubling, Replacement of Mechanical Sigg with EI, Yard Alterations/Sidings, RE Modifications. These include prestigious New lines of USBRL Project, Akhaura-Agartala New Line Project; Doubling Works on WCR, ECR; Turn-key EI Works on NR; Yard alterations/sidings on ECoR, RE Works of NWR & NRF.

IRCON has been at the forefront of technology in execution of telecom works, and executed Telecom Projects of Synchronous Digital Hierarchy (SDH), Multi-Protocol Label Switching (MPLS) Technologies in Sri Lanka, Bangladesh, Nepal, Malaysia and India. IRCON has also executed & Integrated Tunnel Communication System (ITC).

In the year 2023-24, IRCON Executed 54 RKm of Integrated Tunnel Communication Works on Prestigious USBRL Project and also IP-EPABX, IP- CCTV, PA system and Integrated Passenger Information System (IPIS) Works at the new stations of USBRL Project.

6. Business Development Department

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

In the past years, Business Development Department of IRCON has secured projects in railway, highway, tunnel, metro, solar, electrical & mechanical, signaling & telecommunication, buildings etc. both through competitive bidding and on nomination basis. The Railway Board has changed its policy and award of works to PSU's on nomination basis has been discontinued. Accordingly, IRCON through its Business Development department now competes with infrastructure companies including private players in the sector by participating in tenders invited by various clients in India & abroad and secure work through competitive bidding.

In the year 2023-24, the Business Development Department of IRCON has secured following 5 (five) projects:

- Supply, installation, testing and commissioning of Integrated Tunnel Communication Systems, OFC based industrial grade network system including laying of OFC for Railway network which includes tunnels and stations in Jiribam Khongsang section of Jiribam – Imphal new Railway Line Project worth 144.17 Cr.

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- Procurement of Goods including Machinery, Plant & Equipment up to the stage of successful installation, commissioning, training, FAC, etc. worth 2.12 Cr.
- Composite works (Civil, Electrical and Mechanical) involving construction of Industrial shops with Pre-Engineered Building (PEB), water supply system drainage system, Electrification and illumination works, associated telecom works and supplying & commissioning of specified Mechanical Machineries (EOT Cranes etc.) in connection with Detachment free rake examination facilities (Ph-II) at Exchange Yard of Bondamunda, South Eastern Railway worth 80.07 Cr.
- Engagement of Nodal Agency for establishment of Technology Centres across India under the scheme "Establishment of New Technology centre/Extension Centres" worth 84.68 Cr.
- Construction of Twin Tube Uni-directional Aizawl Bypass Tunnel of 2.5 km and its approaches of 2.1 km from km 10.600 to km 15.200 (Package-2) on Sairang – Phaibawk section of NH-6 in the State of Mizoram on EPC Mode worth 630.66 Cr.

The Department is also engaged in the process of formation of strategic MOUs and alliances to explore new business opportunities and is looking to diversify into new sectors with future growth potential. Business Development cell has engaged one of the renowned management consultants for preparation of corporate plan for the company for next 05 (five) years.

The department is aggressively pursuing potential infrastructure opportunities in countries such as Bangladesh, Malaysia, Myanmar, Nepal, Sri Lanka, Middle Eastern region and African continent which will help in fostering future growth of IRCON.

7. Estate Management Department

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

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

Among real estate projects, IRCON has constructed many commercial buildings, institutional buildings,

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

Foreseeing the growth in Real Estate Sector, IRCON has accumulated a large portfolio of real estate properties and assets in metropolitan cities such as Mumbai, Chennai, Kolkata, Bangalore, Noida and Gurugram etc. for commercial development. Your Company had acquired 8 plots in different sectors, on leasehold basis for 90 years, at NOIDA and has successfully Leased out 22,023 Sq. mt. of built – up space for Commercial and Office use. The Company has also developed a property in Sector 32, Gurugram, Haryana and this property is registered with the trademark authorities in India as 'IRCON INTERNATIONAL TOWER'. Entire leasable space has been leased out to different government agencies. Apart from the Office Spaces, IRCON International Tower, Sector-32, Gurugram, accommodates state-of-the-art 250 seats auditorium and training center equipped with latest equipment along with an accommodation facility.

FINANCIAL PERFORMANCE (STANDALONE)

During FY 2023–24, highest ever total income of the Company was achieved ₹12387.85 as against ₹10261.63 Crore in the previous financial year, thus showing an increase of 20.72%. More than 96.46% of the Company's total income i.e. ₹11950.40 Crore has been recorded from operations which is 20.45% higher as compared to the operating turnover of ₹9921.20 Crore of FY 2022–23. Out of the total operating turnover, 4.81% amounting to ₹ 574.82 Crore has been generated through international projects.

The Profit Before Tax (PBT) and Profit After Tax (PAT) have increased by 30.84% and 11.08% and stood at ₹1155.54 Crore and ₹ 862.90 Crore, respectively.

The details of interim dividend declared and paid and proposed final dividend for FY 2023–24 for consideration and declaration by the shareholders, over and above the interim dividend at the forthcoming AGM are mentioned in the Directors' Report under 'Financial Highlights'. Further, the details of significant changes (that is, change of 25% or more as compared to FY 2022–23 in the key financial ratios) along with detailed explanations thereof forms part of the Financial Statement.

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Key Financial Ratios

The details of significant changes (that is change of 25% or more as compared to FY 2022-23 in the key financial ratios) along with detailed explanations thereto is placed below:

| S. N. | Name of Ratio | Formula | Unit | FY 2023-24 | FY 2022-23 | % Change | Reason for change more than 25% |
|-------|--------------------------|---|------------|------------|------------|----------|--|
| 1. | Debtors Turnover Ratio | Net Credit Sales/ Average Trade Receivable | In times | 13.17 | 12.58 | 4.71% | - |
| 2. | Inventory turnover Ratio | Cost of Goods Sold/ Average Inventory | In times | 51.92 | 37.73 | 37.61% | (i) Average inventory has decreased in comparison to previous year. (ii) Increase in operating expenditure due to corresponding increase in operating revenue. |
| 3. | Current Ratio | Current Assets / Current Liabilities | In Times | 1.60 | 1.49 | 7.45% | - |
| 4. | Debt-Equity Ratio | Debt / Total Shareholders' Equity | Percentage | 0.00056 | 0.00010 | 470.00% | The ratio is not material due to offsetting of loan from IRFC with amount recoverable from RLDA and low value of lease liability. However, the variation in ratio is high only due to change in lease liability. |
| 5. | Operating Profit Margin | (PBIT-Other Income) / Turnover | Percentage | 6.09% | 5.50% | 10.73% | - |
| 6. | Net Profit Margin | Net Profit / Total Income | Percentage | 6.97% | 7.57% | -7.99% | - |
| 7. | Return on Net Worth | Net Profit / Average Net Worth | Percentage | 15.76 | 15.88 | -0.76% | |

During FY 2023-24, the Company has complied with the guidelines prescribed by the Accounting Standards while preparing the financial statements (standalone and consolidated), and no deviation has been made in the reporting of the financial information.

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

MANAGEMENT DISCUSSION AND ANALYSIS

OPERATIONAL PERFORMANCE

SECTORAL PERFORMANCE

During FY2023–24, around 83.83% of the revenue earned by IRCON is contributed by the Railway sector. The main focus business area for IRCON is Railways, however, the Company is also concentrating on Highways business, which generates approximately 15.80% revenue and remaining from other areas such as electrical and building works.

SECTOR WISE PERFORMANCE:

(₹ in Crore)

| Sectors | FY2024 | | FY2023 | | FY2022 | |
|--------------|------------------|------------|------------------|------------|------------------|------------|
| | Operating Income | % | Operating Income | % | Operating Income | % |
| Railways | 10018.45 | 83.83 | 9313.47 | 93.87 | 6387.72 | 92.44 |
| Highways | 1888.57 | 15.80 | 583.23 | 5.88 | 496.92 | 7.19 |
| Others | 43.38 | 0.37 | 24.50 | 0.25 | 25.51 | 0.37 |
| Total | 11950.40 | 100 | 9921.20 | 100 | 6910.15 | 100 |

SEGMENT WISE PERFORMANCE:

(₹ in Crore)

| Sectors | FY2024 | | FY2023 | | FY2022 | |
|--------------|------------------------|------------|------------------------|------------|------------------------|------------|
| | Total Operating Income | % | Total Operating Income | % | Total Operating Income | % |
| Foreign | 574.82 | 4.81 | 411.84 | 4.15 | 480.43 | 6.95 |
| Domestic | 11375.58 | 95.19 | 9509.36 | 95.85 | 6429.72 | 93.05 |
| Total | 11950.40 | 100 | 9921.2 | 100 | 6910.15 | 100 |

ORDER BOOK POSITION

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

IRCON's order book, as on March 31, 2024, stood at ₹ 27208 Crore (approx.) with ₹21158 Crore value of work in Railways sector and ₹ 5964 Crore value of work in Highway sector.

Out of the total order book, ₹ 13401 Crore value of work secured through competitive bidding and ₹ 13807 Crore value of work secured through nomination basis.

SWOT ANALYSIS

Strengths

1 Healthy Order Book:

The company possesses an impressive executable order book exceeding ₹ 27208 crore as of March 31, 2024. This substantial order book ensures revenue visibility for the next 2–3 years, demonstrating strong business stability.

2 Strong Financial Performance:

The company has demonstrated robust financial performance, achieving its highest-ever turnover

and profit in the fiscal year 2023–24, underscoring its financial strength.

3 Zero Debt Company:

IRCON is debt-free on a standalone basis, enhancing its resilience throughout all business cycles.

4 Strong Cash Position:

As of March 31, 2024, IRCON holds a cash and bank balance of ₹ 4,429 crore, with approximately 18% being its own cash. This amount represents nearly 31% of the company's total assets, a rarity in the infrastructure sector.

5 Extensive Experience:

With a history spanning more than forty years, IRCON has established a strong reputation for successfully delivering large and intricate infrastructure projects, both within India and globally. The company possesses specialized expertise in operating in challenging terrains, including regions like Jammu & Kashmir and the North East states.

6 Seasoned Workforce:

The technical manpower exhibits high skill and experience in their respective fields. The top and middle management of the company represents an optimal blend of Ministry of Railways expertise and seasoned professionals with a strong track record in project execution.

MANAGEMENT DISCUSSION AND ANALYSIS

7 Diversified Business Segments:

The company operates across diverse sectors including railways, highways, electricals, and renewable energy. This diversification mitigates industry-specific and business cycle risks.

8 Widespread Geographical Presence:

IRCON has established a significant presence both domestically and internationally. Presently, the company operates in more than 20 states across India and maintains a presence in Algeria, Sri Lanka, Myanmar, Nepal, and Bangladesh.

9 One Stop Solution (C2C):

The company offers comprehensive solutions to its clients, handling projects from conception to completion.

10 In-house Expertise and Resources for Project Execution:

The company typically executes projects using its own highly experienced workforce and utilizing its own available plant and machinery.

WEAKNESSES

1 Inherent constraint of being a PSU:

Being a government company, it must adhere to specific guidelines that do not apply to private sector firms. Private sector companies enjoy greater flexibility and can make decisions more swiftly due to less stringent procedures.

2 Exposure to geo political risk due to geographical presence:

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

OPPORTUNITIES

1 Government Emphasis on Infrastructure Development:

The Government is dedicated to infrastructure development and is implementing various policies. The infrastructure sector holds immense potential, presenting significant opportunities for major players like us.

2 Government Focus on Sustainable Energy:

Government is promoting green energy and introducing several schemes. IRCON has expanded its operations into the growing green energy sector through its subsidiary company. The government's focus on renewable energy presents substantial opportunities for IRCON.

3 National Infrastructure Pipelines (NIP):

Government has initiated the National Infrastructure Pipeline (NIP) for FY 2019-25 to deliver world-class infrastructure to citizens. The projected total

infrastructure investment during this period stands at Rs.111 lakh crore. Out of a total of 9,800 projects, 2,006 are currently under development, and this number is steadily rising.

4 National Rail Plan (NRP):

Indian Railways has devised the National Railway Plan to develop a 'future-ready' railway system by 2030. The plan focuses on strategies involving operational capabilities and commercial policies to boost the Railways' freight modal share from 27% to 45%. The government has identified new dedicated freight corridors and high-speed corridors as part of this initiative. Under the NRP 2021-2051, the government has allocated a CAPEX plan of ₹ 25.02 lakh crore, excluding ₹ 13.18 lakh crore for rolling stock.

THREATS

1 Government Policy Shift Away from Nomination-Based Work Allocation:

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

2 Price Volatility in Commodities:

Global geopolitical tensions and conflicts have led to significant volatility in commodity prices, including oil, ferrous and non-ferrous metals, and cement. This volatility could potentially affect the company's profitability in the short to medium term. However, the company proactively addresses this issue by including price escalation clauses in contract agreements to mitigate the impact of price fluctuations.

3 Elevated Inflation Levels:

According to the IMF's World Economic Outlook (April 2024), global headline inflation is anticipated to decline from an annual average of 6.8% in 2023 to 5.9% in 2024. Advanced economies are expected to return to their inflation targets more quickly than emerging market and developing economies. The latest forecast for global growth over the next five years stands at 3.1%, marking its lowest level in decades. Nevertheless, the IMF projects India's growth to remain robust at 6.8% in 2024, driven by strong domestic demand and a growing working-age population.

4 Intensified Sector Competition by Small Entities:

An increase in competition due to the presence of regional small players has led to intense price competition in the industry, potentially putting pressure on the company's margins. However, small players typically handle smaller projects. Given IRCON's expertise in specialized areas such as tunneling, high-speed rail, and metro projects,

MANAGEMENT DISCUSSION AND ANALYSIS

where it undertakes EPC contracts, the impact on the company is expected to be minimal.

FUTURE OUTLOOK

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

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

Expanding Geographical Footprints in Domestic and International Markets:

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

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

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

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

Active Focus of New Projects: IRCON's business growth is attributed principally to an increased bidding activity to procure large projects. With the Company's long-standing reputation, in-house capability and expertise, the Company bids for new projects in its niche areas of railway projects on a turnkey basis, tunnels, bridges, Dedicated Freight Corridor, Metro, RRTS, High Speed Rail, Bullet Train track etc as well as in other related areas of Railway such as warehouses, Gati shakti terminals etc. Additionally, IRCON aims to capitalize on its advantageous position over its competitors, both in terms of proficiency and financial position to undertake large-high-quality projects driven by the growth of the Indian economy. The various initiatives promulgated by the Government of India will help in continuing the growth momentum for the Company. The Company is also endeavoring to increase its share in international market through EPC and PPP execution mode.

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

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

Sectoral Initiatives Undertaken by the Government: Over the years, the Government of India has issued various macro-level and sectorial initiatives to improve

MANAGEMENT DISCUSSION AND ANALYSIS

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

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

STRATEGIC MOUs AND ALLIANCES

Your Company from time to time enters into various strategic MOU to explore new business opportunities. In the FY 2023-24, IRCON has entered into JVs Agreement with construction companies in India & Abroad.

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

RISK MANAGEMENT

IRCON acknowledges that operating in the construction sector exposes the Company to inherent uncertainties and risks. The volatility of this sector introduces various external and internal risks that can impact both the financial and non-financial outcomes. Recognizing the importance of an integrated approach to risk management, IRCON has established a comprehensive Enterprise Risk Management (ERM) framework.

IRCON has had a Risk Management System in place since 2007, with the Risk Management Policy (RMP) initially

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

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

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

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

In the Indian context, IRCON faces significant challenges in project execution, such as the non-availability of encumbrance-free land and delays in obtaining approvals for drawings and estimates. These factors pose risks of time and cost overruns, which are often uncompensated by the client. Additionally, the Company faces uncertainties in predicting project revenues, as they can vary due to various factors.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

A well-designed and consistently enforced system of operational and financial control is integral to safeguarding the Company's resources, ensuring the accuracy and integrity of financial reporting, and upholding compliance with pertinent laws and regulations. Additionally, such a system serves to mitigate the likelihood of substantial errors and irregularities, while facilitating their prompt

MANAGEMENT DISCUSSION AND ANALYSIS

identification upon occurrence. IRCON has instituted an internal control mechanism along with an Internal Audit Function tailored to its scale and operational scope, with the objective of augmenting operational efficacy and ensuring adherence to relevant statutory provisions, standards, and directives. Furthermore, the Company has established policies and guidelines optimizing the allocation of authority to streamline business processes.

In pursuit of enhancing the internal control system, the following actions have been executed:

Internal Financial Control (IFC)

The Company upholds sufficient Internal Control over Financial Reporting (ICFR) in compliance with the stipulations outlined in the Companies Act, 2013, which are meticulously enforced. These controls are structured to facilitate accurate maintenance of accounting records, orderly execution of business operations in accordance with company policies, safeguarding of assets, prevention and detection of fraud and errors, and ensuring the reliability of financial and operational information.

The internal financial control framework, encompassing ICFR, undergoes periodic evaluations to ensure its alignment with evolving business requisites. Any requisite modifications are instituted to augment its efficacy. The management ensures transparent disclosure of all pertinent financial information, furnishing a comprehensive insight into the Company's financial standing and operations.

Internal Audit

The Company engages experienced professional firms to conduct its Internal Audit, with the frequency of audits determined by the turnover and completion status of each project.

The Company has established and ratified its Internal Audit Framework, delineating the breadth of audit coverage. This framework covers various aspects, including financial accounting, financial reporting, tender and allied matters, project execution, procurement, subcontracting, statutory compliance, and more. Both the management and the Audit Committee periodically review the internal control and audit systems, with corrective measures taken as necessary to ensure continuous improvement.

Furthermore, IRCON has an organizational chart in place, along with a system for delegation of power that undergoes regular updates to ensure alignment with current organizational structures. Additionally, the Company has instituted a structured Fraud Prevention, Detection, and Control Policy (FPDC Policy) and a Whistleblower Policy, endorsed by the Board of Directors. These policies establish channels for confidential e-complaints, fostering a culture of integrity within the organization.

QUALITY, SAFETY, HEALTH AND ENVIRONMENT STANDARDS

IRCON is an ISO certified Company for Quality, Environment and Occupational Health & Safety Management Systems. The Company has implemented a Quality Management

System in accordance with ISO 9001:2015. It has also implemented an Environmental Management System in accordance with ISO 14001:2015 and Occupational Health and Safety Management System in accordance with ISO 45001:2018.

QUALITY

IRCON is a pioneer Public Sector Organization in adopting the Quality Management System Certification in the domestic as well as International Markets. Quality Management System (QMS) has been successfully sustained and continually improved since 1996 when the Company as a whole was first certified for ISO 9002:1994 by TUV SUD Private Limited. We have continued the certification and sustained the system as per the latest version of Quality Management Standards, i.e. ISO 9001:2015 (by periodical re-certification audit after the expiry of every three years). Latest surveillance audit was conducted TUV SUD South Asia Private Limited in the month of November, 2023, and the validity of the certificate is up to March, 2026.

Department continued the initiative of sharing technical knowledge by adopting digital platform (i.e. Google Meet, Microsoft Teams etc.) on various topics as per the scope and many more technical as well as technological solutions prevailing in the core competence of the organization i.e. railways, highways, tunneling & other infrastructure projects.

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM

The Company established an Occupational Health & Safety Management System and was certified for ISO 45001:2004 in October, 2011. The latest surveillance audit for ISO 45001:2018 was conducted by TUV SUD South Asia Private Limited in the month of October 2023, and the validity of the certificate is upto December, 2024.

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

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

IRCON actively participates in the national events through competitions. IRCON received a prestigious Safety Innovation Award, 2023 for Implementing Innovative Safety Management Systems by The Institute of Engineers (India).

ENVIRONMENTAL MANAGEMENT SYSTEM (EMS)

The Company established an Environment Management System (EMS) and was certified for ISO 14001:2004 in October 2011. The latest surveillance audit for ISO 14001:2015 was conducted by TUV SUD South Asia Private Limited in the month of November, 2023 and the validity of certificate is upto February, 2026.

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

To conserve electricity and water, LED lights, sensor lights and sensor taps are being used in Corporate Offices. Moreover, various environment-friendly steps are taken

up across offices/projects of the Company, such as use of fly ash brick instead of clay brick, rainwater harvesting arrangements, sensor-controlled Chromium Plate (CP) fittings, and use of the latest version of facade glass (glass in the building) to make the building sustainable. At construction sites, regular monitoring of water usage and wastewater, ambient air quality and noise quality are being carried out.

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

HUMAN RESOURCES

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

The Company takes pride in its highly motivated and competent human resource and its contribution. The total employee strength of our company stood at 1270 as on March 31, 2024 which included 857 regular employees, 32 employees on deputation, 308 on contractual, 69 consultants / advisors and 04 on fixed tenure basis.

The attrition rate during FY 2023-24 has declined to 6.10% in comparison to 9.06% during last year.

EMPLOYEE PRODUCTIVITY

There has been a steady growth in the employee productivity over the past 5 years. The total income of the Company for FY 2023-24 is ₹12387.85 Crore. The overall income per employee for FY 2023-24 stood at ₹9.75 Crore as compared to ₹7.65 Crore in FY2022-23.

Recruitment

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

During FY 2023-24, 10 employees were recruited on a full-time basis while 141 were recruited on contractual basis including service contract, as a policy of inclusive employment, 44 of those inducted belong to the SC/ ST/ OBC/EWS category. The Company has also implemented EWS reservation with 3 EWS category employees being inducted. A selection process for tenure-based appointments has also been initiated.

Deputation

To meet its continuous need for trained and experienced manpower, especially in view of project requirements, experienced and trained manpower is inducted from Indian Railways and other Government departments on deputation on a fixed tenure basis. During the year, 4 personnel were inducted on deputation, bringing the total manpower on deputation to 32.

Training and Development

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

Considering the Training and Development as a high focus area, employees are being trained in various domains such as Contract Management, Arbitration, Project Management, Managerial Effectiveness, Negotiations, Business Development and Strategy, Risk Management etc. During the year, 1032 man-days of training was imparted, which covered around 1015 employees, which included Training Programme on Project Quality Council, Gender Equality and Women Empowerment, Management Development Programme, Training on RTI Act & POSH Act, Capacity Building Training Initiatives, Health Awareness Talk, virtual Training Programmes and many other behavioral, technical, non-technical internal and external training, seminars, workshops were imparted. Strengthening our human capital is, therefore, core to our operations. IRCON runs multiple initiatives to help employees grow in their careers. Progressive policies such as a mentoring and skill development programmes for junior employees, and special leadership development programs for senior employees, have gone toward making the workplace more employee-friendly.

Career Progression

The Company's promotion policy is well-established and proven effective over time. It ensures that deserving employees have ample opportunities

for career advancement and facilitates succession planning. Promotions are based on merit, suitability, performance, and professional accomplishments that align with the organization's business requirements. In the Departmental Promotion Committee (DPC) of 2023, a total of 103 promotions were granted in the executive category, while 32 promotions were awarded in the non-executive category.

Performance Management System

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

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

Use of Information Technology Tools

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

Motivation, Awards and Recognition

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

Employee Welfare

During the employment, employees are provided with generous perks, allowances, and facilities, encompassing both monetary and non-monetary benefits. These include

MANAGEMENT DISCUSSION AND ANALYSIS

transportation assistance, housing options, leased accommodation, subsidized food, and medical facilities. The Company's main objective is to enhance the quality of life for its employees, and as such, it has implemented various schemes to improve their overall welfare.

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

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

Furthermore, a 24x7 helpline service has been established to support employees in case of any emergencies. Dedicated mobile numbers are available based on geographical areas to provide immediate assistance when needed.

Women Development

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

Grievance Redressal

To promptly address and resolve employee grievance fairly and equitably grievance redressal system is present in the Company wherein employee can submit their grievance to appropriate authority for redressal. In

addition, online grievances can be made to the Ministry of Railways through the Centralized Public Grievance Redress & Monitoring System (CPGRAMS) portal.

Whistle Blower Policy

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

CONTRIBUTION TO GOVT. OF INDIA INITIATIVES

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

PROMOTING MSMEs

Being a CPSE, the Company's procurement policy and practices are guided by the Government policies and practices, including CVC Guidelines. These are based on transparent procurement mechanism, which also promotes procurement from local and small producers and suppliers. IRCON is procuring goods and services as per Public Procurement Policy, 2012 from MSEs. Accordingly, purchase preference is given to those small producers quoting their price within the price band as prescribed by the Company. The Company has also adopted fair, equitable and transparent tendering procedures to encourage Indian bidders and suppliers. Furthermore, Vendor Development Program for MSEs is also organized by the Company to bring more awareness among MSEs and increase their participation.

During the FY 2023-24, the Company has procured items valuing Rs 80.52 Crore from MSE vendors against expenditure valuing Rs 135.58 Crore (excluding the procurement of items which are beyond the scope of MSEs) towards material, stores & service, thereby achieving 59.39% procurement from MSEs against the compliance requirement of 25% as per the procurement policy. The Company has conducted one national level Special Vendor Development Program at the Corporate Office, Delhi on December 22, 2023 and Govt. of India, Ministry of MSME ,MSME DFO,Okhla ,New Delhi in association with Ircon International Ltd (a CPSE under Ministry of Railways),NSIC ,Govt E-Marketplace (GeM) and other CPSUs and local MSME associations organized two days vender development program cum industrial exhibition at GL Bajaj Institute of Management & Technology Knowledge Park-II, Greater Noida , Distt. Gautam Budh Nagar on 6th and 7th March 2024.

The Company has been extensively following the guidelines of Government on procurement through Government e-Market place (GeM) and provisions are also made in tenders to promote "Make in India" directives

MANAGEMENT DISCUSSION AND ANALYSIS

of the Government of India. Tenders valuing upto ₹200 Crore were invited during using national competitive bidding in compliance to Public Procurement (Preference to make in India), Order 2017.

CAUTIONARY STATEMENT

Statements made in the Management Discussion and Analysis Report describing the Company's objective, projections, estimates, expectations may be forward-looking statements within the meaning of applicable laws and regulations, based on beliefs of the management of the Company. Such statements reflect the Company's current views with respect to the future events and are subject to risks and uncertainties. Many factors could cause the actual result to be materially different from those projected in this report, including among others, changes in the general economic and business conditions affecting the segment in which the Company operates, changes in business strategy, changes in interest rates,

inflation, deflation, foreign exchange rates, competition in the industry, changes in Governmental Regulations, tax laws and other Statutes & other incidental factors. The Company does not undertake any obligation to update any forward-looking statements publicly, whether as a result of new information, future events or otherwise.

For and on behalf of the Board of Directors

Sd/-

(Hari Mohan Gupta)

Chairman & Managing Director & CEO

(DIN: 08453476)

Date: August 13, 2024

Place: New Delhi

BOARD'S REPORT

To the Members,

The Board of Directors of your Company are pleased to present the 48th Annual Report of your company for the financial year ended March 31, 2024. This report provides a comprehensive overview of the Company's performance, including a summary of financial results and key highlights concerning the financial performance for the period ended March 31, 2024.

FINANCIAL RESULTS

(₹ in crore)

| PARTICULARS | STANDALONE | | | CONSOLIDATED | | |
|-----------------------------------|------------------|------------|---------------|------------------|------------|---------------|
| | FY 2023-24 | FY 2022-23 | %age CHANGE | FY 2023-24 | FY 2022-23 | %age CHANGE |
| Total Income /Turnover | 12,387.85 | 10,261.63 | 20.72% | 12,870.52 | 10,749.89 | 19.73% |
| Total Operating Income / Turnover | 11,950.40 | 9,921.20 | 20.45% | 12,330.91 | 10,367.93 | 18.93% |
| EBITDA | 1,201.36 | 923.72 | 30.06% | 1,509.96 | 1,116.54 | 35.24% |
| Profit Before Tax | 1,155.54 | 883.19 | 30.84% | 1,261.13 | 891.00 | 41.54% |
| Profit After Tax | 862.90 | 776.83 | 11.08% | 929.51 | 765.23 | 21.47% |
| Net Worth | 5,771.76 | 5,178.48 | 11.46% | 5,870.92 | 5,211.49 | 12.65% |
| Appropriations | | | | | | |
| Dividend (Final & Interim) | 291.56 | 282.16 | 3.33% | | | |
| EPS | 9.17 | 8.26 | 11.02% | 9.88 | 8.14 | 21.38% |

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

FINANCIAL HIGHLIGHTS

Your Company has achieved highest ever total income of ₹ 12,387.85 Crore during FY 2023-24, compared to ₹ 10,261.63 Crore in FY 2022-23, representing an increase of approximately 20.72%.

Furthermore, the operating turnover of the Company for FY 2023-24 has a rise of 20.45%, reaching ₹ 11,950.40 Crore, compared to ₹ 9,921.20 Crore in FY 2022-23. [This growth can be attributed to a healthy order book and efficient execution of projects].

Profit Before Tax (PBT) for FY 2023-24 reached ₹ 1,155.54 Crore, with an increase of 30.84% compared to ₹ 883.19 Crore in FY 2022-23. Similarly, the Profit After Tax (PAT) has reached to ₹ 862.90 Crore in FY 2023-24, shown a growth of 11.08% from ₹ 776.83 Crore in FY 2022-23.

The Net Worth of your company has increased from ₹ 5,178.48 Crore in FY 2022-23 to ₹ 5,771.76 Crore in FY 2023-24. Additionally, the earnings per share as of March 31, 2024, stood at ₹ 9.17 per share, compared to ₹ 8.26 per share as of March 31, 2023 on a face value of ₹ 2 per equity share.

DIVIDEND

The Company's primary focus is on enhancing shareholder value. The Company has a consistent track record of paying dividends since its inception. In FY 2023-24, the Board of Directors declared and disbursed an interim dividend of ₹ 1.80 per equity share of a face value of ₹ 2/- per share. This amounted to approximately ₹ 169.29 Crore, (calculated at 90% of the paid-up share capital of ₹ 188.10 Crore). The interim dividend was declared based on the Company's unaudited financial results for the quarter ended December 2023.

Furthermore, the Board has recommended a final dividend of ₹ 1.30 per equity share on the face value of ₹ 2/- each, totalling ₹ 122.27 Crore (65% of the paid-up share capital of ₹ 188.10 Crore). This final dividend is subject to approval from the shareholders at the ensuing AGM and is based on the Company's profits for FY 2023-24.

Considering these dividends, the total dividend for FY 2023-24 would amount to approximately ₹ 291.56 Crore

BOARD'S REPORT

(155% of the paid-up equity share capital of ₹ 188.10 Crore). This represents 33.79% of the post-tax profits for FY 2023-24 and 5.05% of the net worth of the Company as of March 31, 2024. Upon approval and payment of the proposed final dividend, the cumulative dividend paid to shareholders until FY 2023-24 will stand approximately ₹ 2,948.18 Crore.

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

SHARE CAPITAL & DISINVESTMENT OF SHARES

As on March 31, 2024, the paid-up equity share capital of the Company stood at ₹188.10 Crore comprising of 94,05,15,740 equity shares of face value of ₹ 2/- each. The shareholding of the Promoter of the Company i.e. the President of India stood at 65.17% of the total paid-up equity share capital of the Company, as on March 31, 2024. IRCON is compliant on the Minimum Public Shareholding (MPS) requirements specified in Rule 19(2) and Rule 19A of the Securities Contracts (Regulation) Rules, 1957.

During FY 2023-24, the Government of India had disinvested 8.01% of the total paid up equity share capital of the Company by way of Offer for Sale (OFS) through Stock Exchange mechanism, including 8% of the total fully paid up equity shares of the Company as on 30.09.2023 i.e. 94,05,15,740 through Offer for Sale Mechanism from 07.12.2023 to 08.12.2023 and 0.014% of the total fully paid up equity shares of the Company to eligible employees of the Company on 22.12.2023 through Employee Offer for Sale.

Pursuant to the above OFS, the stake of the Government of India has been reduced from 73.18% to 65.17%.

Based on the market price of Ircon International Limited (IRCON) as on March 31, 2024, it is placed in the top 500 listed companies. As on March 31, 2024, the market capitalization of your Company stood at and ₹ 20658.43 Crore at National Stock Exchange of India Ltd.

DEMATERIALISATION OF SHARES

All the shares, except 1887 shares as on March 31, 2024 are in physical form, are held in dematerialised form and the details of the dematerialisation of shares are provided in the Corporate Governance Report.

TRANSFER TO RETAINED EARNINGS

Appropriations to retained earnings for the financial year ended March 31, 2024 were ₹ 571.34 Crore after considering the total dividend of ₹ 291.56 Crore.

CAPEX AND LIQUIDITY

During the year, the Company on a standalone basis spent a sum of ₹ 283.38 Crore on capital projects across

domestic and foreign projects; which includes ₹ 2.90 Crore towards construction of a building; ₹ 23.62 Crore for acquiring Plant & Machinery; Rs.14.47 Crore for acquiring other assets; and ₹ 242.39 Crore towards investments in SPVs.

The Company's liquidity position remains strong at ₹ 4429.13 Crore as on March 31, 2024, comprising of ₹ 1828.88 Crore in cash and cash equivalent and ₹ 2600.25 Crore in other bank balances. Out of ₹ 4429.13 Crore, client/ project funds amount to ₹ 3614.60 Crore.

FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company has earned a foreign exchange of ₹19704 Crore cumulatively till date. During FY 2023-24, the Company has earned a foreign exchange of ₹ 622.66 Crore as compared to ₹ 432.99 Crore in FY 2022-23. The foreign exchange outgo stood at ₹553.23 Crore during FY 2023-24 as compared to ₹ 406.83 Crore during FY 2022-23. Thus, the net foreign exchange earnings amount to ₹ 69.43 Crore in FY 2023-24.

IRCON GROUP PERFORMANCE

During the year under review, IRCON along with its subsidiaries ('the Group') on a consolidated basis has recorded highest ever total turnover of ₹ 12870.52 Crore (previous year: ₹ 10749.89 Crore). The Group has registered a quantum jump of 18.93% in operating turnover to ₹ 12330.91 Crore (previous year ₹ 10367.93 Crore). The Group reported a consolidated profit before tax of ₹ 1261.13 Crore (previous year ₹ 891 Crore) and profit after tax of ₹ 929.51 Crore (previous year: ₹ 765.23 Crore), both registering increase of 41.54% and 21.47%, respectively.

The Group EBITDA was ₹1509.96 Crore (previous year: ₹ 1116.54 Crore), an increase of 35.24% over the previous year.

During the FY 2023-24, in terms of the financial performance, the Company has achieved and crossed the Turnover targets criteria of ₹ 10650 Crore (on Consolidated basis) set up by the Ministry of Railways in terms of the Memorandum of Understanding based on the DPE guidelines.

GRANT OF "NAVRATNA" STATUS

DPE vide its letter dated October 12, 2023 has granted the "Navratna" Status to the Company. Now, IRCON is the 15th Navratna CPSE amongst the CPSEs, which got listed on September 28, 2018 and has established a sound framework of Corporate Governance.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION

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

BOARD'S REPORT

FINANCIAL STATEMENTS (STANDALONE AND CONSOLIDATED)

The Board of Directors of the Company has, at its meeting held on May 21, 2024, had approved the Financial Statements for FY 2023-24 (Standalone and Consolidated).

In accordance with the provisions of Section 129 (3) of the Companies Act, 2013, the Company has prepared its Consolidated Financial Statements a) as per line-by-line method for its wholly-owned subsidiaries viz. Ircon Infrastructure & Services Limited (IrconISL), Ircon PB Tollway Limited (IrconPBT), Ircon Shivpuri Guna Tollway Limited (IrconSGTL), Ircon Davanagere Haveri Highway Limited (IrconDHHL), Ircon Vadodara Kim Expressway Limited (IrconVKEL), Ircon Gurgaon Rewari Highway Limited (IrconGRHL), Ircon Akloli-Shirsad Expressway Limited (IrconASEL), Ircon Ludhiana Rupnagar Highway Limited (IrconLRHL), Ircon Bhoj Morbe Expressway Limited (IrconBMEL), & Ircon Haridwar Bypass Limited (IrconHBL) and subsidiary company viz. Ircon Renewable Power Limited (IRPL); and b) as per equity method, for seven joint venture companies viz. Ircon-Soma Tollway Private Limited (ISTPL), Indian Railway Stations Development Corporation Limited (IRSDC) [not on a going concern basis], Chhattisgarh East Railway Limited (CERL), Chhattisgarh East-West Railway Limited (CEWRL), Jharkhand Central Railway Limited (JCRL), Mahanadi Coal Railway Limited (MCRL) & Bastar Railway Private Limited (BRPL). The accounts of unincorporated joint ventures have been included in the standalone financial statements for the FY 2023-24.

Pursuant to letter dated October 18, 2021 of Ministry of Railway, the closure of business and transfer / hand over of business /assets of IRSDC is under process. Accordingly, as part of the closure activities, all assets and liabilities of IRSDC [other than its investment in its subsidiary companies viz., Gandhi Nagar Railway and Urban Development Corporation (GARUD) and Surat Integrated Transportation Development Corporation Limited (SITCO)] are to be transferred to Rail Land Development Authority (RLDA)/ MoR on slump sale basis for a consideration not less than the book value as on the cutoff date to be mutually agreed upon as approved in the BoD meeting of IRSDC. Closure related activities initiated in FY 2021-22 are yet to be completed. The liquidation process shall commence on completion of these activities and handing over of assets and liabilities to RLDA/ MoR. Financial statement of IRSDC has been prepared on liquidation basis. The Company does not foresee any impairment in the value of its investment as the Company's share in the reported Net Worth of IRSDC is ₹ 60.29 Crore i.e.26% of ₹ 231.89 Crore vis-a-vis our shareholding of ₹ 52 Crore.

It has been decided to handover Phase- I (Angul – Balram, 14 KM already operational) and Phase- II (Balram-Putgadia-Tentuloi, 54 KM under construction) of MCRL Project to the Ministry of Railways (MoR). The legal formalities, pricing and related modalities are in process and the Company does not foresee any impairment in the value of investment at this stage.

The Ministry of Railway (MoR) has granted in-principle approval for closure of Bastar Railway Private Limited,

a joint venture company and transfer of its assets and liabilities to MoR. The legal formalities, pricing and related modalities are in process and the Company does not foresee any impairment in the value of investment at this stage.

The Company would make available its audited financial statements (standalone and consolidated) for the FY 2023-24 and financial statements of its eleven subsidiaries (IrconISL, IrconPBT, IrconSGTL, IrconDHHL, IrconVKEL, IrconGRHL, IrconASEL, IrconLRHL, IrconBMEL, IrconHBL & IRPL) at its website (www.ircon.org).

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

The Ministry of Corporate Affairs and the Securities and Exchange Board of India (SEBI) had allowed companies to send financial statements, including the Notice of AGM, Board's Report, Auditor's Report, and other related documents, exclusively via e-mail to members who have registered their email addresses with the company or with the depository participant/depository, as well as to other eligible persons. These relaxations have been extended until September 30, 2024, as per circulars dated September 25, 2023 and October 7, 2023 issued by MCA and SEBI respectively.

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

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis (MDA) Report, as mandated by Regulation 34 read with Schedule-V to the LODR Regulations and DPE Guidelines, has been included as an annexure to this report. It is hereby incorporated by reference and serves as an integral component of this report. The MDA Report provides a comprehensive review of various aspects including the global and Indian economy, industry analysis, future outlook, Company overview, legal status and autonomy, business divisions/ units, financial and operational performance, projects executed during FY 2023-24, upcoming projects, strengths, scope and opportunities, key concerns, business strategies, risk management, adequacy of internal control systems, and significant developments in human resources.

EXTERNAL ENVIRONMENT

MACROECONOMIC CONDITIONS

According to the International Monetary Fund (IMF) in its World Economic Outlook (April 2024), global growth, estimated at 3.2% in 2023, is projected to maintain the same pace in 2024 and 2025. The forecast for 2024 has been revised upward by 0.1% from the January 2024 World Economic Outlook Update and by 0.3% from

BOARD'S REPORT

the October 2023 WEO. In contrast, India's growth is projected to remain strong, with rates of 6.8% in 2024 and 6.5% in 2025. This robust growth is attributed to sustained domestic demand and an increasing working-age population.

Global headline inflation is expected to fall from an annual average of 6.8% in 2023 to 5.9% in 2024 and 4.5% in 2025, with advanced economies returning to their inflation targets sooner than emerging market and developing economies. The forecast for nonfuel commodity prices is broadly stable in 2024, with prices for base metals expected to fall by 1.8%, on account of weaker industrial activity in Europe and China.

According to the provisional estimates released by the National Statistical Office (NSO) on May 31, 2024, real GDP growth for 2023-24 was placed at 8.2%. On the supply side, real gross value added (GVA) rose by 6.3% in Q4:2023-24. Real GVA recorded a growth of 7.2% in 2023-24. Real GDP growth for 2024-25 is projected at 7.2% with Q1 at 7.3%; Q2 at 7.2%; Q3 at 7.3%; and Q4 at 7.2%.

INFRASTRUCTURE & CONSTRUCTION INDUSTRY - GOVERNMENT INITIATIVES & INDUSTRY OUTLOOK

Infrastructure is a crucial driver for the growth of other industries and the overall development of India. Recognizing this, the government has prioritized the enhancement of infrastructure and construction services through targeted policies. These initiatives include open FDI norms, substantial budget allocations to the infrastructure sector, and the Smart Cities Mission. Additionally, the Prime Minister has launched the Gati Shakti Master Plan, aimed at integrating various modes of transportation to accelerate infrastructure development across the country.

In Budget 2024-25, capital investment outlay for infrastructure has been increased by 11.1% to Rs.11.11 lakh crore (US\$ 133.86 billion), which would be 3.4% of GDP. The Indian government has introduced various formats in order to attract private investments, especially in roads and highways, airports, industrial parks and higher education and skill development sectors. Private Equity-Venture Capital firms invested US\$ 3.5 billion (across 71 deals) in Indian companies in May 2023.

National Highways play a very important role in the economic and social development of the country by enabling efficient movement of freight and passengers and improving access to the market. MoRTH and its implementing agencies have implemented multiple initiatives in the last 8 years to augment the capacity of the National Highway infrastructure in India. Roads & Highways account for the highest share, followed by Railways and Urban Public Transport. The government has set ambitious targets for the transport sector, including development of 2 lakh-km national highway network by 2025 and expanding airports to 220. Additionally, plans include operationalizing 23 waterways by 2030 and developing 35 Multi-Modal Logistics Parks (MMLPs). The total budgetary outlay for infrastructure-related ministries increased from around Rs.3.7 lakh crore in FY23 to Rs.5 lakh crore in FY24, offering investment prospects for the

private sector across various transport sub-segments.

Under the Budget 2024-25, the Government of India allocated Rs. 2.72 lakh crore (US\$ 33.46 billion) to the Ministry of Road Transport and Highways. In February 2024, NHAI raised highest over Rs.15,624 crore (US\$ 1.88 billion) through InviT mode. FDI inflows in construction development stood at US\$ 26.54 billion between April 2000 - December 2023. The Government aims to construct 65,000 kms of national highways at a cost of Rs. 5.35 lakh crore (US\$ 741.51 billion).

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

Under the Budget 2024-25, the government allocated US\$ 30.3 billion (Rs. 2.52 lakh crore) to the Ministry of Railways. In 2024-25 Indian railways is planning to Create three important railway routes for moving energy, minerals, and cement efficiently; connecting ports better; and improving busy traffic routes.

India's logistics market is estimated to be US\$ 317.26 billion in 2024 and is expected to reach US\$ 484.43 billion by 2029, growing at a CAGR of 8.8%.The Ministry of Commerce and Industry, states that the logistics sector accounts for 5% of India's GDP and provides jobs for nearly 2.2 crore Indians.

These efforts are crucial for boosting economic growth, improving connectivity, and enhancing overall development across various sectors. The integration of different modes of transportation can certainly lead to more efficient logistics and quicker project implementation.

ORDER BOOK

In the industry that the Company pertains to, an order book is considered an indicator of future performance since it represents a portion of anticipated future revenue. The Company caters to both domestic as well as international markets and receives orders both on competitive bidding as well as through nomination by the Ministry of Railways.

Ministry of Railways have made a significant change in their policy on allotting the projects to PSUs, and have ended the system of competitive bidding amongst the eligible PSUs, and introduced competitive bidding for execution of railway works. The Company has also taken up PPP project in roads & highway under Toll/HAM Model.

The order book as on March 31, 2024, is ₹27208 Crore as compared to ₹35195 Crore as on March 31, 2023. The major new orders are from railway electrification, highway project, metro track works, workshops, airports and renewable energy; also civil and track work in prestigious High Speed Railway Project.

BOARD'S REPORT

DOMESTIC PROJECTS

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

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

During the FY 2023-24, your Company was awarded the five projects in India viz.,

1. Supply, installation, testing and commissioning of Integrated Tunnel Communication Systems, OFC based industrial grade network system in Jiribam Khongsang section of Jiribam – Imphal new Railway Line Project,
2. Procurement of Goods including Machinery, Plant & Equipment up to the stage of successful installation, commissioning, training, FAC, etc.,
3. Composite works (Civil, Electrical and Mechanical) involving construction of Industrial shops with Pre-Engineered Building (PEB), water supply system drainage system, Electrification and illumination works, associated telecom works and supplying & commissioning of specified Mechanical Machineries (EOT Cranes etc.) in connection with Detachment free rake examination facilities (Ph-II) at Exchange Yard of Bondamunda, South Eastern Railway.
4. Engagement of Nodal Agency for establishment of Technology Centres across India under the scheme "Establishment of New Technology centre/ Extension Centres".
5. Construction of Twin Tube Uni-directional Aizawl Bypass Tunnel of 2.5 km and its approaches of 2.1 km from km 10.600 to km 15.200 (Package-2) on Sairang – Phaibawk section of NH-6 in the State of Mizoram on EPC Mode.

ONGOING PROJECTS:

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

In FY 2023-24, the focus of your Company has been execution, faster deliveries and meeting stringent timelines for overall optimal contribution to the much-needed infrastructure growth. This is in line with the vision of our Hon'ble Prime Minister and Hon'ble Minister of Railways. During the FY 2023-24, following were some of the achievements of on-going major projects in India:

1. IRCON has successfully commissioned a total of 128.45 Km of rail lines out of which 54 Km is New Line and 74.45 Km is Doubling for the targeted rail sections.
2. IRCON has successfully commissioned 1152 RKM (Route Kilometer) of Railway Electrification (RE) works in new line/double line/NCRTC and RE Projects etc. Which is the highest electrification work ever in a year. Further, in RE projects, 7 nos. 132/25KV traction substations and 38 Km – 132 KV transmission line have been commissioned.
3. IRCON has commissioned highest ever Signaling works of 104 stations in the year 2023-24.
4. In USBRL Project – J&K, Banihal – Sangaldan section (38.618 Km) has been commissioned and opened in February-2024. Further, 38.6 Km Rigid Overhead Catenary (ROC) system in Tunnels of USBRL Project has also been commissioned. This ROC system was implemented for the 1st time in Indian Railways. Over Head Equipment (OHE) works of 200 TKM at high altitude (650 meter above MSL) between Banihal to Baramulla including Tunnel T-80 (11.2 Km) has been successfully commissioned. Electro-Mechanical & Safety ventilation (E&M) works consisting of electrical works with complete HT & LT, Tunnel Ventilation System, Fire Fighting system & SCADA system of 38 Km has been successfully commissioned.
5. In connection with Katni – Singrauli doubling project of East Central Railway, one section from Mahroi to Vijaysota (19.13 Km) has been successfully commissioned on 27th June, 2023.
6. In connection with Kiul-Gaya doubling project of East Central Railway, the Section from Sheikhpura to Kashichak (15.4 Km) has been completed in August-2023 and commissioned on 1st September, 2023 with a speed of 90 Kmph. Further, section from Kashichak to Warisaliganj has been commissioned on 23rd January, 2024.
7. In Agartala – Akhaura New Rail Line project, Nischintapur (India) to Gangasagar (Bangladesh) section has been inaugurated by Hon'ble Prime Ministers of both the countries on 1st November, 2023 for Goods & Services.
8. In connection with Khulna – Mongla Port Rail Line project – Package No. WD1, Hon'ble Prime Ministers of India and Bangladesh inaugurated the rail line on 1st November, 2023 for Goods & Services. The project is completed and inspected by General Inspector Bangladesh Railway (GIBR) on 30th April, 2024. Now, passenger trains have started operations from 1st June 2024.
9. 345 RKM/440 TKM of OHE is commissioned under Lumding Division of Northeast Frontier Railway (NFR) in FY 2023-24.

INTERNATIONAL PROJECTS

In FY 2023-24, the contribution of international projects to the total revenue amounted to ₹ 574.82 Crore, which accounts for 4.81% of the operating turnover. This is

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in comparison to ₹411.84 Crore in FY 2022-23, which represented 4.15% of the operating turnover.

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

ONGOING PROJECTS

The Company is executing the following projects in foreign countries:

i. Bangladesh

(a) Khulna-Mongla Port Rail Line project

The Company secured a project in Bangladesh for construction of Khulna-Mongla Port Rail Line for Bangladesh Railway, at US\$ 147.78 million (equivalent to approx. ₹911 Crore) and the revised cost of project after approval of variation order is US\$ 211.77 million. The project includes construction of embankment, tracks, all civil works, major and minor bridges (except Rupsha Bridge), culverts and implementation of EMP against Package WD1. Additional scope of work was added in 2021. Project stands completed on 31st March, 2024 and General Inspector Bangladesh railway (GIBR) Inspection was conducted on 30th April, 2024. Subsequent to GIBR approval for running of passenger trains, trains have started operations from 1st June, 2024.

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

The Company had signed a contract for providing Technical Advisory Services (TAS) for Construction of New Railway Line from Agartala (India) -Akhaura (Bangladesh) and Project Management Consultancy (PMC) for Construction in Bangladesh Portion with Ministry of External Affairs (MEA), Government of India. The construction contractor for the project is appointed by Bangladesh Railways for a contract value of BDT 240.9 Crore (equivalent to approx. ₹209.47 Crore). The completion period of the construction contractor has been extended up to 30th June 2024. The overall progress of the Project is approximately 96% and now, only building and platform works are pending. However, the Trial run was done on 30th October, 2023 and project was inaugurated by Prime Ministers of both countries on 1st November, 2023.

ii. Algeria

The project was awarded by ANESRIF, the National Agency for the Planning and Implementation of Railway Investments, Ministry of public works and investments, Government of Algeria, at a value of Algerian Dinar 1,628 Crore (equivalent to approx. ₹1,003 Crore) with completion date of November 2012. The project involves the construction of the second line and upgradation of the existing lines, with a diversion of 10 km for the Relizane city, from the station Oued sly to the station Yellel in Algiers-Oran section of Algerian Railways. The value of the contract, including additional works for the construction of the double line, has been revised to Algerian Dinar 3,268 Crore (equivalent to approx. ₹2,342 Crore).

Installing of 210 Km of track (out of the total 218 Km) has been completed. Out of this, 82 km of new track line has been made operational. Work on the existing line has also been started and a total stretch of 71.5 km out of 74 km of the existing line, 6 out of 7 station buildings are ready to be handed over, and 9 major bridges (out of 10 Nos) have also been completed. The project is expected to get completed by December 2024.

iii. Sri Lanka

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

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

The project was awarded on 29th April 2019 with completion period of 36 months (starting from date of receipt of advance payment, 29th November, 2019). The project is financed through EXIM Bank of India as per Indian line of credit. The date of completion of the project as per the contract is 28th November, 2022. The project was delayed due to Covid-19 pandemic restrictions and subsequent economic and fuel crisis in Sri Lanka.

The first phase of Upgradation from Anuradhapura and Vavuniya Section (48.5KM) during the mega traffic block has been completed and commissioned in July, 2023.

Further, 2nd Phase Mega Traffic Block for upgradation of the remaining section from Maho to Anuradhapura (65 Km) has

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been arranged from 7th January, 2024 and upgradation of this section is in progress. Likely date of completion of the Project is 31st August, 2024 considering the inclement weather and heavy rains in the project corridor.

The overall progress of the project is approx. 70%.

(b) **Procurement of Design, Installation, Testing, commissioning, and certifying of Signaling and Telecommunication system from Maho Junction (Including) to Anuradhapura (Excluding) under Indian Line of Credit:**

The work for "Procurement of design, installation, Testing, commissioning, and certifying of Signaling and Telecommunication system from Maho Junction (Including) to Anuradhapura (Excluding)" was awarded to your company through Exim Bank of India under Indian Line of Credit.

The project was awarded on 4th December, 2022 by Sri Lanka Railways under the Ministry of Transport and Civil Aviation, Government of Sri Lanka at a value of US\$ 14.90 Million (equivalent to approx. ₹121.25 Crore) through competitive bidding. Scheduled completion period was 12 Months from the date of receipt of mobilization advance.

Contract Agreement has been signed on 21st September, 2023. Contract Inclusion is yet to be approved by Exim Bank of India. Project is yet to start.

iv. Nepal

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

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

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

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

The section from Bathnaha (India) Ch. 0.00 Km to Nepal Custom Yard (Nepal) Ch. 6.70 Km has been commissioned for freight traffic on 1st June, 2023. The work is in progress in the remaining portion.

The overall progress of the project is approximately 86%.

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

The project involves construction of a new BG rail line from Jaynagar (India), Ch. 0.00 Km to Bijalpura (Nepal) Ch. Km 52.336 with extension up to Bardibas, Ch. Km 68.72. Out of the total proposed alignment, 2.975 Km falls in Madhubani district of Bihar state in India and 65.745 Km falls in Mahottari district of Nepal.

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

Your Company on behalf of the Government of India has handed over the newly commissioned cross border rail section (Section-1) from Jayanagar (Km. 0.00) to Kurtha (Km. 34.90) to Government of Nepal on 22nd October, 2021 which was inaugurated through virtual mode by the Hon'ble Prime Minister of India and the Hon'ble Prime Minister of Nepal on 2nd April, 2022. The first phase of 34.9 Km Jaynagar (India) – Kurtha (Nepal) section is part of 68.72 Km Jaynagar-Bijalpura-Bardibas rail link being built under Government of India grant assistance of Nepalese Rupee 8.77 billion.

Section-2 from Km 34.900 to km 52.34, Kurtha- Bijalpura has also been completed and commissioned on 16th July 2023. In Section-3 from Km 52.34 to Km 68.72, Bijalpura-Bardibas, land was handed over on 7th November, 2023 by the Government of Nepal. The overall progress of the project is approximately 74%.

v. Myanmar

The Company has secured a project in Myanmar in FY 2022-23, for Balance work of construction of road from Paletwa (Myanmar) to Zorinpui (Mizoram) (Kaladan Road Project) under Kaladan Multi-Modal Transit Transport Project (KMMTT Project), from the Ministry of External Affairs, on EPC mode at a lump sum cost of ₹1780 Crore. Construction of this project is intended to open up an alternate route to North-East Region and connect Mizoram with Chin State of Myanmar at Zorinpui. The agreement for the execution of this project has been signed on 7th March, 2022 and the project is to be completed within 40 months from the date of the signing of the agreement.

During FY 2023-24, work commenced on a 50 Km stretch (40 Km from Paletwa end (Myanmar) & 10 Km from Zorinpui end (India-Myanmar Border).

Due to ongoing armed conflicts between Myanmar Army and Insurgent groups the progress of work is adversely affected.

However, Ircon has shown great resilience and commitment to progress the work. Overall progress of the project is 10%.

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REAL ESTATE SECTOR

IRCON has identified Real Estate Sector as one of the sectors for diversification, keeping in view the tremendous potential in this Sector. Your Company had acquired 8 plots in different sectors, on leasehold basis for 90 years, at NOIDA and has successfully Leased out 22,023 Sq. mt. of built - up space for Commercial and Office use. The Company has also developed property in Sector 32, Gurugram, Haryana and this property is registered with the trademark authorities in India as 'IRCON INTERNATIONAL TOWER'. Entire leasable space has been leased out to different government agencies.

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

COMPANIES, JOINT VENTURE COMPANIES AND ASSOCIATE COMPANIES

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

In terms of the Company's Policy on the determining the "Material Subsidiary" and Regulation 24A of the LODR Regulations, for the financial year ending March 31, 2024, none of the subsidiary company is a 'material subsidiary' i.e. whose total income or net worth exceeds 10% of consolidated income or net worth of IRCON in the immediately preceding financial year i.e. March 31, 2023.

COMPLIANCES OF PRESIDENTIAL DIRECTIVES

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

OFFICIAL LANGUAGE

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

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

Regular quarterly meetings of Official Language Implementation Committee and quarterly workshops for effective use of the Hindi Technical system and official language are being conducted. Under the auspices of NARAKAS, competitions are organized by IRCON every year. Every year, the IRCON corporate office organizes Hindi competitions for the children and family members

of the employees. The bilingual facility has been introduced for computer systems and mobile phones used by officials of the Company. Bilingual formats have been made available at IRCON's internal website for use by the employees.

COMPLIANCE OF RIGHT TO INFORMATION ACT, 2005

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

During the year 2023-24, 168 applications and 36 first appeals were received and at the beginning of the year 12 applications and 02 appeals were under process for disposal within the allowable time limit (i.e. total 180 applications and 38 appeals during the year). Out of which, 169 applications (including opening balance of 12 applications) and 36 First Appeals were disposed of. As on 31.03.2024, 11 applications and 02 appeals were under process for disposal within the allowable time limit.

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

The Company has in place a comprehensive Purchase Preference Policy since June 2012 which is in line with the Public Procurement Policy for Micro and Small Enterprises (MSEs) Order, 2012 notified by the Ministry of Micro, Small and Medium Enterprises (Ministry of MSME) under section 11 of Micro, Small and Medium Enterprises Development Act, 2006. IRCON uses Central Public Procurement portal (CPPP) and Government e-Marketplace (GeM) portal for its procurement, which provides facilitation of registration of MSEs firms registered with any statutory bodies specified by Ministry of MSME.

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

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

The company has been extensively following the guidelines of Government on procurement through GeM and provisions are also made in tenders to promote "Make in India" directives of the Government of India.

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Tenders valuing upto Rs.200 Crore are invited using national competitive bidding in compliance to Public Procurement (Preference to make in India), Order 2017.

During the FY 2023-24, the Company has procured items valuing Rs 80.52 Crore from MSE vendors against expenditure valuing Rs 135.58 Crore (excluding the procurement of items which are beyond the scope of MSEs) towards material, stores & service, thereby achieving 59.39% procurement from MSEs against the compliance requirement of 25% as per the procurement policy. The Company has conducted one national level Special Vendor Development Program at the Corporate Office, Delhi on December 22, 2023 and Govt. of India, Ministry of MSME ,MSME DFO,Okhla ,New Delhi in association with Ircon International Ltd (a CPSE under Ministry of Railways),NSIC ,Govt E-Marketplace (GeM) and other CPSUs and local MSME associations organized two days vender development program cum industrial exhibition at GL Bajaj Institute of Management & Technology Knowledge Park-II, Greater Noida , Distt. Gautam Budh Nagar on 6th and 7th March 2024.

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

HUMAN RESOURCE DEVELOPMENT

IRCON recognizes that its employees are fundamental to its success and play a crucial role in safeguarding the organization's values and culture. The organization firmly believes that its achievements rely on the alignment and performance of its workforce, as well as maintaining a positive work environment. It is committed to establishing a collaborative, inclusive, and performance-driven atmosphere that fosters learning, growth, and overall employee well-being.

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

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

IRCON maintains a performance-oriented culture where the contributions of every employee are measured

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

MANPOWER STRENGTH

The total manpower strength of IRCON as on March 31, 2024, stood at 1270, (previous year 1341) which included 857 regular employees, 32 employees on deputation, 377 on contract (including service contract) and 04 on fixed tenure basis. Out of the total employees of the Company, 1220 are posted on Indian projects and 50 on international projects. Among 1270 employees, 899 are technically and professionally qualified. There was a total of 60 women employees as on March 31, 2024.

The overall income per employee for FY 2023-24 stood at ₹9.75 Crore as compare to ₹ 7.65 Crore in FY 2022-23.

During the year, the total newly employed personnel stood at 155 which included 10 regular employees, 4 employees on deputation, and 141 on contract (including service contract).

RESERVATION IN EMPLOYMENT

The Company continues to give utmost importance to the implementation of the policies and directives of the Government of India in matters relating to reservations in the employment of candidates belonging to Scheduled Caste (SC) / Scheduled Tribe (ST) / other backward classes (OBC) and differently-abled categories. There was a total of 526 SC / ST / OBC and differently-abled employees as on March 31, 2024.

Further, during the FY 2023-24, out of the 10 employees inducted against regular posts, 3 belong to SC / ST / OBC and differently-abled categories. Similarly, out of the 108 employees recruited against the contractual positions, 44 belong to SC / ST / OBC / EWS and differently-abled categories.

During the FY 2023-24 training has been given to 1015 employees, out of which 451 belong to SC/ST/OBC and differently-abled categories. To ensure the welfare of these employee categories, the Company has appointed Liaison Officers.

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

TRAINING AND HUMAN RESOURCE DEVELOPMENT

IRCON puts a lot of emphasis on development and career progression of employees. Training programs are organised throughout the year. During the FY 2023-24, in-house training programmes across all levels of employees were organised. Professional programmes, workshops, and seminars organised by reputed and prestigious institutes / agencies were carefully identified in line with business needs of IRCON, and suitable officers were nominated for such programmes.

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The Company has been continuously taking steps for building capacity of its human resource through training in functional and general management areas, contract and arbitration, leadership, information technology, as well as soft skills. External faculty is arranged wherever required, and officials are nominated for carrying out workshops and seminars with reputed institutes. Employee Development has always been a priority for the Company, and various training and development plans have been initiated from time to time. During the FY 2023-24 a total 1032 man-days training was imparted to officials of IRCON through workshops, seminars, conferences, in-house training and training in external institutes.

EMPLOYEE WELFARE

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

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

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

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

CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY

In accordance with Section 135 of the Companies Act, 2013 and The Companies (Corporate Social Responsibility Policy) Amendment Rules 2021, IRCON has updated its CSR Policy duly approved by the Board of Directors of IRCON. CSR is essentially a way of conducting business responsibly and IRCON shall endeavor to conduct its business operations and activities in a socially responsible and sustainable manner at all times. IRCON will strive to contribute to inclusive growth and sustainable development with emphasis on development of weaker sections of society and in the Aspirational Districts of the country. As per broad objectives of the Policy, CSR activities are being implemented in project/ program mode, in areas or subjects specified in Schedule VII of the Act, on thrust areas of education and health care, in the periphery of project areas of IRCON (local area).

In accordance with the guidelines issued by the Department of Public Enterprises (DPE) through their Office Memorandum dated December 10, 2018, along with the update on April 24, 2023, CPSEs (Central Public Sector Enterprises) are required to follow a theme-based approach for their CSR activities. The Company allocates a minimum of 60% of their annual CSR budget for thematic programs and give preference to the Aspirational districts in their CSR initiatives. For the FY 2023-24, By adhering to these guidelines and embracing the chosen theme, we are actively working towards making a positive difference in society and contributing to the well-being of our communities.

During the year, our company took a focused approach to conceive and implement CSR activities with the aim of generating maximum impact for the target beneficiaries. These initiatives were carried out in collaboration with reputable implementing agencies. In the FY 2023-24 Company has Spent 11.65 Cr against the Allocated CSR Budget of Rs.11.64 Cr. During the Year Company Implemented 72 Projects in Pan India Within this budget, a significant portion was dedicated to the health sector, including a contribution of ₹0.67 Crore to the PM CARES Fund. During the Year Company Covered 14 Aspirational districts by Conducting Health Camps, provided nutritional foods to pregnant women's and children's, conducted sports activities for girls, provided astronomy labs and furniture's in government schools.

The CSR Policy, which provides comprehensive guidelines for conducting CSR activities, is available on our Company's website: www.ircon.org. Furthermore, the Annual Report on CSR & Sustainability activities, in compliance with Section 135 of the Companies Act, 2013, and the Companies (Corporate Social Responsibility Policy) Amendment Rules 2021, is appended to this report, forming an integral part of it.

QUALITY, HEALTH AND SAFETY QUALITY MANAGEMENT SYSTEM

IRCON is a precursor Public Sector Organization in adopting the Quality Management System Certification in the domestic as well as International Markets. Quality Management System (QMS) has been successfully sustained and continually improved since 1996 when the

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Company as a whole was first certified for ISO 9002:1994 by TUV SUD Private Limited. IRCON has continued the certification and sustained the system as per the latest version of Quality Management Standards i.e. ISO 9001:2015 (by periodical re-certification audit after the expiry of every three years). Latest surveillance audit was conducted by TUV SUD South Asia Private Limited in the month of November 2023, and the validity of the certificate is up to March 2026.

OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM

The Company established an Occupational Health & Safety Management System and was certified for ISO 45001:2004 in October, 2011. The latest surveillance audit for ISO 45001:2018 was conducted by TUV SUD South Asia Private Limited in the month of October, 2023 and the validity of the certificate is up to December, 2024.

ENVIRONMENT MANAGEMENT

The Company established an Environment Management System (EMS) and was certified for ISO 14001:2004 in October, 2011. The latest surveillance audit for ISO 14001:2015 was conducted by TUV SUD South Asia Private Limited in the month of November, 2023 and validity of the certificate is up to February 2026.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND UPGRADATION

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

- IRCON has a total of 90 kW Grid Connected roof top Solar Power Plant installed at Corporate Office which is a considerable step to conserve energy and contributing to environment through usage of Green Energy. The total energy produced by Solar Power plant is approximately 89,471 units annually which is 9.08% of the energy being drawn from the electrical grid. Further, the Rooftop Solar Capacity of 90 kW is being upgraded to 200 kW along with installation of Battery Energy Storage System for more optimization. IRCON has also installed a total of 75 kW Roof top Off Grid Solar Power Plant at its IRCON Tower, Gurugram thereby reducing energy consumption. Also, capacitor banks of 600 kVAR capacity have been installed at Corporate Office building and 1600 kVAR at IRCON's Gurugram Building to improve the power factor, which further reduces the Electrical Energy consumption by more than 10%.
- Furthermore, energy-efficient LED lights are used for the internal lighting of Corporate Office building which also adds in considerable energy saving when compared with normal lights.

- Automatic / Dynamic Reactive Power Factor (APF) correction / compensation panels with Insulated Gate Bipolar Transistors (IGBT) technology of 10.7 MVAR capacity have been designed and being installed at the Receiving Substations (RSS) for Delhi-Ghaziabad-Meerut RRTS corridor of NCRTC project for RSS Energy Conservation. Moreover, the RSS Control Room Building is also constructed with highest rating of Indian Green Building Council (IGBC) standards to conserve energy.
- IRCON has installed more than 20,000 LED lights at USBRL E&M Tunnel Projects which have reduced the energy consumption considerably. Moreover, IRCON has also installed energy efficient LED lights for energy conservation in various projects like Loco Shed at Bondamunda, Katni-Singrauli RE Project, etc. for reducing energy consumption.
- Capacitor Banks of 2400 kVAR capacity each have been installed at Baramulla, Qazigund & Budgam TSS (J&K) for USBRL RE project and 04 Nos. Traction Sub-Stations (TSS) of Katni-Singrauli Project to improve the power factor. Further, Capacitor Banks of 5500 kVAR capacity each have been installed in 08 Nos. TSS of various Railway Electrification projects. Furthermore, for Tunnel Substations a total of 16 MVAR capacitor banks have been installed to regulate the reactive power generation due to jet fans, thereby reducing energy consumption.

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

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

- Apart from installation of Roof top Solar Plant at IRCON's Corporate office, IRCON is also executing a major project for utilizing alternate sources of energy by Setting up a 500 MW Solar Photovoltaic Power Plant at Pavagada, Karnataka by using latest technology Monocrystalline Passivated Emitter and Rear Cell (PERC) Bi-facial Solar Photo Voltaic (SPV) Modules with Tracker technology which shall supply approximately 1076 million Units per year to Railways.
- IRCON is also providing features similar to Green Buildings Constructions at Corporate Office, Gurugram building and its project offices thereby reducing the environmental impacts on water, materials, waste, energy and carbon emissions. IRCON has installed solar panels at various offices/projects; along with sensor lights & sensor taps to conserve electricity.
- IRCON has also installed Solar Power Photovoltaic Panels for its office Complex in Sangaldan (J&K) with a capacity of 110 kWp.

CAPITAL INVESTMENT ON ENERGY CONSERVATION EQUIPMENT:

IRCON has invested approximately ₹ 4.00 Cr. for replacing the existing Heating, Ventilation & Air Condition (HVAC) System at Corporate office with new technology Energy Efficient Inverter Type Air Conditioning System which shall reduce the energy consumption by 20-30%.

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

TECHNOLOGY ABSORPTION AND UPGRADATION EFFORTS MADE TOWARDS TECHNOLOGY ABSORPTION:

Your company has developed critical machineries, required for National High Speed Rail Project from Ahmadabad to Mumbai, under Make-in-India program by guiding Indian Manufacturer's on the technical design and specific functional requirement of the track machines. These machines include Rail Feeder Car, Track Slab Laying Car, Track motor Car, Trolley Wagons, Flash Butt Welding Machine, etc. These machines are specially developed in the same line as that of Japanese technological requirements.

In addition to above, State of the Art Factory for manufacturing J-slabs for balastless track has also been set up for High Speed Railway Track, being executed with Shinkansen Technology. Many components for the High Speed Track, such as, CAM bags, Synthetic Resin Pads, adjustable pads, Insert C& D for J-slabs, have been developed indigenously reducing dependence on imported component and saving in foreign exchange.

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

In this endeavour, IRCON has not only developed Indian manufacturers at par with Japanese design but also saved a significant cost to IRCON (more than Rs. 100 Cr.) by getting these track machineries manufactured in India instead of procuring these machines from Japan.

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

RESEARCH AND DEVELOPMENT

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

INFORMATION TECHNOLOGY AND ERP

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

IRCON has recently upgraded to SAPS/4 Hana as Enterprise Resource Planning (ERP) application software for the operations of Finance, Controlling and Human Resource Management. It is leading to company wide information availability, transparency and has enabled faster decision making. SAP Business Objects (SAP BO) an analytical product of SAP was added to SAP implementation to automate on-demand financial reporting. This reporting tool fetches real-time data from SAP and helps in preparation of Financial Statements of the Company. Employee Self Service Portal, Finance and HCM modules of SAP have been rolled out for entire organization and Project systems are under implementation at various locations. The financial statements for the year ended March 31, 2024 were prepared from SAP S4-HANA and salaries of employees are also being processed through its payroll module from April 2022 onwards. Fully functional SAP S4-HANA after implementation will cover end-to-end business processes of IRCON. S4-HANA ERP software's server infrastructure is hosted on RailTel cloud on a MEITY empaneled Datacenters to ensure secured access in high availability environment where in there is scope for capacity augmentation without disruption of regular services.

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

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

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

Cyber and Social Engineering attacks are a big concern now a days for organizations information security. IRCON has made efforts in this area and has formulated a Cyber Crisis Management Plan. Incidents of Cyber-attacks are reported to CERT-IN for record and further guidance. Steps are being taken to ensure that proper Cyber security audits of IT applications and IT infrastructure are done as per industry practice and norms. Employee awareness programs/trainings are being conducted on regular basis.

For efficient and transparency eProcurement through GeM (Government E-Market Place) and CPP Portal (Central Public Procurement Portal) have been adopted organization wide. Online collaboration tools are used by employees for information sharing and business communication.

CORPORATE GOVERNANCE

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

BOARD'S REPORT

and accurate information regarding the Company's operations, performance, leadership, and governance.

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

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

As on March 31, 2024, the Company had nine directors of which four are whole-time directors [Chairman & Managing Director, Director (Finance), Director (Works) and Director (Projects)], one Government Nominee Director and four Independent Directors.

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

Board Of Directors & Key Managerial Personnel (KMP) as on March 31, 2024

The Board of Directors of the Company as on March 31, 2024 were Executive (Functional) Directors viz.- Shri Brijesh Kumar Gupta (DIN: 10092756), Chairman & Managing Director & CEO, Smt. Ragini Advani, (DIN: 09575213), Director (Finance), Shri Parag Verma, (DIN: 05272169) Director (Works), Shri Anand Kumar Singh (DIN:07918656) Director (Projects); Part- time (Official) Director viz. Shri Dhananjaya Singh (DIN: 08955500); being Government Nominee Director and Independent Directors viz. Shri Ajay Kumar Chauhan (DIN: 09394953), Shri Dipendra Kumar Gupta (DIN: 09398271), Smt. Ranjana Upadhyay (DIN: 07787711) (woman independent director) and Dr. Kartik Chandulal Bhadra (DIN: 09453387).

In addition to the CEO and whole-time directors, other KMPs, as on March 31, 2024 were Shri B Mugunthan, Executive Director (Finance) & CFO and Smt. Pooja Gurwala, Company Secretary.

Appointments and cessation of the Directors and KMP during and after close of the FY 2023-24

CHANGES IN THE POST OF CHAIRMAN & MANAGING DIRECTOR

Shri Brijesh Kumar Gupta (DIN:10092756), Additional Member (CE), Railway Board and Government Nominee (Part-Time Official) Director, IRCON assumed the additional charge of Chairman & Managing Director and CEO, IRCON in addition to his own duties on April 29, 2023 until further orders of Ministry of Railways and was regularised at the last Annual General Meeting of the Company held on 12th September 2023. Further, pursuant to Order of the Ministry of Railways, Shri Brijesh Kumar Gupta relinquished the additional charge of the post of Chairman & Managing Director and CEO w.e.f. April 29, 2024 and re-designated as Government Nominee (Part

Time Official) Director of the Company, w.e.f. April 29, 2024.

Shri Ashish Bansal (DIN: 10328174), IRSE, PED/Tr. (M&MC), Railway Board [DIN:10328174] has been entrusted with the additional charge of the post of Chairman & Managing Director and CEO, IRCON in addition to his own duties w.e.f. April 29, 2024.

Further, Railway Board vide its order letter no. 2023/E(O) II/40/15 dated 1st July, 2024, has appointed Shri Hari Mohan Gupta, (DIN: 08453476), to the post of CMD, IRCON, from the date of his assumption of charge of the post and till the date of his superannuation i.e. 30.06.2026 or until further orders, whichever is earliest. Shri Hari Mohan Gupta has assumed the charge of the post of CMD and has been designated as CEO (Key Managerial Personnel) of the Company w.e.f. 1st July, 2024 (AN). Accordingly, Shri Ashish Bansal has relinquished the additional charge of the post of CMD and ceased to be Key Managerial Personnel (CEO) of the Company w.e.f. 01.07.2024 (FN), pursuant to the appointment of regular CMD. Shri Hari Mohan Gupta, CMD is proposed to be regularized as CMD of the Company at the ensuing AGM of the Company.

CHANGES IN THE POST OF FUNCTIONAL DIRECTOR

Shri Anand Kumar Singh (DIN: 07918656), appointed as an Additional Director/Director (Projects) w.e.f. 7th July 2023, was regularized at the last Annual General Meeting of the Company held on 12th September 2023.

CHANGE IN THE KMP

During the financial year 2023-24, Ms. Ritu Arora ceased to be Company Secretary and Whole time Key Managerial Personnel of the Company w.e.f. 16.11.2023 and the Board of Directors of the Company, w.e.f. 28.11.2023, had appointed Ms. Pooja Gurwala, JGM/Company Affairs as Company Secretary and Key Managerial Personnel of the Company, till such time a candidate is selected and appointed at a higher level. Also, Shri Ankit Jain, Manager (Company Affairs), has been appointed as Compliance Officer of the Company under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Later on, after closure of the financial year 2023-24, following the Ircon's recruitment and selection procedure, Smt. Pratibha Aggarwal has been selected as General Manager for the post of Company Secretary in IRCON and was appointed as Company Secretary and Whole time Key Managerial Personnel of the Company w.e.f. 21.05.2024 vice Smt. Pooja Gurwala.

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

INDEPENDENT DIRECTORS' DECLARATION

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

The Ministry of Corporate Affairs (MCA) has issued notifications in October 2019, relating to the creation and maintenance of the data bank for independent directors

BOARD'S REPORT

by Indian Institute of Corporate Affairs at Manesar, Haryana (IICA). Under Section 150(1) of the Companies Act, 2013, IICA conducts Online Proficiency Self-Assessment for Independent Directors. Accordingly, all the Independent Directors of the Company are registered with data bank of IICA.

APPOINTMENT / RE-APPOINTMENT OF DIRECTORS THROUGH POSTAL BALLOT

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

RETIREMENT OF DIRECTORS BY ROTATION

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

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

BOARD & COMMITTEE MEETINGS

Board Meetings:

The Board met nine (9) times during the FY 2023-24, on April 6, 2023; May 11, 2023; May 24, 2023; July 20, 2023; August 08, 2023; October 17, 2023; November 9, 2023; November 28, 2023; and February 08, 2024. The necessary quorum in terms of LODR Regulations was present for all the meetings. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013, DPE Guidelines and LODR Regulations.

During the FY 2023-24, all the meetings of the Board were held at the Company's Registered Office, in New Delhi, through physical and Video Conferencing mode.

Committee meetings:

Your Company's Board has the following committees:

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

6. Project Progress Review Committee

During the FY 2023-24, the Audit Committee of the Board met seven (7) times, the Nomination & Remuneration Committee met six (6) times, Stakeholders' Relationship Committee met one (1) time; Risk Management Committee of the Board met two (2) times; the Corporate Social Responsibility & Sustainability Committee met three (3) times, and the Project Progress Review Committee met one (1) time.

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

SEPARATE MEETING OF INDEPENDENT DIRECTORS

In compliance with the provisions of Regulation 25(3) of LODR Regulations, Schedule IV of the Companies Act, 2013 and guidelines issued by DPE, one separate meeting of Independent Directors was held on March 11, 2024 (which continued on March 12, 2024) without the presence of other Board Members.

SELECTION OF NEW DIRECTORS AND BOARD MEMBERSHIP CRITERIA

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

PERFORMANCE EVALUATION

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

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

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

BOARD'S REPORT

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

REMUNERATION POLICY FOR THE BOARD AND SENIOR MANAGEMENT

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

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

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

Therefore, such details are not included in the Board's Report of IRCON. However, the remuneration paid to directors during FY 2023-24 is disclosed in the Corporate Governance Report.

INTERNAL CONTROL SYSTEMS

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

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

INTERNAL CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

Your Company has adopted an 'Internal code of conduct for prevention of insider trading in dealing with securities of the Company' (Code of Conduct), to regulate,

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

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

RISK MANAGEMENT

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

As per the LODR Regulations, the Company is having a Board level Risk Management Committee, which as on March 31, 2024 comprised of Director (Works) as Chairman, Director (Finance), Director (Projects), and Dr. Kartik Chandulal Bhadra, Independent Director as members.

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

WHISTLE BLOWER POLICY / VIGIL MECHANISM AND VIGILANCE ACTIVITIES

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

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

The Department ensures implementation of laid down guidelines/procedures through preventive checks

BOARD'S REPORT

of tenders and contracts, execution of works, and other functions as well as carry out investigations into complaints. During FY 2023-24, the Department has carried out 01 surprise inspection and 05 periodic inspections on high-value projects. Apart from surprise and periodic inspections department has carried out 03 preventive inspections on tenders floated from the corporate office. Chief Technical Examiner's Organisation (Technical wing of Central Vigilance Commission) has also carried out extensive investigation of 01 Project.

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

During FY 2023-24, the Department has received a total of 22 nos. complaints and total 20 nos. complaints were disposed off including that of previous years. Nature of Complaints includes irregularities during tendering, execution of contract, anonymous & pseudonymous and quality related issues. Also steps were taken for closure of Paras raised by the Chief Technical Examiner's Organisation (CTEO). In addition, scrutiny of immovable property returns of employees, creating awareness on rules/procedures/common irregularities in execution through workshops, training, debate, competitions, etc., have been the prime activities of the Department.

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

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

As per the provision of Integrity Pact and relevant guidelines of Central Vigilance Commission, Shri Bimal Julka, Retired IAS, has been appointed on November 30, 2021 as an Independent External Monitor (IEM) as per revised SOP. Dr. T.M.Bhasin, Ex. Central Vigilance Commissioner, has been appointed as an Independent External Monitor (IEM) on November 18, 2020 as per earlier SOP till 17.11.2023 for 3 years subsequent to which Shri Madhusudan Prasad has been appointed on 18.11.2023 as per revised SOP dated 14.06.2023 (2nd IEM) and to receive any complaints from the bidders and submit the investigation report.

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

RELATED PARTY TRANSACTIONS

Pursuant to the provisions of Section 177 and 188 of the Companies Act 2013 (the Act) and LODR Regulations, prior approval of the related party transactions wherever applicable are taken from the Audit Committee / Board as applicable. Prior omnibus approval of the Audit Committee is also obtained on yearly basis for various Related Party Transactions between IRCON or any of its subsidiaries on one hand and a related party of the IRCON or any of its subsidiaries on the other hand in the ordinary course of business valuing not exceeding ₹1 Crore for each contract / agreement / transaction in a financial year. The transactions, if any, entered into pursuant to the omnibus approval granted, are placed before the Audit Committee on a quarterly basis. Approval of specific related party transactions other than those covered under the Omnibus approval are also obtained from the Audit Committee/ Board in compliance with the requirement of the Companies Act 2013 and LODR Regulations.

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

The Related Party Transaction Policy of the Company as approved by the Board is uploaded on the Company's website under the 'Investors' section at www.ircon.org.

DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors of the Company confirms:

- i) that in the preparation of the financial statements, the applicable accounting standards had been followed except as otherwise stated in the annual financial statements and there has been no material departure;
- ii) that such accounting policies were selected and applied consistently and such judgments and estimates were made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the financial year ended on March 31, 2024, and of the profit of the Company for the FY 2023-24;
- 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

BOARD'S REPORT

- vi) that proper system has been devised to ensure compliances with the provisions of all applicable laws and that such systems were adequate and operating effectively.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

The "Business Responsibility and Sustainability Report" (BRSR) in compliance with the provisions of Regulation 34 of the LODR Regulations, in the format prescribed under SEBI Circular July 12, 2023 forms part of the Report. The report describes the initiatives taken by IRCON from an environmental, social and governance perspective.

MOU RATING / AWARDS

In line with the Department of Public Enterprises (DPE) guidelines, the Ministry of Railways and IRCON International Limited (IRCON) annually sign a Memorandum of Understanding (MoU). This MoU specifies selected parameters and targets for the respective financial year. The performance of IRCON is subsequently assessed at the year's end based on the achievement of these targets.

For the financial year 2022-23, IRCON received an 'Excellent' rating based on its performance evaluation against the MoU parameters.

IRCON has been awarded several prestigious awards. Some of the significant awards and accolades won during the year 2023-24 are mentioned below:

- CE&CR Annual award for "Outstanding Tunnel Structure" for the project "Udhampur- Srinagar – Baramulla New BG Rail line – Construction of Tunnel T-49 on Dharam – Qazigund Section".
- Governance Now 10th PSU Award – CSR Commitment
- Governance Now 10th PSU Award – Nation Building
- Dun & Bradstreet award – ESG Champions of India 2024 in the Engineering & Construction services sector
- Excellence in Civil Engineering, Testing and Commissioning of Rail Projects by Rail Analysis India
- Top Challenger 2022-23 award by Construction World
- Safety Innovation Award 2023 for implementing Innovative Safety Management Systems.
- IRCON has secured 238th rank in the list of Top 250 International Contractors and 229th rank in the list of Top 250 Global Contractors published by ENR Survey 2023.

AUDITORS

STATUTORY AUDITORS

The Comptroller & Auditor General of India (C&AG) has appointed M/s Ramesh C. Agrawal & Co., Chartered Accountants, New Delhi (Firm Registration No.001770C) as the single Statutory Auditors of the Company, for FY 2023-24, except for the following foreign projects for which C&AG has approved the appointment of the following as statutory auditors:

BRANCH AUDITORS FOR INTERNATIONAL PROJECTS

| | |
|-----------------------------|--------------------|
| Mr. AIT MIMOUN Rafik | Algeria Project |
| M/s Jayasinghe & Co. | Sri Lanka Project |
| M/s Toha Khan Zaman & Co. | Bangladesh Project |
| My Asia Consulting Co. Ltd. | Myanmar Project |

COST AUDITORS

In pursuant to the provisions of Section 148 of the Companies Act, 2013 and rules made thereunder, the Company has maintained the cost records of the Company. The Board of Directors has appointed M/s R.M. Bansal & Co., Cost Accountants, (having firm Registration No.000022) as Cost Auditor of the Company for the FY 2023-24 for conducting the audit of cost records.

SECRETARIAL AUDITORS

In pursuant to the provisions of Section 204 of the Companies Act, 2013 and Regulation 24A of the LODR Regulations, the Board of Directors has appointed M/s VAP & Associates, Company Secretaries in practice (Certificate of Practice No. 13901) as the Secretarial Auditors for conducting Secretarial Audit of the Company for the FY 2023-24.

INTERNAL AUDITORS

The Board of Directors have appointed following Internal Auditors for the Indian & Foreign Projects for the FY 2023-24:

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

BOARD'S REPORT

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

The details of investments made, loans granted, and guarantees extended by the Company to its subsidiary and joint venture companies during the FY 2023-24 forms part of the notes to the standalone financial statements provided in the Annual Report.

DEPOSITS

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

OTHER DISCLOSURES

Extract of Annual Return

Pursuant to Section 92(3) and 134(3)(a) of the Companies Act, 2013, the Annual Return of the Company as at March 31, 2024 is placed on the website of the Company at www.ircon.org, under the Investors section.

INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

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

No amount is due for transfer to IEPF and details of unclaimed dividend as on March 31, 2024 are available on the website of the Company, and this is also disclosed in the Corporate Governance report. Further, the Company does not have shares in Demat Suspense Account/ Unclaimed Suspense Account/ Unclaimed Dividend Account and the same has been disclosed in the Corporate Governance report.

SECRETARIAL STANDARDS

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

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

No order has been passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company and its operations in future during the FY 2023-24.

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

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

CHANGE IN THE NATURE OF BUSINESS

There was no material change in the nature of business of the Company during the FY 2023-24.

DIVIDEND DISTRIBUTION POLICY

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

SECRETARIAL AUDIT REPORT AND MANAGEMENT RESPONSE THERETO

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

The Management Response on the qualification in the Secretarial Auditor Report and compliance of conditions of Corporate Governance for the FY 2023-24 forms part of this report.

STATUTORY AUDITORS' REPORT AND C&AG COMMENTS

The reports of the Statutory Auditors on the Financial Statements for FY 2023-24 (both on standalone and consolidated financial statements) are attached separately as part of the Annual Report. There are no qualifications, reservations or adverse remarks made by M/s Ramesh C. Agrawal, Chartered Accountant, Statutory Auditors, in their report for the financial year ended on March 31, 2024.

C&AG has given NIL comments on the Audited Financial Statements of your Company for the FY 2023-24 and the same are attached.

ACKNOWLEDGEMENT

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

BOARD'S REPORT

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

For and on behalf of the Board of Directors

Sd/-
(Hari Mohan Gupta)
 Chairman & Managing Director & CEO
 (DIN: 08453476)

Date: August 13, 2024

Place: New Delhi

APPENDIX-A

ON-GOING MAJOR PROJECTS IN INDIA

| Sl. No. | Name of the Project | Revised Contract Value (₹ in Crore) |
|-----------------|--|-------------------------------------|
| RAILWAYS | | |
| 1. | Katra-Qazigund section (IRCON's portion), Udampur Srinagar Baramulla Rail Link Project, for Northern Railway | 15,983 |
| 2. | Sivok-Rangpo New Rail Line project, for North Frontier Railway | 10,012 |
| 3. | Mumbai Ahmedabad High Speed Rail Project, Package MAHSR-T-2 for National High Speed Rail Corporation Limited (NHSRCL) | 5,118 |
| 4. | Construction of Corridor-III of East-West Corridor between Gevra Road to Pendra Road approximately 135 km, feasibility study of East-West Corridor between Gevra Road to Pendra Road in the State of Chhattisgarh, for Chhattisgarh East-West Railway Limited (CEWRL) | 3,290 |
| 5. | Construction of Corridor-I of East Corridor between Kharsia to Dharamjaygarh and Spur Line in the State of Chhattisgarh, for Chhattisgarh East Railway Limited (CERL). | 2,117 |
| | Construction of New BG Electrified Rail Line between Dharamjaigarh to Korba (Urga) for CERL (CERL-II). | 1,004 |
| 6. | Design and Construction of Civil, Building and Track Works of Vaitarna-Sachin Section of Dedicated Freight Corridor Project, CTP-12, for Dedicated Freight Corridor Corporation of India Limited (DFCCIL) | 2,952 |
| 7. | Doubling projects at Katni – Singrauli Doubling Project, for West Central Railway | 2,445 |
| 8. | Design and Construction of Civil and Building Works including Testing and Commissioning on Design Build Lump Sum Price Basis for Double Line High Speed Railway involving Ahmedabad Station, Sabarmati Station, Viaduct & Bridges, Crossing Bridges (excluding fabrication and transportation of Steel truss girders) and Associated works between MAHSR Km. 489.467 and MAHSR Km. 507.599 in the State of Gujarat for the Project for Construction of Mumbai- Ahmedabad High Speed Rail (Package No. MAHSR C-7), for NHSRCL | 1,714 |
| 9. | RDUM-TAL-RJO (Rampur Dumra – Tal – Rajendrapul Doubling including Ganga Bridge) Doubling projects for East Central Railway | 1,957 |
| 11 | Katni Grade Separator / By pass line (21.50 Km) Project, for West Central Railway. | 1,248 |
| 12 | Kiul – Gaya Doubling projects for East Central Railway | 1,549 |
| 13 | Survey, Feasibility study, Detailed Design and Construction of various identified Rail Coal Connectivity Project(s), for Jharkhand Central Railway Limited (JCRL) | 1,143 |
| 15 | Akhaura – Agartala Rail Link Project (Construction of Indian Portion), for North Frontier Railway | 781 |

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| Sl. No. | Name of the Project | Revised Contract Value (₹ in Crore) |
|---------------|---|-------------------------------------|
| ROADS | | |
| 1 | Construction of Eight Lane Access Controlled Expressway from Km 69.800 to Km 79.783 (Bhoj to Morbe Section-SPUR of Vadodara Mumbai Expressway) in the State of Maharashtra on Hybrid Annuity mode under Bharatmala Pariyojana (Phase-II- Package-XVII), for National Highways Authority of India (NHAI) | 1,436 |
| 2 | Construction of Eight Lane access-controlled Expressway from Km 3.000 to Km 20.200 (Shirsad to Akloli Section-SPUR of Vadodara Mumbai Expressway) in the state of Maharashtra on Hybrid Annuity Mode under Bharatmala Pariyojana (Phase II-Package XIV), for NHAI | 1,124 |
| 3 | Construction of Four/ Six lane Greenfield Ludhiana- Rupnagar National Highway no. NH-205K from junction with NE-5 village near Manewal (Ludhiana) to junction with NH-205 near Bheora Village (Rupnagar) including spur to Kharar with Ludhiana Bypass under Bharatmala Pariyojana in the State of Punjab on Hybrid Annuity Mode: Package-3 (Design Ch. 66.440 to Design Ch. 90.500 and spur to Kharar Design Ch. 0.000 to Design Ch. 19.200, total length 43.26 km), for NHAI | 1,107 |
| 4 | Upgradation of Gurgaon-Pataudi-Rewari Section of NH-352W as feeder route in the State of Haryana on Hybrid Annuity Mode for NHAI | 789 |
| 5 | Upgradation and Four Laning of Haridwar Bypass Package-1 From Km. 0+000 (Km 188+100 of NH-58) to Km. 15+100 (Km 5+100 of NH 74) in the state of Uttarakhand on Hybrid Annuity Mode, for NHAI | 861 |
| OTHERS | | |
| 1 | Setting up of 500 MW Grid Connected Solar PV Power Projects in India (Tranche III) under Central Public Sector Undertaking (CPSU) Scheme Phase-II (Government Producer Scheme) for Indian Renewable Energy Development Agency Limited (IREDA) | 1,960 |
| 2 | Two projects viz. Design, Supply, Installation, Testing and Commissioning of receiving Sub Stations [including 25 kVAC Traction cum 33 kVAuxiliary Main Sub Stations], Extra High Voltage & High Voltage Cabling, 25 kV Overhead Equipment (FOCS/ROCS), Auxiliary Power Supply [including Auxiliary Sub Station], and Associated Works on via duct & Tunnel from Duhai (EPE) to Modipuram [including Modipuram Depot] for Delhi-Ghaziabad-Meerut RRTS Corridor of National Capital Region Transport Corporation (NCRTC) (Lot-P19 L1 and Lot-P19 L2) for NCRTC | 374 438 |
| 3 | Railway Electrification works for Badarpur- Jiribam, Katakhal – Bhairabi and Badapur- Karimgang – Sabroom Incl Karimgang – Maishasan, Agartala – Akaura and Baraigram – Dullabachera for North Frontier Railway | 737 |

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APPENDIX – B

A. SUBSIDIARY COMPANIES:

1. IRCON INFRASTRUCTURE & SERVICES LIMITED (IrconISL)

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

During the FY 2023–24, IrconISL has secured 02 new projects viz. (i) Project Management Consultancy (Supervision/Inspection) for Construction of New Railway Over Bridge near Level Crossing No. LC-148 'C' at Km. No. 273/27–274/1 Bharthana-Kosad, Surat (Railway Portion only) from Urban Ring Development Corporation, Surat and (ii) Detailed engineering and project supervision for Development of Multi Model Cargo Terminal under GCT Policy at Chharodi (Gujarat) from CONCOR.

Along with the above new projects, during Financial Year 2023–24, the following on-going projects are in various stages of completion:

- I. Project Management Consultancy (PMC) for Establishment of Haryana Vishwakarma Skill University (HVSU) at Dudhola, Palwal, Haryana.
- II. PMC for Construction of a New state-of-Art Building in the Technology Bhawan Campus, Department of Science and Technology, Ministry of Science & Technology, New Mehrauli Road, New Delhi.
- III. PMC for construction of Barrack Accommodation for Security Personnel at two (2) nos. of Land ports/ICPs at Petrapole (West Bengal) and Dawki (Meghalaya) for Land Ports Authority of India (LPAI).
- IV. PMC for construction of Multi Modal Logistics Park (MMLP) for CONCOR at Paradip (Orissa).
- V. PMC for Replacement of CST-9 Sleepers with PRC Sleepers of MGR System of Stage-1 (2×210MW) at National Thermal Power Corporation, Unchahar, U.P.
- VI. PMC for Construction of Infrastructure works at National Disaster Response Force Academy at Nagpur.
- VII. Detailed Engineering & Project Supervision for development of handling facilities for IFFCO

at MMLP Paradip Port, Orissa, awarded by CONCOR.

- VIII. Maintenance of Track, Civil Engineering, OHE and S&T assets of Kharsia-Korichhapar newly laid BG Section for Chhattisgarh East Railway Limited.
- IX. Inspection Agency for Inspection, Supervision & Quality Control related works of Assembly and Launching of Steel Superstructure within the Railway portion including fabrication & installation of bearing for "Construction of Road Over Bridges (ROB) at various locations in lieu of LC gates in Maharashtra area under Central Railway" for Maharashtra Rail Infrastructure Development Corporation Limited.
- X. Supervision Consultancy for Construction of two ROB's on Dr. E. Moses Road and Keshavrao Khade Marg near Mahalaxmi Railway Station in G/S ward for Municipal Corporation of Greater Mumbai.
- XI. Final Location Survey (FLS) using Modern Survey Technologies for New Broad Gauge Line from Tanakpur to Bageshwar (approx. 154.58km) in the state of Uttarakhand for North Eastern Railway.
- XII. Final Location Survey (FLS) using Digital Terrain/ Elevation Model (DTM/ DEM/DSM) generated from satellite or LiDAR imageries, staking of alignment on ground, Geological & Geophysical mapping etc. in connection with Imphal-Moreh new BG Single Line project in Manipur (Total approx. length 110KM) for Northeast Frontier Railway.
- XIII. Development & Monetization of Land Parcel Under SDMC Situated at Community Center at Madipur, Punjabi Bagh, New Delhi as Multi Level Car Parking Facility With Commercial Complex For South Delhi Municipal Corporation. Feasibility report and financial model of the project has been submitted to client.
- XIV. Maintenance of project assets in newly commissioned Korichhappar to Dharamjaygarh section and Ghargoda to Bhalumuda section from Chhattisgarh East Railway Limited
- XV. Providing Facility Management Services and Annual Operation cum Comprehensive Maintenance of building related services for Department of Science & Technology.
- XVI. PMC for Construction of Phase-B Work at JNV Sabarkantha (Gujarat) for Navodaya Vidyalaya Samiti.
- XVII. Detailed engineering and project supervision for Development of Multi Model Cargo Terminal under GCT Policy at Chharodi (Gujarat).
- XVIII. Project Management Consultancy (Supervision /Inspection) of Construction of New Railway

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Over Bridge near Level Crossing No. LC-148 'C' at Km. No. 273/27-274/1 Bharthana-Kosad, Surat (Railway Portion only)

During FY 2023-24, Construction of Barrack Accommodation for Security Personnel at Jogbani, Bihar has been completed and handed over to LPAI. Same was inaugurated by Hon'ble Home Minister on 17.09.2023. Ten (10) Blocks of SVSU University (Academic block-1no., Admin blocks-6 nos., Boys hostel, Girl's hostel and Centre of Excellence) were completed and handed over to Client. These were inaugurated by hon'ble Chief Minister of Haryana on 20.11.2023. Multi Modal Logistics Park (MMLP) at Kadakola, Mysuru is completed and handed over to CONCOR. MMLPs at Kadakola and Dahej have been inaugurated by Hon'ble Prime Minister by virtual mode on 12.03.2024.

2. IRCON PB TOLLWAY LIMITED (IrconPBTL)

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

The provisional certificate of completion for road length of 156.650 Km and 2.52 km has been issued on 15.02.2019 and 04.11.2020 respectively for commencement of tolling operations at all the three toll plazas located at Salasar and Nokhra in Bikaner District and Kheerwa in Jodhpur District, Rajasthan. The Completion Certificate for the entire project has been issued on 04.09.2024. Toll Fee for entire project length of 159.200 km is being collected. The revenue is being collected by deploying toll collection agency on the manpower supply basis.

3. IRCON SHIVPURI GUNA TOLLWAY LIMITED (IrconSGTL)

IrconSGTL, a wholly owned subsidiary of IRCON incorporated as a Special Purpose Vehicle on May 12, 2015 and obtained the approval for Commencement of Business on May 27, 2015. The main object of IrconSGTL is to carry on the business of four-laning of Shivpuri-Guna section of NH-3 from 236.000 km to 332.100 km on Build, Operate, and Transfer (BOT) (Toll) basis on Design, Build, Finance, Operate and Transfer (DBFOT) pattern under NHDP Phase-IV in the State of Madhya Pradesh.

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

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

IrconSGTL has availed loan for an amount of ₹501 Crore from SBI and the outstanding balance as on March 31, 2024 is ₹483.57 Crore.

4. IRCON DAVANAGERE HAVERI HIGHWAY LIMITED (IrconDHHL)

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

IrconDHHL has entered into Concession Agreement (CA) with NHAI on June 19, 2017. The concession period of the project comprises of the construction period of 912 days (30 months) from the Appointed Date i.e., January 24, 2018 and operation & maintenance period of 15 years commencing from the Provisional Completion Certificate. The total Bid Project Cost is ₹1177 Crore plus escalation during construction and Operation & Maintenance (O&M) cost is ₹10.00 Crore per annum with escalation during the entire O&M period. IRCON has been appointed as EPC Contractor for the Construction part only as per the terms of the technical bid submitted by IRCON to NHAI.

The Provisional Completion Certificate (PCC) for 71.738 Km. out of 78.923 Km of project highway was issued by Independent Engineer (IE) w.e.f. 28.05.2021 and the balance work is to be completed within the execution target of 18 months i.e upto 31.10.2024. Further, a total amount of ₹230.42 Crore (excluding GST) has already been received from the NHAI towards five Annuities due as per the terms of CA along with the payment for O&M cost.

IrconDHHL has availed sanction of Term Loan of ₹502.76 Crore from Punjab National Bank (PNB) to finance the project and as on March 31, 2024, the outstanding loan is ₹300.16 Cr.

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5. IRCON VADODARA KIM EXPRESSWAY LIMITED (IrconVKEL)

IrconVKEL, a wholly-owned subsidiary of IRCON incorporated as a Special Purpose Vehicle (SPV) on May 16, 2018 with the main object to carry on the business of development, maintenance and management of eight lane Vadodara Kim Expressway from Km 323.00 to Km 355.00 (Sanpa to Padra Section of Vadodara Mumbai Expressway) in the State of Gujarat under NHDP Phase-VI on Hybrid Annuity Mode (Phase IA- Package II) on design, build, finance, operate and transfer basis.

IrconVKEL has entered into Concession Agreement with NHAI on May 25, 2018. The concession period of the project comprises of construction period of 730 days from the Appointed Date i.e., January 31, 2019 and operation period of 15 years commencing from Commercial Operation Date (COD), with the total bid project cost of ₹1865 Crore plus escalation excluding O&M cost of ₹8.16 Cr per annum. IRCON has been appointed as EPC Contractor in terms of technical bid submitted by IRCON to NHAI. IrconVKEL has availed term loan of ₹724.12 Crore from Bank of Baroda (BOB) to finance the project and as on March 31, 2024, the outstanding loan is ₹620.68 Cr. Corporate Guarantee of the promoter i.e., Ircon International Limited (AAA rated) has been released by Bank of Baroda vide no objection letter dated 25-05-2023.

NHAI has issued the Provisional Completion Certificate w.e.f. 25.08.2022 for 31.785 K.m. out of 32 K.m. and subsequent to achievement of PCOD, Operation & Maintenance phase of the Project has been commenced w.e.f. 26.08.2022. Accordingly, bi-annual and O&M annuity payment installment started w.e.f. February, 2023. Till date, IrconVKEL has received total 3 annuity and O&M payment. IrconVKEL has completed all pending work and punch list items and also completed all formalities for obtaining COD from NHAI. Recently, it has recommended for issuance of COD w.e.f. 9th January, 2024 and is presently pending with NHAI.

6. IRCON GURGAON REWARI HIGHWAY LIMITED (IrconGRHL)

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

IrconGRHL has entered into Concession Agreement with NHAI on January 20, 2021. The concession period of the project comprises of construction period of 730 days from the Appointed Date i.e., November 24, 2021 and operation period of 15 years

commencing from Commercial Operation Date, with the total bid project cost is ₹900 Crore excluding O&M cost of ₹2.47 Cr per annum. IRCON has been appointed as EPC Contractor in terms of technical bid submitted by IRCON to NHAI. The project is in execution phase and likely to be completed by 27.04.2025.

IrconGRHL has availed term loan of ₹ 309.68 Crore from Indian Overseas Bank (IOB) to finance the project. The outstanding loan as on March 31, 2024 is ₹ 196.52 Crore.

7. IRCON AKLOLI-SHIRSAD EXPRESSWAY LIMITED (IrconASEL)

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

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

The financial closure has been achieved for the project by IrconASEL and NHAI. The appointed date was declared from 10.11.2022 by NHAI for the project. The project is in execution phase and likely to be completed by June'2025.

IrconASEL has availed loan for an amount of ₹686.37 Crore from Bank of Baroda to finance the project. The outstanding loan as on March 31, 2024 is ₹155.70 Crore.

8. IRCON LUDHIANA RUPNAGAR HIGHWAY LIMITED (IrconLRHL)

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

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

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

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

IrconLRHL has sanctioned term loan of ₹570.82 Crore from Bank of Baroda. However, ILRHL has availed ₹197.00 Crore up to 31.03.2024.

9. IRCON BHOJ MORBE EXPRESSWAY LIMITED (IrconBMEL)

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

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

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

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

Loan taken from Bank of Baroda up to 31.03.2024 is RS 129.37 Cr.

10. IRCON HARIDWAR BYPASS LIMITED (IrconHBL)

IrconHBL, a wholly-owned subsidiary of IRCON incorporated as a Special Purpose Vehicle on January 13, 2022, and obtained certificate of Commencement of Business on January 19, 2022. The main object of IrconHBL is "to carry the business of Upgradation

and Four-Laning of Haridwar Bypass Package-1 From Km.0+000 (Km 188+100 of NH-58) to Km. 15+100 (km 5+100 of NH 74) in the State of Uttarakhand on Hybrid Annuity Mode (HAM) in accordance with the terms of Concession Agreement with National Highways Authority of India (NHAI).

IrconHBL entered into Concession Agreement with NHAI on March 8, 2022. The concession period of the project comprises of construction period of 730 days from the Appointed Date (31.10.2022) and operation period of 15 years commencing from COD, with the total bid project cost of ₹861 Crore excluding O&M cost of ₹2.0 Cr per annum. IRCON has been appointed as EPC Contractor in terms of a technical bid submitted by IRCON to NHAI. The Project is in execution phase and is likely to be completed by 30.06.2025.

IrconHBL has entered into a loan agreement of ₹447.6 Crores from State Bank of India for partly financing the project. The outstanding loan as on March 31, 2024 is Rs.112.96 Crore.

11. IRCON RENEWABLE POWER LIMITED (IRPL)

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

The project was awarded to IRCON by IREDA and is being executed by IRPL. The total project cost is ₹2770.45 Crore. The final Viability Gap Funding (VGF) amount for the Project is ₹44,94,000 per MW calculated in total to ₹224.70 Crore, which will be released in two tranches by IREDA i.e. (a) 50% on award of contract to the EPC Contractor (including in-house EPC Division) by the bidder (IRCON), for which EPC Contract has been executed with KEC International on 16th Dec 2022 and (b) the balance 50% on successful commissioning of the full capacity of the Project. All the supporting documents for the releasing of first tranche of VGF were submitted to IREDA on 20th Dec 2022 and first tranche of VGF was received on 05.09.2023.

The acquisition of land is under process and Agreement to Lease (ATL) of approximately 1600 Acres has been executed out of 2270 Acres. Further, Detailed Design is almost completed and all long lead items are delivered at site. The Erection of equipment is under progress. Solar Modules of approximate capacity 15 MWp are installed at Site and further installation is in progress. Moreover, the

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erection and commissioning works of 33 / 220 kV Pooling Substation are also under completion stage. The erection of approx. 5 Km 220kV Transmission Line from Solar Plant Pooling Substation (PSS) to 400/220kV PGCIL Pavagada Grid Substation and Bay Implementation are also completed and commissioning is under process.

B. JOINT VENTURE COMPANIES:

1. IRCON-SOMA TOLLWAY PRIVATE LIMITED (ISTPL)

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

The project was completed in 2010-11 and since April, 2010 the Company is collecting toll from entire project stretch of 118.158 km. The concession period of 20 years is coming to an end on 26.03.2026.

Further, in the month of February, 2024, Soma Tollways Private Limited has transferred its 6,38,69,999 shares to Soma Raipur City Centre Private Limited (STPL).

2. INDIAN RAILWAY STATIONS DEVELOPMENT CORPORATION LIMITED (IRSDC)

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

RITES is in the ratio of 50:26:24, respectively.

Ministry of Railways, vide its letter dated October 18, 2021, has 'in-principle' decided for closure of IRSDC and to initiate the procedural formalities thereto. Transaction Advisors (M/s. IDBI Caps) have been appointed to oversee the process and provide technical and legal inputs to aid in the closure process of IRSDC.

Based on MoR directives, all continuing contracts/Agreements for stations under progress/planning have been novated/transferred to Rail Land Development Authority (RLDA) and all five Stations Facility Management (i.e Pune, Anand Vihar, Chandigarh, Secunderabad and Bangalore) stand handed over to respective Zonal Railways as on 31.3.2022. Action to address the contractual/other liabilities of IRSDC are under finalisation.

Based on MoR directives, the shareholding of IRSDC in Surat Integrated Transportation Development Corporation Limited (SITCO) has been transferred to RLDA in March 2023. In compliance with MoR directives, shareholding of IRSDC in Gandhi Nagar Railway and Urban Development Corporation (GARUD) is being transferred to RLDA and the process of transfer to RLDA at book value (without valuation) as on the mutually agreed cut-off/transfer date is in progress.

The closure related activities are under finalisation. Financial statements of IRSDC have been prepared on liquidation basis. Due to decision of closure and subsequent to transfer of shareholding in SITCO to RLDA as part of the closure activities, all assets and liabilities of IRSDC [other than its investment in GARUD] are to be transferred to RLDA on slump sale basis for a consideration not less than the book value as on the cutoff date to be mutually agreed upon as approved in the BoD meeting of IRSDC.

The Liquidation process shall commence on completion of these activities and handing over of assets and liabilities to RLDA/MoR.

3. CHHATTISGARH EAST RAILWAY LIMITED (CERL)

CERL, a Joint Venture company with equity participation by South Eastern Coalfields Limited (SECL), IRCON and Chhattisgarh State Industrial Development Corporation Limited (CSIDC) (nominee of Government of Chhattisgarh) in the ratio of 64:26:10, respectively, was incorporated on March 12, 2013. CERL had obtained the Certificate for Commencement of Business on May 07, 2013. The main object of CERL is development of coal connectivity corridor i.e. East Corridor (length 180 Km) in the State of Chhattisgarh.

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The project is being implemented on Build, Own, Operate, and Transfer (BOOT) model for PPP projects. The Shareholder Agreement between SECL, IRCON and CSIDC was executed on September 11, 2014.

This project is further divided into following two phases:

- (A) CERL Phase-I-It extends from Kharsia to Dharamjaigarh including Spur Line from Gharghoda to Donga Mahua. The concession agreement for CERL Phase-I was signed with the Ministry of Railways on June 12, 2015 with an Inflated mileage of 60% on chargeable distance of 175 Kms for a period of five years is upto September 2024. The financial closure of CERL-I has been achieved on November 24, 2017.

The various sections have been commissioned as follows:

1. Kharsia to Korichhapar (DN line: 0-42.569 km) of CERL Phase-I has been commissioned on October 12, 2019.
2. Korichhapar to Dharamjaigarh (DN line: 42.569 Km - 73.519 km) of CERL Phase-I has been commissioned on June 22, 2021.
3. SECR authorized opening of Gharghoda to Bhalumuda (CSB KM 34.090 - 13.873 km) of CERL Phase-I on 23.02.2022. The section has been commercially notified on 07.03.2022.
4. Chhal Feder line CSB Km 16.548 (CH. 0 for Feeder Line)- CERL Boundary, Km 8.429 (F/CHHAL) of CERL Phase-I has been commissioned on July 23, 2022.
5. Kharsia to Korichhapar (UP line: 0-42.569 km) of CERL Phase-I has been commissioned on September 12, 2022.
6. Baroud Feeder line CSB Km 42.569 (CH. 0 for Baroud Feeder Line)- CERL Boundary, Km 4.139 of CERL Phase-I has been commissioned on March 16, 2023.
7. The COD of the CERL Phase-I project is July, 23, 2022.
8. Baroud Freight terminal was commissioned on 13.06.2023 and loading commenced from 26.06.2023.
9. EIG certificate for the work of "Energisation of OHE of private siding of SECL at Chhal taking off from CERL line in R&D loading yard of SECL siding in BSP Division over SECR (Total TKM: 2.617)" was issued on 07.11.2023 for Chhal Feeder line

- (B) CERL Phase-II - It extends from Dharmjaygarh to Korba. A revised Detailed Project Report (DPR) with GST implications of CERL Phase-II has been approved by Zonal Railways with inflated mileage of 60% on chargeable distance of 62.5 km for five years operation on June 12, 2018. The concession

agreement for CERL Phase-II has been signed with the Ministry of Railways on March 15, 2022. Financial Closure of CERL Phase II Project was achieved with Central Bank of India on 28.08.2023 for a total debt requirement of Rs. 1349.00 Crores. Stage-I Forest Clearance towards diversion of Forest Land admeasuring 157.035 Hectares has been obtained on dated 02.03.2023. Working permission received on 15.07.2023.

4. CHHATTISGARH EAST-WEST RAILWAY LIMITED (CEWRL)

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

Detailed Project Report (DPR) was approved by Railways through its zonal Railway viz. South Eastern Central Railway with inflated mileage of 40% on chargeable distance of 135 km for five years as approved by the Ministry of Railways on June 15, 2017. Concession Agreement was entered between CEWRL and Ministry of Railways on July 01, 2018. CEWRL has availed the loan facilities for an amount of ₹3976 Crore from consortium of banks lead by State Bank of India (SBI) and financial closure has been achieved on September 04, 2020. As per the loan requirement, IRCON has given the Sponsor Support Undertaking for the equity contribution of 26% of the total equity requirement, to meet cost overrun, to service the debt upto the date of commercial operation date, etc. Complete Land for the Project has been acquired and tenders for civil works worth approx. ₹ 3064 Crore have been finalized and work is in progress. The target date of completion of the work is December 2024.

5. MAHANADI COAL RAILWAY LIMITED (MCRL)

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

MCRL has signed project execution agreement with IRCON on April 19, 2016 and Angul-Balram-

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Putagadia-Jharpada-Tentuloi new rail corridor (68Km) has been identified for implementation. Detailed Project Report (DPR) of this project has been approved by Zonal Railways viz. East Coast Railway in January 2018. The Ministry of Railways has approved inflated mileage of 60 % for the entire length of the project on June 11, 2018. The project has been approved as a special Railway project by the Ministry of Railways on October 23, 2018.

The Concession Agreement between MCRL and Ministry of Railways has been executed on December 02, 2021.

Angul- Balaram section (14 Km) as MCRL Phase I was commissioned on 14.11.2022 and land acquisition for Phase II (54kms) was underway. Meanwhile, MoR has taken the decision to take over the entire project. Phase I of the project is handed over to ECoR on 01.03.2024 for operation and maintenance with the condition that expenditure on the operation and maintenance will be met out of the user fee payable to MCRL.

6. JHARKHAND CENTRAL RAILWAY LIMITED (JCRL)

JCRL, a joint venture company with equity participation of Central Coalfields Limited (CCL), IRCON and Government of Jharkhand (GoJ) in the ratio of 64:26:10, respectively, was incorporated on August 31, 2015. The main objective of JCRL is to design, build, operate and maintain identified rail corridor projects that are critical for evacuation of coal from mines in the State of Jharkhand. The Ministry of Railways has granted in-principle approval for transfer of Shivpur- Kathautia New BG Electrified Rail Line Project to JCRL

JCRL had signed a project execution agreement with IRCON on March 28, 2016.. Project chainage starts from Kathautia (0.000) to Shivpur (49.085) a total stretch of 49.085 Km. Detail Project Report (DPR) has been approved by East Central Railway. An inflated mileage of 60% on a chargeable distance of 49.085 km has been approved by the Ministry of Railways for a period of 5 years from C.O.D.. The Concession Agreement between JCRL and the Ministry of Railways was signed on December 4, 2018.

Land acquisition has been completed and working permissions on forest land after deposition of NPV,

CA and WMP amounts after getting Stage-I forest clearance has also been obtained.

JCRL has achieved financial closure on May 05, 2022. The Company has availed loan facility amounting to ₹1259.75 Crore from PNB led consortium of banks and total disbursement amounting to ₹478.38 Crore was received till March' 2024. Disbursement during the FY 2023-24 was Rs. 353.27 Cr.

The project is under various stages of completion and the expected date of completion of the project is June 04, 2025. The total CWIP of the project as on 31.03.2024 is Rs. 787.32 Cr with GST of Rs. 85.62 Cr totalling Rs. 872.94 Cr (48.50%) against the total project cost of Rs. 1799.64 Cr. Total cost of progressive work executed under civil construction including escalation up to 31.03.2024 is of Rs. 435.46 Cr excluding GST.

7. BASTAR RAILWAY PRIVATE LIMITED (BRPL)

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

The Concession Agreement between BRPL and the Ministry of Railways was executed on September 27, 2018.

As per the request of the JV Company, the Railway Board have granted 'in-principle' approval for taking over the BRPL project vide letter dated 03.02.2023. The Railway Board has asked for the submission of details of legal and financial liabilities. The Board has also asked to furnish the legal opinion on such take over of the project under the concession agreement. The same is under process of approval from the stakeholders.

CORPORATE GOVERNANCE REPORT

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

DPE vide its letter dated October 12, 2023 has granted the "Navratna" Status to the Company. Now, IRCON is the 15th Navratna CPSE amongst the CPSEs. IRCON got listed on September 28, 2018 and has established a sound framework of Corporate Governance.

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

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

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

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

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

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

- a. Constructive approach
- b. Working as a team
- c. Excellence in performance
- d. Probity in work and dealings
- e. Being responsible and accountable

2. BOARD OF DIRECTORS

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

Pursuant to Section 2(45) of the Companies Act, 2013, IRCON is a 'Government Company' as 65.17% of its paid-up share capital is held by the Central Government/ Government of India (**GoI**) through the President of India and the power to appoint Directors vests with the President of India through Administrative Ministry i.e., Ministry of Railways (**MoR**).

As on March 31, 2024, the Company has nine directors of which four are whole-time directors [Chairman & Managing Director, Director (Finance), Director (Works) and Director (Projects)], one Government Nominee Director and four Independent Directors.

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

During the FY 2023-24, the Company was having an optimum combination of Executive/ Functional Directors and Non-Executive Directors with women directors. However, the Composition of the Board was not in compliance with the SEBI LODR requirements, as Chairman of the Company is Executive Director therefore, at least half of the

CORPORATE GOVERNANCE REPORT

board of directors should comprise of independent directors, however as on March 31, 2024, instead of 6, the Company is having only 4 Independent Directors. As on March 31, 2024, two posts of Independent Directors were vacant and MoR is already requested for appointment of requisite number of Independent Directors on the Board of IRCON.

2.1 CATEGORY & NAME OF THE DIRECTORS WITH DESIGNATION AND DIN DURING THE FY 2023-24

| Category, Name & Designation | DIN | Appointment or Cessation (during the year, if any) |
|--|----------|---|
| Whole-time (Functional) Directors – Executive | | |
| Shri Brijesh Kumar Gupta Chairman & Managing Director and CEO@ (additional charge) | 10092756 | Appointed as Chairman & Managing Director and CEO w.e.f. 29.04.2023 |
| Smt. Ragini Advani Director (Finance) | 09575213 | - |
| Shri Parag Verma Director (Works) | 05272169 | - |
| Shri Anand Kumar Singh Director (Projects) | 07918656 | Appointed as Director (Projects) w.e.f. 07.07.2023 |
| Shri Sandeep Jain Director (Projects) (additional charge) | 09435375 | Ceased to be Director (Projects) w.e.f. 07.07.2023 |
| Shri Yogesh Kumar Misra Chairman & Managing Director and CEO | 07654014 | Ceased to be Chairman & Managing Director and CEO w.e.f. 29.04.2023 |
| Government Nominee [Part-time (Official)] Director – Non-Executive | | |
| Shri Dhananjaya Singh | 08955500 | - |
| Independent [Part-time (Non-Official)] Directors – Non-Executive | | |
| Shri Ajay Kumar Chauhan | 09394953 | - |
| Shri Dipendra Kumar Gupta | 09398271 | - |
| Smt. Ranjana Upadhyay | 07787711 | - |
| Dr. Kartik Chandulal Bhadra | 09453387 | - |

@ Shri Brijesh Kumar Gupta, Additional Member (CE), Railway Board and Government Nominee (Part-Time Official) Director, IRCON assumed the additional charge of Chairman & Managing Director and CEO, IRCON in addition to his own duties on April 29, 2023 until further orders of Ministry of Railways. Further, pursuant to Order of the Ministry of Railways, Shri Brijesh Kumar Gupta relinquished the additional charge of the post of Chairman & Managing Director and CEO w.e.f. April 29, 2024 and re-designated as Government Nominee (Part Time Official) Director of the Company, w.e.f. April 29, 2024.

Shri Ashish Bansal, IRSE, PED/Tr. (M&MC), Railway Board [DIN:10328174] has been entrusted with the additional charge of the post of Chairman & Managing Director and CEO, IRCON in addition to his own duties w.e.f. April 29, 2024. Further, pursuant to order of MoR, Shri Bansal, relinquished the additional charge of the post of Chairman & Managing Director and CEO w.e.f. July 01, 2024 (FN), upon appointment of Shri Hari Mohan Gupta [DIN: 08453476] who assumed the charge of the post of Chairman & Managing Director and CEO, IRCON w.e.f. July 01, 2024 (AN).

2.2 BOARD COMPOSITION, CATEGORY OF DIRECTORS, DETAILS OF DIRECTORSHIP IN OTHER COMPANIES AND MEMBERSHIP/CHAIRPERSONSHIP IN BOARD COMMITTEE(S) AS ON 31ST MARCH 2024

| Sr. No. | Category & Name of Directors | No. & Name of Directorships in Other Companies ¹ | No. and Names of the Board Committee(s) in other companies of which director is a Member/ Chairperson ² | No. of shares held |
|---|------------------------------|---|--|--------------------|
| Functional Directors – Executive | | | | |
| 1. | Shri Brijesh Kumar Gupta | - | - | - |

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| Sr. No. | Category & Name of Directors | No. & Name of Directorships in Other Companies ¹ | No. and Names of the Board Committee(s) in other companies of which director is a Member/ Chairperson ² | No. of shares held |
|--|------------------------------|---|--|--------------------|
| 2. | Smt. Ragini Advani | Part-time (Nominee) Director in: 1. Chhattisgarh East-West Railway Limited 2. Chhattisgarh East Railway Limited 3. Jharkhand Central Railway Limited 4. Mahanadi Coal Railway Limited 5. Bastar Railway Private Limited | - | - |
| 3. | Shri Parag Verma | 1. Ircon Infrastructure & Services Limited – Chairman 2. Ircon Vadodara Kim Expressway Limited – Chairman 3. Ircon Gurgaon Rewari Highway Limited – Chairman 4. Ircon Akloli-Shirsad Expressway Limited – Chairman 5. Ircon Ludhiana Rupnagar Highway Limited – Chairman Part-time (Nominee) Director in: 6. Indian Railway Stations Development Corporation Limited 7. Mahanadi Coal Railway Limited 8. Jharkhand Central Railway Limited | Indian Railway Stations Development Corporation Limited- Audit Committee – Chairman | 10,500 |
| 4. | Shri Anand Kumar Singh | Part-time (Nominee) Director in: 1. Chhattisgarh East Railway Limited 2. Chhattisgarh East-West Railway Limited 3. Bastar Railway Private Limited | - | - |
| Government Nominee (Part-time (Official) Directors) – Non-Executive | | | | |
| 5. | Shri Dhananjaya Singh | Government Nominee Director in: 1. Rail Vikas Nigam Limited – Listed Company 2. Pipavav Railway Corporation Limited 3. Kolkata Metro Rail Corporation Limited 4. Uttar Pradesh Metro Rail Corporation Limited 5. Bengaluru Integrated Rail Infrastructure Development Enterprise Limited 6. Rail Infrastructure Development Company (Karnataka) Limited | Rail Vikas Nigam Limited – Stakeholders Relationship Committee – Member Kolkata Metro Rail Corporation Limited – Audit Committee – Member | - |
| Independent [Part-time (Non-Official)] Directors – Non-Executive | | | | |
| 6. | Shri Ajay Kumar Chauhan | Nil | Nil | Nil |
| 7. | Shri Dipendra Kumar Gupta | Nil | Nil | Nil |
| 8. | Smt. Ranjana Upadhyay | Nil | Nil | Nil |
| 9. | Dr. Kartik Chandulal Bhadra | Nil | Nil | Nil |

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Foot Notes:

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

2.3 BOARD MEETINGS AND AGM HELD DURING FY 2023-24:

During FY 2023-24, the Board of Directors of the Company met nine (9) times. Details of the Board Strength and number of directors attended the Board Meetings are mentioned below. None of the Board Meeting was held with a gap of more than 120 days / three months.

| Date of Meeting | Board Strength | No. of Directors Present |
|-----------------|----------------|--------------------------|
| 06.04.2023 | 10 | 9 |
| 11.05.2023 | 9 | 9 |
| 24.05.2023 | 9 | 7 |
| 20.07.2023 | 9 | 9 |
| 08.08.2023 | 9 | 8 |
| 17.10.2023 | 9 | 8 |
| 09.11.2023 | 9 | 9 |
| 28.11.2023 | 9 | 9 |
| 08.02.2024 | 9 | 9 |

The table below shows attendance of the Board members at the Board Meetings held during the FY 2023-24 and in the last Annual General Meeting (AGM):

| Name of Director | Meeting date | | | | | | | | | Total Board meetings held during the tenure | No. of Board meetings attended | % of Attendance in Board Meeting | Whether attended last AGM held on 12.09.2023 |
|--------------------------|--------------|------------|------------|------------|------------|------------|------------|------------|------------|---|--------------------------------|----------------------------------|--|
| | 06.04.2023 | 11.05.2023 | 24.05.2023 | 20.07.2023 | 08.08.2023 | 17.10.2023 | 09.11.2023 | 28.11.2023 | 08.02.2024 | | | | |
| Shri Brijesh Kumar Gupta | Yes | Yes | Yes | Yes | Yes | No | Yes | Yes | Yes | 9 | 8 | 88.89 | Yes |
| Shri Yogesh Kumar Misra | Yes | NA | NA | NA | NA | NA | NA | NA | NA | 1 | 1 | 100 | NA |
| Smt. Ragini Advani | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | 9 | 9 | 100 | Yes |
| Shri Parag Verma | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | 9 | 9 | 100 | Yes |
| Shri Anand Kumar Singh | NA | NA | NA | Yes | Yes | Yes | Yes | Yes | Yes | 6 | 6 | 100 | Yes |
| Shri Sandeep Jain | No | Yes | No | NA | NA | NA | NA | NA | NA | 3 | 1 | 33.33 | NA |

CORPORATE GOVERNANCE REPORT

| Name of Director | Meeting date | | | | | | | | | Total Board meetings held during the tenure | No. of Board meetings attended | % of Attendance in Board Meeting | Whether attended last AGM held on 12.09.2023 |
|-----------------------------|--------------|------------|------------|------------|------------|------------|------------|------------|------------|---|--------------------------------|----------------------------------|--|
| | 06.04.2023 | 11.05.2023 | 24.05.2023 | 20.07.2023 | 08.08.2023 | 17.10.2023 | 09.11.2023 | 28.11.2023 | 08.02.2024 | | | | |
| Shri Dhananjaya Singh | Yes | Yes | No | Yes | No | Yes | Yes | Yes | Yes | 9 | 7 | 77.78 | Yes |
| Shri Ajay Kumar Chauhan | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | 9 | 9 | 100 | Yes |
| Shri Dipendra Kumar Gupta | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | 9 | 9 | 100 | Yes |
| Smt. Ranjana Upadhyay | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | 9 | 9 | 100 | Yes |
| Dr. Kartik Chandulal Bhadra | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | 9 | 9 | 100 | Yes |

2.4 BOARD MEMBERSHIP CRITERIA

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

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

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

| SN. | Category of the Director | Required Expertise/Skill |
|-----|---|--|
| 1. | Functional Directors – Executive | |
| | i) Chairman & Managing Director | <p>Mandatory: At least a graduate from a recognised university with a good academic record and adequate experience at a senior level of management in a large organisation of repute.</p> <p>Desirable: Degree in Civil Engineering/Technical/MBA qualification and familiarity with Finance/ Marketing/ Projects. Experience of infrastructure projects, especially railway projects, techniques of organisational planning and manpower development in the railway industry.</p> |
| | ii) Director (Projects) | <p>Mandatory: A graduate in Civil Engineering with a good academic record from a recognised University/Institution. Adequate technical/ operational/ project management experience in the Railway Sector.</p> <p>Desirable: Preferably holding MBA/ Technical qualifications.</p> |
| | iii) Director (Works) | <p>Mandatory: A graduate in Civil Engineering with a good academic record from a recognised University/Institution. Adequate technical/ operational/ project management experience in Infrastructure projects, including roads/highways.</p> <p>Desirable: Preferably holding MBA/ Technical qualifications.</p> |

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| SN. | Category of the Director | Required Expertise/Skill |
|-----|---|--|
| | iv) Director (Finance) | <p>Mandatory:</p> <p>(i) Chartered Accountant or Cost Accountant or a full-time MBA/PGDM (with specialisation in Finance) course with a good academic record from a recognised University/ Institution with adequate experience at a senior level in an organisation of repute.</p> <p>(ii) Officers of Organised Group 'A' Accounts Services level working at an 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.</p> |
| 2. | Government Nominee [Part-time (Official)] Directors - Non- Executive - (2 Directors) | As may be decided by the GoI (MoR). |
| 3. | Independent [Part-time (Non-Official) Director - Non- Executive - (6 Directors) | As may be decided by the GoI (MoR). |

The functional directors, government nominee directors and independent directors of the Company during the Financial Year 2023-24 possess the requisite skill / expertise / competences as decided by the PESB, GoI.

Considering the industry sector and other managerial skills, as on March 31, 2024, Directors of IRCON possess the following expertise and skills.

| Name of the Directors | Area of expertise and skills | | | | | | | |
|--|---------------------------------|----------------------|--|------------|-------------------------|--------------------------------|----------------------|----------------|
| | Industry Knowledge & Experience | Financial Management | Corporate Planning & Management Strategy | Leadership | Technological Knowledge | Board Practices and Governance | Business Development | Global Outlook |
| Functional Directors: | | | | | | | | |
| Shri Brijesh Kumar Gupta Chairman & Managing Director and CEO | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Smt. Ragini Advani Director (Finance) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Shri Parag Verma Director (Works) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Shri Anand Kumar Singh Director (Projects) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Government Nominee Director: | | | | | | | | |
| Shri Dhananjaya Singh | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Independent Directors: | | | | | | | | |
| Shri Ajay Kumar Chauhan | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Shri Dipendra Kumar Gupta | - | - | - | Yes | Yes | Yes | Yes | Yes |

CORPORATE GOVERNANCE REPORT

| Name of the Directors | Area of expertise and skills | | | | | | | |
|-----------------------------|---------------------------------|----------------------|--|------------|--------------------------|--------------------------------|----------------------|----------------|
| | Industry Knowledge & Experience | Financial Management | Corporate Planning & Management Strategy | Leadership | Techno-logical Knowledge | Board Practices and Governance | Business Development | Global Outlook |
| Smt. Ranjana Upadhyay | - | Yes | - | Yes | Yes | Yes | Yes | Yes |
| Dr. Kartik Chandulal Bhadra | - | - | - | Yes | Yes | Yes | Yes | Yes |

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

2.5 INFORMATION TO BE PLACED BEFORE THE BOARD OF DIRECTORS:

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

- Quarterly/Half-yearly and Annual Financial Results of the Company.
- Minutes of the Audit Committee meetings, Board meetings and other committee meetings.
- Minutes of the Board meetings of the Subsidiary Companies.
- Capital and Revenue Budgets, along with any changes.
- Particulars of Related Party Transactions.
- Writing off of Bad Debts.
- Sale of material nature of investments, subsidiaries, assets.
- Information regarding major investments, incorporation of new subsidiaries and Joint Ventures, and Strategic Alliances.
- Any changes in material accounting policies.
- Compliance of various laws by the Company.
- Major orders secured and bids lost.
- Disclosure of interests made by Directors to the Company.
- Action Taken Report on the previous decisions made by the Board.
- Compliance/ Reports submitted with Stock Exchanges under SEBI LODR.
- All other information required to be presented to the Board for information, approval and review.

2.6 NEW DIRECTORS APPOINTED/ RE-APPOINTED DURING FY 2023-24:

a. Shri Anand Kumar Singh [DIN: 07918656] – (from July 7, 2023):

Shri Anand Kumar Singh (DIN: 07918656) is a Civil Engineer from I.I.T. Delhi and M.B.A. (Finance) from MDI, Gurugram. He started his career as an IRSE officer in January 1990 with Ministry of Railways and brings more than 34 years of experience in development of major Railway infrastructures (26 Years plus) & Highway infrastructures (8 Years plus).

Shri Singh previously served for 3 Years as Director on NHAI Board as Member (Project) NHAI from 2016–2019 and led major highway development projects.

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

Shri Singh has also made significant contributions in all prevalent methods of project implementation viz Item rate EPC, FIDIC, EPC (turn key), PPP, OMT, HAM, TOT models and his accomplishments include asset monetization, InVIT, divestments, fund raising, marketing international projects, attracting foreign investments and business development.

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

Shri Singh has led as a Contract Management Specialist and headed large number of dispute resolution, technical and contractual interpretations committees and settlement

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advisories to salvage large number of languishing projects by out of the box thinking and innovative interventions. He has also headed HR & Admin, IT and legal verticals with several unprecedented accomplishments.

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

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

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

During FY 2023-24, none of the Independent Directors resigned or vacated their office before the expiry of their tenure.

2.8 BOARD INDEPENDENCE

During FY 2023-24, all the Independent Directors have given the declaration that they meet the criteria of Independence as per the provisions of the Companies Act, 2013 and SEBI LODR, as amended from time to time which has been taken on record by the Board at their meeting.

2.9 FAMILIARISATION PROGRAMME / TRAINING FOR BOARD MEMBERS:

The Company has framed a training policy for its directors, which aims at honing leadership qualities and providing a platform to share the knowledge, skills and expertise gained by the Directors. They are also provided with documents about the Company which includes the Company's Profile, Memorandum and Articles of Association, Brochure, Annual Report, MoU targets and achievements, a paper on "Ethics & Governance"-a perspective by CVC, and Board approved policies, terms of reference of Committees of Board. Along with this, the Company also provides with information on provisions on duties, responsibilities, disqualification of Directors under SEBI LODR, DPE Guidelines and the Companies Act, 2013 and any other law as required.

The Company familiarises the Independent Directors with the activities and functioning of the Company and their roles, rights and responsibilities, nature of the industry in which the Company operates and the business model etc., through various programmes and presentations. The details of such familiarization programmes are disclosed on the Company's website 'www.ircon.org' at web link https://ircon.org/images/file/cosecy/DETAILS_OF_FAMILIARIZATION_PROGRAMMES.pdf

3. BOARD COMMITTEES

In compliance with requirements under Regulation 17 of the SEBI LODR, Companies Act, 2013, DPE Guidelines and other requirements, the Board of Directors has constituted the following committees:

- i. Audit Committee
- ii. Nomination and Remuneration Committee
- iii. Stakeholders' Relationship Committee
- iv. Risk Management Committee
- v. Corporate Social Responsibility & Sustainability Committee
- vi. Project Progress Review Committee.

The Chairperson of the Board/ Committees, in consultation with the Company Secretary determines the frequency of the meetings of the Board/ Committees. The recommendations of the Committees are submitted to the Board for approval.

3.1 AUDIT COMMITTEE

1. COMPOSITION, MEETING AND ATTENDANCE

The composition, quorum, role, terms of reference, scope etc. of the Audit Committee are in accordance with Section 177 of the Companies Act, 2013, read with Rule 6 and 7 of the Companies (Meetings of the Board and its Power) Rules, 2014, Regulations 18 and 24(2) of the SEBI LODR and Chapter 4 of the DPE Guidelines as amended from time to time.

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

| Chairperson |
|---|
| Shri Ajay Kumar Chauhan, Independent Director |
| Members |
| Shri Dhananjaya Singh, Govt. Nominee Director |
| Smt. Ranjana Upadhyay, Independent Director |

Mrs. Pratibha Aggarwal, Company Secretary (w.e.f 21.05.2024), is the Secretary to the Committee.

Mrs. Pooja Gurwala, Company Secretary (w.e.f 28.11.2023 and till 21.05.2024), was the Secretary to the Committee.

Ms. Ritu Arora, Company Secretary (till 16.11.2023), was the Secretary to the Committee.

During FY 2023-24, the Audit Committee met Seven (7) times. Items discussed/ approved by the Audit Committee inter-alia include Quarterly & Annual Financial Results/ Statements, Capital Budgets, Investment into subsidiaries/ joint ventures, Related Party Transactions, Internal Financial Controls, Change in Accounting Policy, Cost Audit Report, Internal Audit Framework, reports under SEBI PIT, review of arbitration and litigation matters, C&AG Paras etc.

Details of the number of meetings of the Audit Committee held and attendance details for the FY 2023-24 are mentioned below:

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| Name of Member | Meeting Date | | | | | | | Total meetings held during the tenure | No. of meetings attended |
|-------------------------|--------------|------------|---|------------|------------|---|------------|---------------------------------------|--------------------------|
| | 06.04.2023 | 04.05.2023 | 23.05.2023 & 24.05.2023 (Adjourned Meeting) | 20.07.2023 | 08.08.2023 | 08.11.2023 & 09.11.2023 (Adjourned Meeting) | 08.02.2024 | | |
| Shri Ajay Kumar Chauhan | Yes | Yes | Yes | Yes | Yes | Yes | Yes | 7 | 7 |
| Shri Dhananjaya Singh | Yes | No | No | Yes | Yes | Yes * | Yes | 7 | 5 |
| Smt. Ranjana Upadhyay | Yes | Yes | Yes | Yes | Yes | Yes | Yes | 7 | 7 |

* Shri Dhananjaya Singh did not attend the original meeting held on 08.11.2023.

Shri Ajay Kumar Chauhan, Chairperson of the Audit Committee was present at the Annual General Meeting held on September 12, 2023 to answer the queries of the shareholders.

The above meetings of Audit Committee were also attended by Company Secretary as the Secretary to the Committee, Director (Finance) and Chief Financial Officer as permanent invitees. Further, CGM (Finance), Internal Auditor, Statutory Auditors and Cost Auditors, and Functional Heads as special invitees, were also invited subject to their requirement and attended the meetings to provide necessary inputs to the Audit Committee. The recommendations of the Audit Committee were accepted by Board of Directors during the financial year 2023-24.

2. TERMS OF REFERENCE

The terms of reference of the Audit Committee specified by the Board are in conformity with the Regulations 18 and 24(2) of SEBI LODR and Regulation 9A (4) of SEBI (Prohibition of Insider Trading) Regulations, 2015 (**SEBI PIT**), Section 177 of the Companies Act, 2013, Chapter 4 of the DPE Guidelines as amended from time to time. The terms of reference are as follows:

A. Financial Statements:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of Section 134(3)(c) of the Companies Act, 2013;
 - ii. Changes, if any, in accounting policies and practices and reasons for the same;
 - iii. Major accounting entries involving estimates based on the exercise of judgment by management;

- iv. Significant adjustments made in the financial statements arising out of audit findings;
- v. Compliance with listing and other legal requirements relating to financial statements;
- vi. Disclosure of any related party transactions;
- vii. Qualifications / modified opinion(s) in the draft audit report, if any;
- viii. Reviewing Management Discussion and Analysis of financial condition and results, of operations;

3. Reviewing, with the management, the quarterly financial results and Auditors Report thereon before submission to the Board for approval.

4. Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, to review the statement of deviation(s), in terms of Regulations 32(1) and (7) of SEBI LODR and making appropriate recommendations to the Board to take up steps in this matter.

B. Auditor and Internal Control:

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 auditor, adequacy of internal control systems; reviewing & monitoring the auditor's independence & performance and effectiveness of the audit process;

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9. Discussions with the Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussions to ascertain any area of concern.
 10. Discussions with the Statutory Auditors/Internal Auditors periodically about internal control systems including reviewing management letters/letters of internal control weaknesses issued by the Statutory Auditors.
 11. Reviewing the adequacy of the internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
 12. Discussion with internal auditors of any significant findings and follow-up thereon.
 13. Evaluation of internal financial controls and risk management systems.
 14. Reviewing the findings of any internal investigations by the internal auditors/ auditors/ agencies into matters where there is suspected fraud or irregularity or a failure of internal control systems of material nature and reporting the matter to the Board.
- C. Related Party Transactions:**
15. Approval or any subsequent modification of transactions of the Company with related parties; and other approvals required as per the Related Party Transactions Policy of the Company.
- D. C&AG Audit / COPU:**
16. Review the follow-up action taken on the audit observations of the C&AG audit and Committee on Public Undertakings (COPU) of the Parliament.
- E. Subsidiary Company:**
17. Reviewing the utilisation of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding ₹100 Crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/investments.
 18. Reviewing the financial statements and in particular the investments made by the unlisted subsidiary.
- F. Others:**
19. Scrutiny of inter-corporate loans and investments.
 20. Valuation of undertakings or assets of the company, wherever it is necessary.
 21. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
 22. To review the functioning of the whistle blower mechanism and to protect whistle blowers.
 23. Reviewing, after the close of the financial year, the compliance with respect to the provisions of SEBI PIT to verify that the systems for internal control are adequate and are operating effectively.
 24. The Audit Committee shall have authority to investigate any activity within its terms of reference and for this purpose seek information from any employee, obtain outside legal or other professional advice (subject to the approval of the Board of Directors) and have full access to the information contained in the records of the Company, secure attendance of outsiders with relevant expertise, if it considers necessary.
 25. Any other work as may be decided by the Board; and as may be required under any other amendment in the Companies Act, 2013 or DPE Guidelines, or SEBI LODR or any other SEBI Rules and Regulations, made from time to time.

3.2 NOMINATION AND REMUNERATION COMMITTEE (NRC)

1. Composition, Meeting and Attendance:

The composition, terms of reference, quorum, and the scope of Nomination & Remuneration Committee (NRC) are in accordance with the Companies Act, 2013, SEBI LODR and DPE Guidelines as amended from time to time.

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

| Chairperson |
|---|
| Shri Ajay Kumar Chauhan, Independent Director |
| Members |
| Shri Dhananjaya Singh, Govt. Nominee Director |
| Shri Dipendra Kumar Gupta, Independent Director |

Mrs. Pratibha Aggarwal, Company Secretary (w.e.f 21.05.2024), is the Secretary to the Committee.

Mrs. Pooja Gurwala, Company Secretary (w.e.f 28.11.2023 and till 21.05.2024), was the Secretary to the Committee.

Ms. Ritu Arora, Company Secretary (till 16.11.2023), was the Secretary to the Committee.

During FY 2023-24, six (6) meetings of the Nomination & Remuneration Committee were held. Details of the number of meetings of the NRC held and attendance details for the FY 2023-24 are mentioned below:

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| Name of Member | Meeting Date | | | | | | Total meetings held during the tenure | No. of meetings attended |
|---------------------------|--------------|------------|------------|---|------------|------------|---------------------------------------|--------------------------|
| | 05.04.2023 | 04.05.2023 | 23.05.2023 | 28.08.2023 & 29.08.2023 (Adjourned Meeting) | 28.11.2023 | 14.03.2024 | | |
| Shri Ajay Kumar Chauhan | Yes | Yes | Yes | Yes | Yes | Yes | 6 | 6 |
| Shri Dhananjaya Singh | No | Yes | Yes | Yes* | No | No | 6 | 3 |
| Shri Dipendra Kumar Gupta | Yes | Yes | Yes | Yes | Yes | Yes | 6 | 6 |

* Shri Dhananjaya Singh did not attend the original meeting held on 28.08.2023.

Shri Ajay Kumar Chauhan, Chairperson of the Nomination & Remuneration Committee was present at the Annual General Meeting held on September 12, 2023 to answer queries of the shareholders.

2. TERMS OF REFERENCE:

The terms of reference of the Nomination and Remuneration Committee (NRC) include the areas specified by SEBI LODR, Section 178 of the Companies Act, 2013, DPE Guidelines as amended from time to time [except for the matters related with the Directors as the same have been exempted for the government companies under the Companies Act, 2013 as well as by SEBI vide its letter dated April 02, 2018 to IRCON].

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

- To decide and approve the annual bonus/ variable pay pool/ performance-related pay and policy for its distribution across executives and non-unionised supervisors within limits prescribed in the DPE Guidelines.
- To review the policies for the selection and removal of persons in Senior Management and other employees as per DPE and other Government Guidelines and recommend the same for approval to the Board.
- To identify persons who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal.
- To recommend to the Board of Directors a policy relating to the remuneration, in whatever form, for the key managerial personnel, senior management and other employees.
- To carry out any other functions as may be included under the Companies Act 2013, or DPE Guidelines, or SEBI LODR.

Explanation: "Senior Management" shall mean officers/personnel of the Company who are members of management one level below the Whole Time Directors and shall include Functional Heads directly reporting to Chairman & Managing

Director/ Whole Time Directors and the Company Secretary and the Chief Financial Officer.

3. PERFORMANCE EVALUATION OF BOARD MEMBERS:

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

Further, MCA vide its notification dated July 05, 2017 has made an amendment in the Schedule IV of the act, whereby it has exempted Government Companies from complying with the requirement of performance evaluation by the Independent Directors of Non- Independent Directors and Chairman and performance evaluation of the Independent Director by the Board if the concerned department or ministries have specified these requirements.

In this regard, the DPE has already laid down a mechanism for performance appraisal of all Functional Directors. The performance evaluation of Functional Directors is done through a system of Annual Performance Appraisal Report (APAR) by MoR. Further, the performance evaluation of the Company is done through the evaluation of the Memorandum of Understanding (MoU) entered with MoR, and the said evaluation is submitted to DPE through the Administrative Ministry. The MoU targets are cascaded down and form an integral part of the performance appraisal of the individuals and the team. The internal MoU covers various parameters including financial, non-financials and compliances of government guidelines etc.

In respect of Government Nominee Directors, their evaluation is done by the MoR as per the procedure laid down. Since Independent Directors are also appointed by the GoI, their evaluation is also done by the MoR and finally by DPE.

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3.3 STAKEHOLDERS' RELATIONSHIP COMMITTEE:

The composition, terms of reference, quorum, and the scope of Stakeholders' Relationship Committee (SRC) are in accordance with the Companies Act, 2013 and SEBI LODR.

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

| Chairperson |
|---|
| Shri Dhananjaya Singh, Govt. Nominee Director |
| Members |
| Smt. Ragini Advani, Director (Finance) |
| Dr. Kartik Chandulal Bhadra, Independent Director |

Mrs. Pratibha Aggarwal, Company Secretary (w.e.f 21.05.2024), is the Secretary to the Committee.

Mrs. Pooja Gurwala, Company Secretary (w.e.f 28.11.2023 and till 21.05.2024), was the Secretary to the Committee.

Ms. Ritu Arora, Company Secretary (till 16.11.2023), was the Secretary to the Committee.

During the FY 2023-24, one (1) meeting of Stakeholders' Relationship Committee was held on 08.03.2024 which was attended by Smt. Ragini Advani and Dr. Kartik Chandulal Bhadra. Shri Dhananjaya Singh, Chairperson of the Stakeholders' Relationship Committee was present at the Annual General Meeting held on September 12, 2023 to answer queries of the shareholders.

1. TERMS OF REFERENCE

Terms of Reference of the Stakeholders' Relationship Committee includes the following areas as specified under Section 178 of the Companies Act, 2013, along with Regulation 20 of the SEBI LODR:

- To look into the various aspect of interest of shareholders, debenture holders and other security holders.
- To consider and resolve grievances of the security holders of the Company, including complaints in relation to transfer/transmission of shares, non-receipt of the annual report, non- receipt of declared dividends, issue

of new/ duplicate certificates and general meetings.

- Review of measures taken for the effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted in respect of various services being rendered by Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders.
- To carry out any other function as may be required under Companies Act 2013, or DPE Guidelines, or SEBI LODR or other matters, if any, required by the stock exchanges from time to time.

2. NAME AND DESIGNATION OF COMPANY SECRETARY & COMPLIANCE OFFICER:

Ms. Ritu Arora, Company Secretary, was the Compliance Officer of the Company in terms of SEBI LODR. She tendered her resignation from the post of Company Secretary and Compliance Officer w.e.f. 16.11.2023. Thereafter, Mrs. Pooja Gurwala was appointed as Company Secretary and KMP of the Company w.e.f. 28.11.2023 and ceased to be Company Secretary and KMP w.e.f. 21.05.2024. Further, Shri Ankit Jain (having membership no. A35053) was appointed as Compliance Officer of the Company w.e.f. 28.11.2023 and he is continuing as Compliance Officer.

Further also, Mrs. Pratibha Aggarwal (having membership no. F8874) was appointed as Company Secretary and KMP of the Company w.e.f. 21.05.2024.

3. DETAILS OF SHAREHOLDER'S COMPLAINTS

The Company as well as the Registrar and Transfer Agent of the Company have attended the Investor's grievances expeditiously. At the beginning of the year i.e., as on April 01, 2023, no complaint was pending and a total of 5 complaints from shareholders were received during the year 2023-24. All complaints / grievances were resolved to the satisfaction of the shareholders. The details are as follows:

| NATURE OF COMPLAINT | PENDING COMPLAINTS (as on 01.04.2023) | RECEIVED | RESOLVED | PENDING |
|---------------------|--|----------|----------|----------|
| SEBI | 0 | 1 | 1 | 0 |
| BSE | 0 | 4 | 4 | 0 |
| NSE | 0 | 0 | 0 | 0 |
| NSDL/CDSL | 0 | 0 | 0 | 0 |
| Others | 0 | 0 | 0 | 0 |
| TOTAL | 0 | 5 | 5 | 0 |

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3.4 RISK MANAGEMENT COMMITTEE

As per SEBI LODR, the requirement of constituting Risk Management Committee (RMC) in the Company became applicable with effect from April 01, 2019; however, the Company was already having Board level Risk Management Committee since 2014.

The composition, terms of reference, quorum and the scope of RMC are in accordance with the statutory requirements of SEBI LODR.

1. COMPOSITION

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

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

| From 01.04.2023 till 07.07.2023 | | From 07.07.2023 to 31.03.2024 | |
|---|--|---|--|
| Chairperson | | | |
| Shri Parag Verma Director (Works) | | Shri Parag Verma Director (Works) | |
| Members | | | |
| Smt. Ragini Advani Director (Finance) | | Smt. Ragini Advani Director (Finance) | |
| Shri Sandeep Jain Director (Projects) | | Shri Anand Kumar Singh Director (Projects) | |
| Dr. Kartik Chandulal Bhadra Independent Director | | Dr. Kartik Chandulal Bhadra Independent Director | |

During FY 2023-24, two (2) meetings of Risk Management Committee were held. Details of the number of meetings of the RMC held and attendance details are mentioned below:

| Name of Member | Meeting Date | | Total Meetings held during the tenure | No. of Meetings attended |
|-----------------------------|--------------|--|---------------------------------------|--------------------------|
| | 11.05.2023 | 06.11.2023 & 09.11.2023 (Adjourned Meeting) | | |
| Shri Parag Verma | Yes | Yes | 2 | 2 |
| Smt. Ragini Advani | Yes | Yes | 2 | 2 |
| Shri Sandeep Jain | Yes | NA | 1 | 1 |
| Shri Anand Kumar Singh | NA | Yes | 1 | 1 |
| Dr. Kartik Chandulal Bhadra | Yes | Yes | 2 | 2 |

2. TERMS OF REFERENCE:

The terms of reference of the Risk Management Committee includes:

- Identification of key risk bearing activities.
- Classification of gaps with respect to risk potential as compared to best business practices: Minor; significant or critical, substantial or major.
- Identifying gaps in the current business process for any uncovered potential threat.
- Setting up risk assessment control systems.
- Providing guidelines relating to drafting/ modification of Business Operating Procedures, and their documentation.

- Review of risk assessment reports compiled by Rapid Action Group and giving directions for improvements and Providing feedback on the Rapid Action Group's report on the operational capabilities, and preparedness of IRCON for potential business.
- Formulate a detailed risk management policy which shall include: A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee; Measures for risk mitigation including systems and processes for internal control of identified risks; Business continuity plan.

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- h) Ensuring that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.
- i) Keeping the Board of Directors informed about the nature and content of its discussions, recommendations and action to be taken.
- j) Reviewing the appointment, removal and terms of remuneration of the Chief Risk Officer (if any) who shall be appointed by Chairman and Managing Director by issue of Office Order.
- k) Monitoring and overseeing implementation of the risk management policy, including evaluating the adequacy of risk management systems.
- l) Periodically reviewing the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity.
- m) Coordinate its activities with other committees, in instance, where there is any overlap with activities of such committees, as per the framework laid down by the Board.
- n) To seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if required.

3.5 CORPORATE SOCIAL RESPONSIBILITY & SUSTAINABILITY COMMITTEE (CSR COMMITTEE)

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

Responsibility & Sustainability Committee (CSR Committee) are as per the requirements specified under Section 135 of the Companies Act, 2013 and the applicable rules thereunder, and DPE Guidelines on CSR and Sustainability, 2014.

1. COMPOSITION, MEETINGS AND ATTENDANCE:

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

| Chairperson |
|---|
| Smt. Ranjana Upadhyay, Independent Director |
| Members |
| Shri Dhananjaya Singh, Govt. Nominee Director |
| Shri Parag Verma, Director (Works) |

Mrs. Pratibha Aggarwal, Company Secretary (w.e.f 21.05.2024), is the Secretary to the Committee.

Mrs. Pooja Gurwala, Company Secretary (w.e.f 28.11.2023 and till 21.05.2024), was the Secretary to the Committee.

Ms. Ritu Arora, Company Secretary (till 16.11.2023), was the Secretary to the Committee.

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

2. MEETINGS AND ATTENDANCE:

During FY 2023-24, the Committee met three (3) times. Details of meeting and attendance details of the CSR Committee are mentioned below:

| Name of Members | Meeting date | | | Total meetings held during the tenure | No. of meetings attended |
|-----------------------|--------------|------------|------------|---------------------------------------|--------------------------|
| | 23.05.2023 | 08.11.2023 | 16.01.2024 | | |
| Smt. Ranjana Upadhyay | Yes | Yes | Yes | 3 | 3 |
| Shri Dhananjaya Singh | Yes | No | Yes | 3 | 2 |
| Shri Parag Verma | Yes | Yes | Yes | 3 | 3 |

3. TERMS OF REFERENCE

The terms of reference of the CSR Committee, inter-alia, includes -

- a. To oversee the implementation of the Corporate Social Responsibility and Sustainability Policy of the Company and to assist the Board to formulate suitable policies and strategies to take the Corporate Social Responsibility and Sustainability agenda of the Company forward in the desired direction.
- b. To appoint a Nodal officer for CSR, not below the rank of a Chief General Manager level official, and his team of officials, as thought appropriate in terms of the Guidelines.
- c. To 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.
- d. To evolve modalities to not only promptly identify Corporate Social Responsibility activities but also to get the necessary clearances at the appropriate level and the Board whenever required; for carrying on the identified activities, and to attain the objectives well in time in a streamlined manner.

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3.6 PROJECT PROGRESS REVIEW COMMITTEE:

The Project Progress Review Committee (PRC) was formed by the Board of Directors to review the physical progress and allied activities strictly related to physical progress of the on-going projects (except PMC projects) of the Company and to address possible roadblocks in the smooth execution of the projects.

1. COMPOSITION, MEETINGS AND ATTENDANCE:

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

| From 01.04.2023 to 07.07.2023 | From 07.07.2023 to 31.03.2024 |
|---|---|
| Chairperson | |
| Shri Dhananjaya Singh Govt. Nominee Director | Shri Dhananjaya Singh Govt. Nominee Director |
| Members | |
| Shri Dipendra Kumar Gupta Independent Director | Shri Dipendra Kumar Gupta Independent Director |
| Shri Parag Verma Director (Works) | Shri Parag Verma Director (Works) |
| Shri Sandeep Jain Director (Projects) | Shri Anand Kumar Singh Director (Projects) |

Mrs. Pratibha Aggarwal, Company Secretary (w.e.f 21.05.2024), is the Secretary to the Committee.

Mrs. Pooja Gurwala, Company Secretary (w.e.f 28.11.2023 and till 21.05.2024), was the Secretary to the Committee.

Ms. Ritu Arora, Company Secretary (till 16.11.2023), was the Secretary to the Committee.

2. MEETING AND ATTENDANCE:

During FY 2023-24, the Committee met once. Details of meeting and attendance details of the PRC are mentioned below:

| Name of Member | Meeting Date | Total Meeting held during the tenure | No. of Meetings attended |
|---------------------------|--------------|--------------------------------------|--------------------------|
| | 29.11.2023 | | |
| Shri Dhananjaya Singh | No | 1 | 0 |
| Shri Parag Verma | Yes | 1 | 1 |
| Shri Sandeep Jain | NA | - | - |
| Shri Dipendra Kumar Gupta | Yes | 1 | 1 |
| Shri Anand Kumar Singh | Yes | 1 | 1 |

3.7 MEETING OF INDEPENDENT DIRECTORS:

As per Schedule IV of the Companies Act, 2013, SEBI LODR to the extent applicable and DPE-OM dated December 28, 2012 (as amended) during the FY 2023-24, one meeting of the Independent Directors was held on March 11 & 12, 2024. Further, suggestions by the independent Directors in their report were duly considered and suitable action have been taken by the Company.

3.8 REMUNERATION OF DIRECTORS:

Being a Government Company, the Whole-Time Directors are appointed by the President of India through the MoR and draw remuneration as per Industrial Dearness Allowance (IDA) pay scales pre-determined by the GoI on the terms and conditions issued by the GoI.

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

Independent (Non-Executive) Directors are paid a sitting fee for attending the meetings of the Board and Committee thereof. During FY 2023-24, the Independent Directors were paid a sitting fee of ₹30,000/- for attending the Board Meeting and ₹20,000/- for attending Board Committee Meetings.

CORPORATE GOVERNANCE REPORT

a. Details of remuneration of Functional Directors during FY 2023-24 are given below:

(in ₹)

| S. No. | Particulars of Remuneration | Name & Designation of Directors | | | | | |
|----------|---|--|---|---|---------------------------------------|---|--|
| | | Shri Yogesh Kumar Misra Chairman & Managing Director and CEO ¹ | Shri Brijesh Kumar Gupta Chairman & Managing Director and CEO ² | Smt. Ragini Advani, Director (Finance) | Shri Parag Verma, Director (Works) | Shri Sandeep Jain Director (Projects) ³ | Shri Anand Kumar Singh Director (Projects) ⁴ |
| 1 | Gross salary | | | | | | |
| a) | Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 | 383,803 | - | 4,495,883 | 4,099,430 | - | 2,790,583 |
| b) | Value of perquisites u/s 17(2) of the Income- tax Act, 1961 | 95,085 | 25,000 | 40,841 | 618,850 | - | 57,480 |
| 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 | - | - | 1,365,025 | 1,133,988 | - | - |
| | - Retirement Benefits | 63,315 | - | 642,622 | 634,840 | - | 460,758 |
| | Total | 542,203 | 25,000 | 654,4371 | 6,487,108 | - | 3,308,821 |

1. Ceased to be Chairman & Managing Director and CEO w.e.f. 29.04.2023.

2. Appointed as Chairman & Managing Director and CEO w.e.f. 29.04.2023.

3. Ceased to be Director (Projects) w.e.f. 07.07.2023.

4. Appointed as Director (Projects) w.e.f. 07.07.2023.

b. Details of payments made to Independent [Part-Time Non-Official] Directors during FY 2023-24:

(in ₹)

| Name of the Independent Director/ Part-Time (Non-Official Directors) | SITTING FEE | | TOTAL |
|--|----------------|--------------------|---------|
| | BOARD MEETINGS | COMMITTEE MEETINGS | |
| Shri Ajay Kumar Chauhan | 270,000 | 260,000 | 530,000 |
| Shri Dipendra Kumar Gupta | 270,000 | 140,000 | 410,000 |
| Smt. Ranjana Upadhyay | 270,000 | 200,000 | 470,000 |
| Dr. Kartik Chandulal Bhadra | 270,000 | 60,000 | 330,000 |

CORPORATE GOVERNANCE REPORT

3.9 Particulars of Senior Management* (As on March 31, 2024) including changes during FY 2023-24

| Sr. No. | Employee Name | Designation |
|---------|----------------------------|--|
| 1. | Shri Ankush Gupta | Executive Director (till 11.09.2023) |
| 2. | Shri B. Mugunthan | Executive Director & CFO |
| 3. | Shri Debjyoti Kumar | Executive Director (w.e.f. 23.02.2024) |
| 4. | Shri Devendra Kumar Sharma | Executive Director (till 31.01.2024) |
| 5. | Shri Naveen Babu | Executive Director |
| 6. | Shri Pawan Kumar | Executive Director (till 17.10.2023) |
| 7. | Shri Rajeev Kumar Sinha | Executive Director (w.e.f. 23.02.2024) |
| 8. | Shri Subhash Chand | Executive Director |
| 9. | Shri Surender Singh | Executive Director |
| 10. | Shri Vinod Kumar Gupta | Executive Director (w.e.f. 23.02.2024) |
| 11. | Shri Yogesh Kumar Misra | Executive Director (w.e.f. 29.04.2023) |
| 12. | Shri H D Doddaiah | Project Director (w.e.f. 23.02.2024) |
| 13. | Shri Jayasankar V.K. | Project Director |
| 14. | Shri Mohinder Singh | Project Director |
| 15. | Shri Pramod Kumar Singh | Project Director (till 31.12.2023) |
| 16. | Shri Sitesh Kumar Singh | Project Director |
| 17. | Shri Surendra Singh | CVO |
| 18. | Shri Abheejit Kumar Sinha | Chief General Manager |
| 19. | Shri Neeraj Gupta | Chief General Manager |
| 20. | Shri P V Shreekanth | Chief General Manager |
| 21. | Mrs. Pooja Gurwala | Company Secretary (w.e.f. 28.11.2023) |
| 22. | Ms. Ritu Arora | Company Secretary & Compliance Officer (till 16.11.2023) |

* During the financial year, the definition of Senior Management was revised by the Board of Directors, pursuant to amendment in SEBI LODR.

4. GENERAL BODY MEETINGS

4.1 DATE, TIME AND LOCATION OF THE LAST THREE YEARS' ANNUAL & EXTRA-ORDINARY GENERAL BODY MEETINGS HELD:

| Financial Year | Date of holding the Meeting | Time | Location/ Venue |
|--------------------|-----------------------------|------------|--|
| 2022-23 (47th AGM) | September 12, 2023 | 1230 hours | Through Video Conferencing (Registered office was considered as Venue of the Meeting) |
| 2021-22 (46th AGM) | September 16, 2022 | 1230 hours | Through Video Conferencing (Registered office was considered as Venue of the Meeting) |
| 2020-21 (45th AGM) | September 24, 2021 | 1230 hours | Through Video Conferencing (Registered office was considered as Venue of the Meeting) |

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

4.2 SPECIAL RESOLUTIONS PASSED THROUGH POSTAL BALLOT DURING FY 2023-24 : NIL

CORPORATE GOVERNANCE REPORT

4.3 SPECIAL RESOLUTION PROPOSED TO BE CONDUCTED THROUGH POSTAL BALLOT

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

5. MEANS OF COMMUNICATION

The Company communicates with its shareholders through its Annual Report, General Meetings and disclosures through its website. Information, latest updates and announcements regarding the Company can be accessed at the Company's website: www.ircon.org includes the following:

- > Quarterly / Half-yearly / Annual Financial Results
- > Quarterly Shareholding Pattern
- > Quarterly Corporate Governance Report
- > Transcripts of conferences with analysts
- > Intimations made to the Stock Exchanges from time to time.
- > The Company's official news releases, other press coverage, presentations made to institutional investors or analysts.

Email ID of the Company Secretary and Compliance Officer and RTA exclusively for the purpose of registering complaints by investors has been displayed on the website under the head "Investor Relations => Investor Contact."

The Company also communicates with its institutional shareholders through a combination of analysts briefing and individual discussions and also participation in investor conferences from time to time. Financial Results are discussed by way of conference calls, regularly after the close of each quarter.

During FY 2023-24, Quarterly, Half Yearly and Yearly Results were published as follows:

| QUARTER | NEWSPAPER(S) |
|-------------------------------------|---|
| Q1 ended 30.06.2023 | Financial Express (English), The Indian Express (English), Jansatta (Hindi) |
| Q2 and half year ended 30.09.2023 | Financial Express (English), The Indian Express (English), Jansatta (Hindi) |
| Q3 and nine months ended 31.12.2023 | Financial Express (English), The Indian Express (English), Jansatta (Hindi) |
| Q4 and the year ended 31.03.2024 | Financial Express (English), The Indian Express (English), Jansatta (Hindi) |

6. GENERAL SHAREHOLDER INFORMATION

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

Day & Date: Thursday, September 12, 2024

Time: 12.30 PM (IST)

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

Notice of AGM: Our Company, as a corporate entity, is committed to protect and conserve the natural environment in its operations and services. As a responsible corporate citizen, the Company supports the 'Green Initiative' taken by the MCA, enabling electronic delivery of documents to the shareholders at their e-mail addresses registered with the Depository Participants / Registrar & Share Transfer Agent. The Annual Reports and the Notice of the AGM are being sent to all the members in the manner prescribed or as may be prescribed in the applicable laws. The Notice and Annual Report 2023-24 can also be accessed from the websites of the Company (under 'Investor Relations' section) at www.ircon.org and of Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The Notice is also available at website of National Securities Depository Limited ("NSDL") at www.evoting.nsdl.com.

6.2 FINANCIAL YEAR

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

6.3 BOOK CLOSURE

The Register of Members and Share Transfer Books of the Company will remain closed from Friday, September 06, 2024 to Thursday, September 12, 2024 (both days inclusive).

6.4 PAYMENT OF DIVIDEND

The Board of Directors of the Company has recommended a final dividend at the rate of ₹1.30 per share of face value of ₹2/- each [i.e., 65% of paid-up share capital of ₹188.10 Crore] amounting to ₹122.27 Crore for the financial year ended March 31, 2024.

During the financial year, the Company at its meeting held on February 08, 2024 declared an interim dividend at the rate of ₹1.80 per equity share on the face value of ₹2/- each, aggregating to approximately ₹169.29 Crore (i.e. 90 % of the paid up equity share capital of ₹188.10 Crore) and the same was paid on February 27, 2024.

The final dividend on equity shares will be paid Friday, September 27, 2024 onwards to those Members whose names appear on the Register of Members of the Company in respect of physical shares and in respect of dematerialised shares to the "beneficial owners" of the shares whose names appear in the Statement of Beneficial Ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as at the close of business hours on Thursday, September 05, 2024.

CORPORATE GOVERNANCE REPORT

6.5 DIVIDEND HISTORY

The details of dividend paid by IRCON in the last ten years are summarised as under:

| Year | Total Paid-up Capital (₹ in Crore) | Total Amount of Dividend Paid (₹ in Crore) | Date of Board Meeting* / AGM in which Dividend Was Declared | Interim / Final | Payment Date of Dividend |
|-----------|------------------------------------|--|---|--------------------|--------------------------|
| 2013-2014 | 19.796 | 182.12 (₹92 per share) | 31.01.2014* | Interim | 25.02.2014 |
| | | | 25.09.2014 | Final | 17.10.2014 |
| 2014-2015 | 19.796 | 182.12 (₹92 per share) | 28.01.2015* | Interim | 24.02.2015 |
| | | | 22.12.2015 | Final | 18.01.2016 |
| 2015-2016 | 19.796 | 168.26 (₹85 per share) | 19.02.2016* | Interim | 14.03.2016 |
| | | | 28.09.2016 | Final | 21.10.2016 |
| 2016-2017 | 19.796+79.184# | 79.06 | 05.01.2017* | Interim | 14.02.2017 |
| | 19.796+79.184# | 16.10 | 23.03.2017* | Additional Interim | 27.03.2017 |
| | 19.796+79.184# | 97.25 | 28.09.2017 | Final | 24.10.2017 |
| 2017-2018 | 94.05 | 192.40 (₹20.46 per share) | 20.03.2018* | Interim | 28.03.2018 |
| | | | 14.09.2018 | Final | 10.10.2018 |
| 2018-2019 | 94.05 | 202.64 (₹21.54 per share) | 07.02.2019* | Interim | 26.02.2019 |
| | | | 03.09.2019 | Final | 18.09.2019 |
| 2019-2020 | 94.05 | 126.50 (₹13.45 per share) | 11.02.2020* | Interim | 02.03.2020 |
| | 94.05 | 96.87 (₹2.06 per share)§ | 29.09.2020 | Final | 14.10.2020 |
| 2020-2021 | 94.05 | 61.13** (₹1.30 per share) | 15.02.2021* | Interim | 03.03.2021 |
| | 188.10*** | 159.89** (₹1.70 per share) | 24.09.2021 | Final | 12.10.2021 |
| 2021-2022 | 188.10 | 42.33** (₹0.45 per share) | 12.08.2021* | 1st interim | 06.09.2021 |
| | 188.10 | 65.84** (₹0.70 per share) | 12.11.2021* | 2nd interim | 07.12.2021 |
| | 188.10 | 65.84** (₹0.70 per share) | 14.02.2022* | 3rd interim | 08.03.2022 |
| | 188.10 | 61.13** (₹0.65 per share) | 16.09.2022 | Final | 04.10.2022 |
| 2022-23 | 188.10 | 169.29 (₹ 1.80 per share) | 08.02.2023* | Interim | 28.02.2023 |
| | 188.10 | ₹112.86 (₹ 1.20 per share) | 12.09.2023 | Final | 27.09.2023 |
| 2023-24 | 188.10 | 169.29 (₹ 1.80 per share) | 08.02.2024* | Interim | 27.02.2024 |
| | 188.10 | 122.27 (₹ 1.30 per share) | 12.09.2024 (subject to shareholders' approval) | Final | 27.09.2024 Onwards |

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

** face value of ₹2/- each.

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

CORPORATE GOVERNANCE REPORT

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

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

6.6 DIVIDEND DISTRIBUTION POLICY:

The Company has a Dividend Distribution Policy approved by its Board of Directors. The intent of the policy is to broadly specify the parameters (external and internal factors) that shall be considered while declaring dividend and the circumstances under which shareholders of the Company may/ may not expect dividend and how the retained earnings shall be utilised. The Policy is hosted on the Website of the Company at <https://ircon.org/images/file/cosecy/Dividend%20Distribution%20Policy.pdf>

6.7 LISTING ON STOCK EXCHANGE:

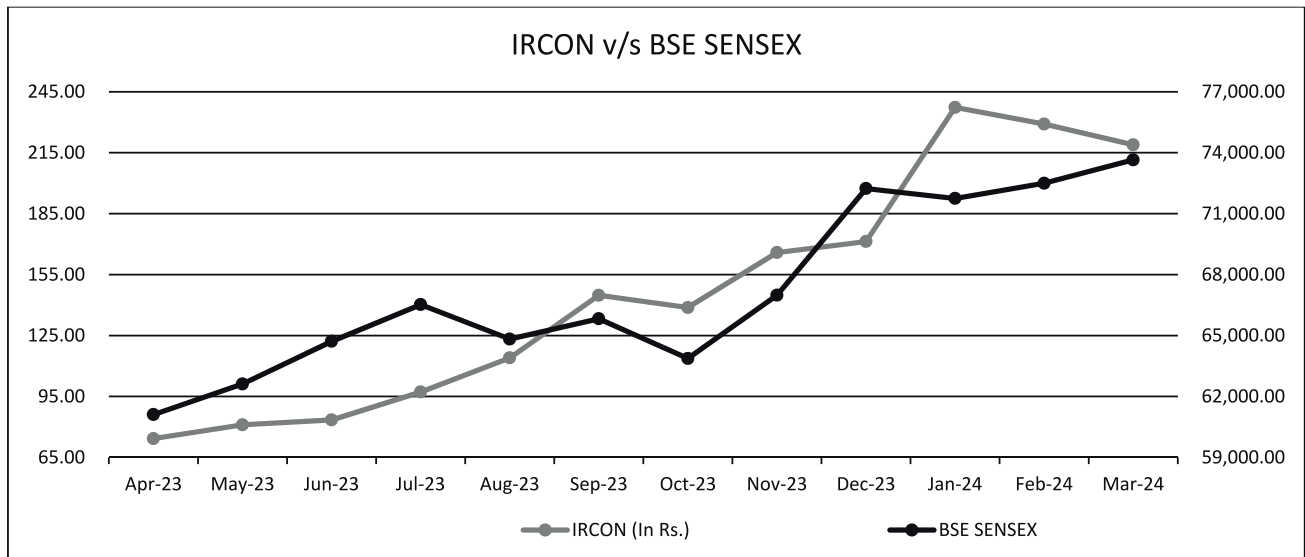
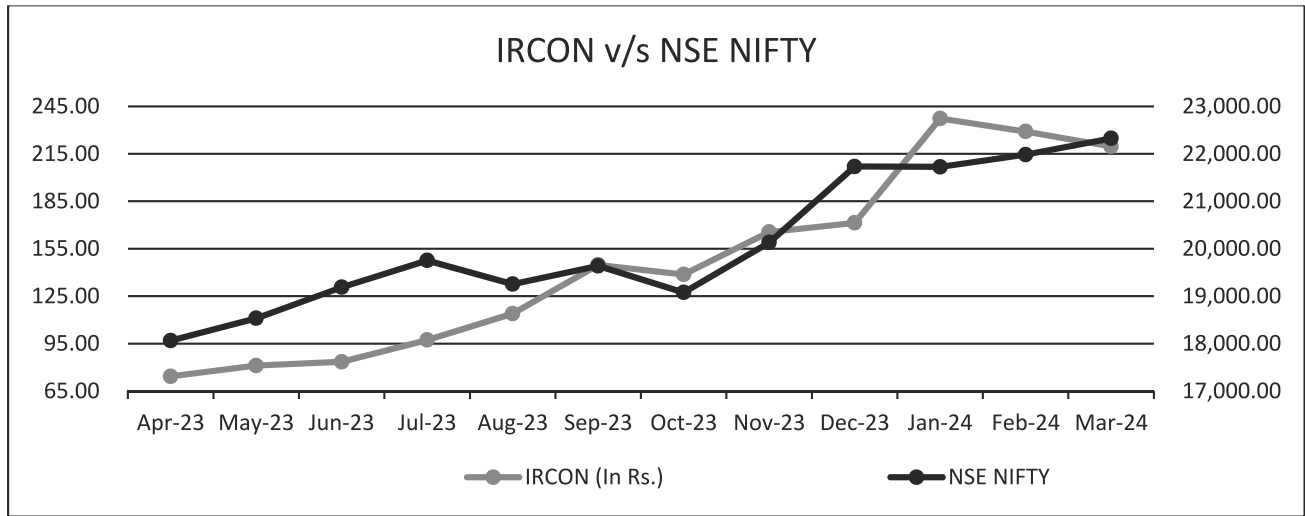
The Company got listed on 28.09.2018 on the following Stock Exchanges. The payment of the annual listing fee for FY 2023-24 has been made to National Stock Exchange of India Limited and BSE Ltd. The ISIN of Company is INE962Y01021.

| NATIONAL STOCK EXCHANGE OF INDIA LIMITED | BSE LIMITED |
|---|--|
| Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai- 400 051 | Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001 |
| Scrip Code: IRCON | Scrip Code: 541956 |

6.8 IRCON'S SHARES MARKET PRICE DATA FOR FY 2023-24

| Month | NSE | | | | BSE | | | | INDEX | |
|--------|--------|--------|--------|--------------------|--------|--------|--------|--------------------|-----------|------------|
| | HIGH | LOW | CLOSE | VOLUME | HIGH | LOW | CLOSE | VOLUME | NSE NIFTY | BSE SENSEX |
| | in Rs. | | | (in no. of shares) | in Rs. | | | (in no. of shares) | | |
| Apr-23 | 78.30 | 55.80 | 74.30 | 30,94,74,006 | 78.30 | 55.78 | 74.30 | 2,55,83,953 | 18,065.00 | 61,112.44 |
| May-23 | 89.50 | 74.90 | 81.15 | 65,63,30,874 | 89.45 | 74.98 | 81.07 | 4,83,44,975 | 18,534.40 | 62,622.24 |
| Jun-23 | 91.70 | 79.75 | 83.50 | 30,83,67,232 | 91.70 | 79.75 | 83.50 | 2,61,79,808 | 19,189.05 | 64,718.56 |
| Jul-23 | 99.00 | 79.00 | 97.30 | 31,36,08,446 | 98.95 | 79.00 | 97.26 | 2,07,25,557 | 19,753.80 | 66,527.67 |
| Aug-23 | 117.50 | 93.40 | 114.00 | 40,89,75,313 | 117.40 | 93.38 | 114.06 | 2,75,40,091 | 19,253.80 | 64,831.41 |
| Sep-23 | 174.45 | 112.25 | 144.85 | 58,53,86,950 | 174.55 | 112.20 | 144.85 | 4,80,44,162 | 19,638.30 | 65,828.41 |
| Oct-23 | 163.90 | 127.25 | 138.75 | 36,43,06,679 | 163.95 | 127.30 | 138.80 | 2,33,15,171 | 19,079.60 | 63,874.93 |
| Nov-23 | 172.50 | 137.05 | 165.60 | 28,41,67,649 | 172.50 | 136.35 | 165.90 | 2,29,77,960 | 20,133.15 | 66,988.44 |
| Dec-23 | 181.60 | 157.55 | 171.40 | 51,67,97,284 | 181.65 | 157.50 | 171.30 | 4,41,12,763 | 21,731.40 | 72,240.26 |
| Jan-24 | 280.85 | 169.80 | 237.35 | 1,02,77,94,852 | 280.90 | 169.90 | 237.35 | 7,88,47,159 | 21,725.70 | 71,752.11 |
| Feb-24 | 245.10 | 190.35 | 229.15 | 40,00,39,218 | 245.10 | 190.30 | 229.15 | 4,29,29,761 | 21,982.80 | 72,500.30 |
| Mar-24 | 231.45 | 175.25 | 219.65 | 21,64,64,962 | 231.45 | 175.25 | 218.90 | 1,96,04,963 | 22,326.90 | 73,651.35 |

CORPORATE GOVERNANCE REPORT



6.9 SECURITIES OF THE COMPANY HAVE NOT BEEN SUSPENDED FROM TRADING DURING FY 2023-24.

6.10 REGISTRAR AND TRANSFER AGENT FOR SHARES

During the FY 2023-24, the Registrar and Transfer Agent for shares was as follows:

Alankit Assignments Limited

205-208, Anarkali Complex, Jhandewalan Extension, New Delhi-110055 Tel No.: 011-42541234/23541234

Email: rta@alankit.com Website: www.alankit.com

6.11 SHARE TRANSFER SYSTEM

During the year 2023-24, Alankit Assignments Limited is the RTA of the Company for the Physical and Demat shares and is also the depository interface of the Company with both National Securities Depository Limited (**NSDL**) and Central Depository Services (India) Limited (**CDSL**). The

Board of Directors has authorised anyone of the Whole-Time Director and Company Secretary (or any two Whole-Time Directors in the absence of Company Secretary) to issue share certificate on receipt of the request for rematerialisation/ split/ duplicate of shares and to sign/ affix facsimile signature and affix common seal on share certificate.

SEBI vide SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2022 dated 24th January, 2022 has amended Regulation 40 of the SEBI LODR and has mandated that all requests for transfer of securities including transmission or transposition shall be processed only in dematerialised form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialization, members are requested to dematerialize their physical holding.

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

As per SEBI Circulars, the listed companies shall issue the securities in dematerialized form only and shall process the service requests like endorsement, sub-division, transmission or transposition, etc. in dematerialized form. Form ISR-4 (for physical shareholders) has also made available on the website of the Company.

Pursuant to various SEBI Circulars, the Company, vide its various communications viz. emails/ letters/ AGM Notice/ newspaper advertisements, has informed the shareholders to update the requisite details in the record of the Company/ RTA/ depository participants.

Annual Compliance Certificate as required under Regulation 7(3) of the SEBI LODR duly signed by the Compliance Officer of the Company and Share Transfer Agent have been submitted to the Stock Exchange. During the financial year, no request/ application for transmission of equity shares was received.

Pursuant to Regulation 40(9) of the SEBI LODR, a certificate from Practicing Company Secretary on yearly basis confirming that all certificates had been issued within thirty days of the date of lodgement for transfer, sub-division, consolidation, renewal, exchange or endorsement of calls/ allotment monies had been submitted to Stock Exchange within a stipulated time. Though, during FY 2023-24, no request/ applications relating to share transfers, sub-division, consolidation, renewal, exchange or endorsement of calls/ allotment monies were received. Further, no request/ applications relating to issue of duplicate share certificates was received.

6.12 Distribution of Shareholding as on March 31, 2024

a. Distribution of shares according to the size of holding as on 31st March 2024:

| No. of Equity Share(s) Held | No. of Shareholders | % of Shareholders | No. of Shares | % of Shareholding |
|-----------------------------|---------------------|-------------------|------------------|-------------------|
| 1- 500 | 872448 | 91.71 | 81992949 | 8.72 |
| 501 - 1000 | 42871 | 4.51 | 33752602 | 3.59 |
| 1001 - 2000 | 19908 | 2.09 | 29905628 | 3.18 |
| 2001 - 3000 | 6119 | 0.64 | 15626318 | 1.66 |
| 3001 - 4000 | 2699 | 0.28 | 9743541 | 1.03 |
| 4001 - 5000 | 2264 | 0.24 | 10702820 | 1.14 |
| 5001 - 10000 | 2966 | 0.31 | 21978179 | 2.34 |
| 10001 - 20000 | 1160 | 0.12 | 16773663 | 1.78 |
| 20001 and above | 937 | 0.10 | 720040040 | 76.56 |
| TOTAL: | 951372 | 100.00 | 940515740 | 100.00 |

b. Shareholding Pattern as on March 31, 2024

| Category | No. of Shares Held | % of Total No. of Shares |
|------------------------------|---------------------|--------------------------|
| Promoters Holding | | |
| President of India | 61,29,28,392 | 65.17 |
| Sub-Total (1) | 61,29,28,392 | 65.17 |
| Non-Promoters Holding | | |
| Mutual Funds | 42,56,081 | 0.45 |
| Foreign Portfolio Investors | 4,31,17,943 | 4.58 |
| Domestic Companies | 1,58,78,125 | 1.69 |
| Insurance Companies | 69,07,634 | 0.73 |
| Resident Individuals | 23,83,89,598 | 25.35 |

| Category | No. of Shares Held | % of Total No. of Shares |
|--|---------------------|--------------------------|
| Non-Resident Indians (including Non-Resident Non-Repatriates) | 74,71,698 | 0.80 |
| Others (AIF, Clearing Member, Directors & their Relatives, HUF, Trusts etc.) | 1,15,66,269 | 1.23 |
| Sub-Total (2) | 32,75,87,348 | 34.83 |
| Total (1+2) | 94,05,15,740 | 100.00 |

CORPORATE GOVERNANCE REPORT

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

| Category & Shareholder's Name | As on 31st March 2024 | |
|--------------------------------------|-----------------------|--------------------|
| | Voting Strength | No. of Shares Held |
| Promoter & Promoter Group | | |
| The President of India | 65.17 | 612928392 |
| Non-Promoter (Body Corporate) | | |
| - | - | - |

6.13 Dematerialisation of Shares and Liquidity

The shares of the Company are in compulsory dematerialised form and are admitted with both the Depositories, viz., NSDL and CDSL.

Reconciliation of Share Capital Audit Report of the Company issued by the Practicing Company Secretary has been submitted to Stock Exchanges within the stipulated time.

No. of shares held in the dematerialised and physical mode as on March 31, 2024 are as follows:

| Category | No. of Shares | Percentage |
|--------------|---------------------|------------|
| DEMAT | | |
| with NSDL | 790471705 | 84.05 |
| with CDSL | 150042148 | 15.95 |
| Physical | 1887 | Negligible |
| Total | 94,05,15,740 | 100 |

6.14 OUTSTANDING GDRs/ADRs:

There are no GDRs/ADRs/warrants/convertible instrument outstanding as on March 31, 2024.

6.15 COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES:

Dealing in foreign currencies involve foreign exchange risk, and the exchange rate may change unfavourably before the currency is exchanged. In order to minimise or eliminate foreign exchange risk, these exchange rate fluctuations are monitored constantly, and surplus funds are exchanged/repatriated to India at the appropriate time. However, there is no exchange fluctuation risk, as inwards and outwards is in the same foreign currency. This provides natural hedging against foreign currency fluctuation risk.

6.16 PLANT LOCATIONS/OPERATING UNITS

The Company is headquartered at Saket, New Delhi and has 52 project offices and 4 regional offices to support and manage business operations throughout India.

Further, the Company has 6 major overseas project offices in Sri Lanka, Bangladesh, Malaysia, Algeria, and Myanmar from where business activities are undertaken.

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

6.17 ADDRESS FOR CORRESPONDENCE WITH THE REGISTERED OFFICE

(Regarding Corporate Governance matters covered under this report)

Mrs Pratibha Aggarwal
Company Secretary, Ircon International Limited,
C-4, District Centre, Saket, New Delhi - 110 017,
Telephone +91-11-26530456,
Fax +91-11-26522000/26854000,
Email: investors@ircon.org, Website: www.ircon.org.

6.18 LIST OF ALL CREDIT RATINGS OBTAINED BY THE COMPANY:

Credit ratings assigned to Ircon International Limited for various debt instruments by Rating agencies are given below:

Instrument-Long-term/Short-term Bank Facilities

Rating Agency- CARE Ratings Limited

Rating- CARE AAA; Stable/CARE A1+ (Triple A; Outlook; Stable/A One Plus)

Outlook- Stable

7. DISCLOSURES

7.1 RELATED PARTY TRANSACTION

There has been no materially significant related party transaction, pecuniary transactions or relationships between the Company and the Directors, management, subsidiaries or relatives, except for those disclosed in the financial statements for the year ended March 31, 2024, and as reported in the Board's Report in terms of the requirement under Section 134 of the Companies Act, 2013.

The transactions with the related party are in the ordinary course of business on arms' length basis, and the disclosure of the same has been made as per the requirement of Companies Act, 2013 (i.e., Form AOC-2), SEBI LODR and relevant Indian Accounting Standard (in notes to Financial Statements of the Company).

The Company has formulated a Related Party Transaction (RPT) Policy to set out the materiality thresholds for related party transactions and the manner of dealing with the transactions between the Company and its related parties based on the Act and SEBI LODR. The RPT Policy is available at the link: https://ircon.org/images/file/cosecy/03062022_Final_RPT_Policy.pdf

7.2 Details of non-compliance by the Company, penalties & strictures imposed on the company by any statutory authority, on any matter related to any guidelines issued by Government, during the last three years.

There has been no instance of non-compliance of any statutory regulation or Government guidelines,

CORPORATE GOVERNANCE REPORT

nor there has been any penalties or strictures imposed on the Company on any matter related to the capital market and guidelines issued by Government except as disclosed in the Secretarial Audit Report or in this Report.

7.3 Code of Conduct

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

Declaration signed by the Chairman & Managing Director affirming receipt of compliance with the Code of Conduct and Key Values from the Board of Directors and Members of Senior Management team during FY 2023-24 is placed as **Annexure-1**.

7.4 Code of Conduct for Fair Disclosure for Prevention of Insider Trading

In pursuance of SEBI PIT, IRCON's Board has approved an 'Internal Code for prevention of Insider Trading in dealing with securities of IRCON' with an aim that insiders of the Company shall not derive any benefit or assist others to derive any benefit from the access to and possession of Unpublished Price Sensitive Information about the Company which is not in the public domain and thus constitutes insider information.

7.5 Whistle Blower Policy

The Company believes in conducting its business and working with all its stakeholders, including employees, customers, suppliers and shareholders in an ethical and lawful manner by adopting the highest standard of professionalism, honesty, integrity and ethical behaviour.

The Company has in place a Whistle Blower Policy approved by the Board of Directors under which there is a mechanism for Employees and Directors of the Company to report to the Management, concerns about unethical behaviour, actual or suspected fraud, or violation of the Company's Policies and Code of conduct, instances of a leak of unpublished price sensitive information.

The Policy also provides for adequate safeguards against victimisation of employees and directors who avail the mechanism. Complaints under this policy shall be addressed to the Chairman and Managing Director of the Company or in exceptional cases, i.e., in respect of a complaint against an officer of E-9 grade, or where complainant apprehends victimisation, to the Chairman of the Audit Committee. Complaints against the Board Level Executives shall be made to the Vigilance Directorate of the MoR, Gol, for further processing.

Further, no personnel has been denied access to Audit Committee.

7.6 Compliance of SEBI LODR

During the FY 2023-24, the Company is non-compliant with respect to the composition of Board of Directors as not having requisite number of Independent Directors during the whole year.

Since, the appointment of Directors is made by the Administrative Ministry (i.e., MoR), the Company has no role to play in it and the Company has requested the MoR for appointment of requisite number of Independent Directors on the Board of the Company.

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

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

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

Wholly-owned Subsidiaries:

- a. Ircon Infrastructure & Services Limited (IrconISL)
- b. Ircon PB Tollway Limited (IrconPBTL)
- c. Ircon Shivpuri Guna Tollway Limited (IrconSGTL)
- d. Ircon Davanagere Haveri Highway Limited (IrconDHHL)
- e. Ircon Vadodara Kim Expressway Limited (IrconVKEL)
- f. Ircon Gurgaon Rewari Highway Limited (IrconGRHL)
- g. Ircon Ludhiana Rupnagar Highway Limited (IrconLRHL)
- h. Ircon Akloli-Shirsad Expressway Limited (IrconASEL)
- i. Ircon Bhoj-Morbe Expressway Limited (IrconBMEL)
- j. Ircon Haridwar Bypass Limited (IrconHBL)

Subsidiary-

- k. Ircon Renewable Power Limited (IrconRPL) (76% shareholding)

Material Subsidiary: For the FY 2023-24, there was no material subsidiary of the Company.

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

7.9 Statutory Auditors Fees:

This includes total fees for all services paid by the Company and its subsidiary, on a consolidated basis, to the statutory auditors. The details of payment made to Statutory Auditors during FY 2023-24 on consolidated basis are mentioned below:

CORPORATE GOVERNANCE REPORT

(₹ in crore)

| Sr. No. | Particulars of Fees | Amount |
|---------|----------------------------------|-------------|
| 1 | Audit Fee | 0.48 |
| 2 | Tax Audit Fee | 0.14 |
| 3 | Fee for Quarterly Limited Review | 0.25 |
| 4 | Certification Fees | 0.06 |
| 5 | Out of pocket expenses | 0.01 |
| | Total | 0.94 |

* IRCON and its subsidiaries each has distinct Statutory Auditors appointed by Comptroller and Auditor General of India (C&AG).

7.10 Certificate for non-disqualification of Directors:

Certificate from a Company Secretary in practice that none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority is placed as **Annexure-2**.

7.11 Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 for FY 2023-24:

| Number of Complaints Filed During the Year | Number of Complaints Disposed Off During the Year | No. of Complaints Pending as on the end of the Year |
|--|---|---|
| 0 | 0 | 0 |

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

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

7.13 Rating on Corporate Governance by Department of Public Enterprises:

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

DPE has awarded 'Excellent' grading to IRCON for compliance of DPE Corporate Governance Guidelines during FY 2021-22.

IRCON has secured, based on self-evaluation, an annual score of '100%' which falls under 'Excellent' grade for compliance of DPE Corporate Governance Guidelines for FY 2022-23.

IRCON has secured, based on self-evaluation, an annual score of '100%' which falls under 'Excellent' grade for compliance of DPE Corporate Governance Guidelines for FY 2023-24.

7.14 Presidential Directives for the last three years:

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

Further, Gol also divested 8.01% of paid-up capital to the public (including employees) through Offer for Sale through stock exchange mechanism in December 2023. After disinvestment, holding of Gol has been reduced to 65.17%.

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

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

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

During the year, no expenses have been incurred by the Company which are personal in nature for the directors and top management except for the remuneration paid to directors which are as per Government approved pay and perks (details given in para 3.8 of this report and also disclosed in Note No. 33 (b) forming part of the standalone financial statement).

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

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

| Particulars | FY 2023-24 | FY 2022-23 | Reasons for Increase |
|---|------------|------------|--|
| Other Expenses (Administrative) (₹in Crore) | 80.77 | 43.60 | (i) Other expenses have increased due to higher foreign exchange differences (gain/loss) compared to the previous year. |
| Bank & Other Finance Charges (₹in Crore) | 9.61 | 2.80 | (ii) The increase in finance costs this year is primarily attributed to higher interest expenses on mobilization advances. |
| Total Expenses (₹ in Crore) | 11,232.31 | 9,378.44 | (iii) Furthermore, total expenses have risen from the previous year, driven by increased turnover. |
| Administration expenses/ Total expenses (in %) | 0.72 | 0.46 | |
| Bank & Financial Charges/ Total expenses (in %) | 0.09 | 0.03 | |

CORPORATE GOVERNANCE REPORT

7.18 The Compliance with Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI LODR have been made except as disclosed in the Secretarial Audit Report or in this Report.

7.19 Disclosure with respect to Demat Suspense Account/ Unclaimed suspense account

During FY 2023-24, the Company does not have any shares in the Demat suspense account or unclaimed suspense account.

7.20 Unclaimed Dividend

No amount is due for transfer to Investors Education and Protection Fund (**IEPF**). Further, the details of unclaimed dividend as on March 31, 2024 are available on the website of the Company at the Path: Investor Relations>> Notices and Other Announcements>> Dividend.

7.21 Acceptances of recommendation of the Committees

The recommendations of the Committees of the Board have been considered by the Board while deciding on the matters.

7.22 Disclosure of certain types of agreements binding listed entities

The Company is not aware of agreements (including any rescission, amendment or alteration of such agreements thereto) entered into by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the Company or of its subsidiary or associate company, among themselves or with the Company or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the Company or impose any restriction or create any liability upon the Company, whether or not the Company is a party to such agreements.

8. AUDIT QUALIFICATIONS

For Audit Qualifications, the Independent Auditor's Report submitted by M/s Ramesh C Agrawal & Company, Chartered Accountants on the financial statements for the year ending March 31, 2024 may be referred to. The Auditors' Report is unmodified.

9. DISCRETIONARY REQUIREMENTS:

9.1 The Board: The Company is headed by an Executive Chairman.

9.2 Shareholders' Rights for half yearly financial results:

The financial results for the half-year ended September 30, 2023 were published in Financial Express (English), The Indian Express (English) and Jansatta (Hindi) on November 9, 2023 and were also put on the Website of the Company. Separate half-year report has, however, not been sent to each household of Shareholders. Significant events have been intimated to Stock Exchanges and have also been disclosed on the Company website.

10. COMPLIANCE CERTIFICATE BY CEO/CFO

As per Regulation 17 (8) of the SEBI LODR, the compliance certificate duly signed by the Chairman and Managing Director & CEO and Chief Financial Officer was placed before the Board of Directors at its meeting held on May 21, 2024 and the same is placed as **Annexure-3** to this Report.

11. COMPLIANCE

This Report duly complies with the legal requirements in respect of data that should be disclosed in a Corporate Governance Report for FY 2023-24. Certificate obtained from a Practicing Company Secretary regarding the compliance of the conditions of Corporate Governance is placed as **Annexure-4** to this Report.

For and on behalf of the Board of Directors

Sd/-
(Hari Mohan Gupta)
Chairman & Managing Director
and CEO
(DIN: 08453476)

Date: August 13, 2024
Place: New Delhi

Annexure-1

DECLARATION BY CHAIRMAN & MANAGING DIRECTOR REGARDING ANNUAL AFFIRMATION TO COMPLIANCE OF CODE OF BUSINESS CONDUCT AND ETHICS FOR BOARD MEMBERS AND SENIOR MANAGEMENT DURING THE FINANCIAL YEAR 2023-24.

I, Hari Mohan Gupta, Chairman & Managing Director, Ircon International Limited, do hereby declare that all the Board Members and the Senior Management of the Company have affirmed their compliance of the Code of Business Conduct and Ethics for Board Members and Senior Management of the Company during the financial year ending March 31, 2024.

Sd/-
(Hari Mohan Gupta)
Chairman & Managing Director
(DIN : 08453476)

Place: New Delhi
Date: 05.07.2024

CORPORATE GOVERNANCE REPORT

Annexure-2

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Members of
Ircon International Limited ("the Company")
Plot No. C - 4, District Centre Saket,
New Delhi - 110017.

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/representations furnished to us by the Company and 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, 2024** 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 | Original Date of appointment in Company | Date of cessation |
|---------|-----------------------------|----------|---|-------------------|
| 1. | Mrs. Ragini Advani | 09575213 | 19/04/2022 | - |
| 2. | Mr. Parag Verma | 05272169 | 21/09/2022 | - |
| 3. | Mr. Anand Kumar Singh | 07918656 | 07/07/2023 | - |
| 4. | Mr. Brijesh Kumar Gupta | 10092756 | 29/03/2023 | - |
| 5. | Mr. Dhananjaya Singh | 08955500 | 10/11/2020 | - |
| 6. | Mr. Ajay Kumar Chauhan | 09394953 | 11/11/2021 | - |
| 7. | Mr. Dipendra Kumar Gupta | 09398271 | 16/11/2021 | - |
| 8. | Mrs. Ranjana Upadhyay | 07787711 | 16/11/2021 | - |
| 9. | Dr. Kartik Chandulal Bhadra | 09453387 | 31/12/2021 | - |
| 10. | Mr. Yogesh Kumar Misra | 07654014 | 28/12/2018 | 29/04/2023 |
| 11. | Mr. Sandeep Jain | 09435375 | 12/01/2023 | 07/07/2023 |

Ensuring the eligibility of the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For VAP & Associates
Company Secretaries
FRN: P2023UP098500
Peer Review No: 1083/2021

Sd/-
Parul Jain
Managing Partner
M. No. F8323
CP No. 13901
UDIN: F008323F000661371

Place: Ghaziabad
Date: 03.07.2024

CORPORATE GOVERNANCE REPORT

Annexure-3

TO WHOMSOEVER IT MAY CONCERN

Dated: 20.05.2024

We have reviewed the financial statements and the cash flow statement for the year 2023-24 and that to the best of our knowledge and belief:

- (A) (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (B) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the code of conduct.
- (C) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or propose to take to rectify these deficiencies.
- (D) We have indicated to the auditors and the Audit committee:
 - (1) significant changes in internal control over financial reporting during the year;
 - (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

Sd/-
(B. Mugunthan)
(Chief Financial Officer)

Sd/-
(Ashish Bansal)
(Chairman & Managing Director) and CEO
(Additional Charge)
DIN: 10328174

CORPORATE GOVERNANCE REPORT

Annexure-4

COMPLIANCE CERTIFICATE ON THE CORPORATE GOVERNANCE

To
The Members,
Ircon International Limited ("the Company")
Plot No. C – 4, District Centre Saket,
New Delhi – 110017.

We have examined the compliance of conditions of Corporate Governance by **Ircon International Limited ("the Company")** for the financial years ended March 31, 2024, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**the "Listing Regulations"**) and in Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs), 2010 issued by the Department of Public Enterprises ("DPE Guidelines").

The compliance of the conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations and DPE Guidelines during the financial year ended March 31, 2024, except:

- i) As per Regulation 17(1)(b) of LODR and Clause 3.1.4 of the DPE Guidelines, not less than fifty percent of the Board of Directors shall comprise of Independent directors, however, half of the Board did not comprise of Independent Directors from 01.04.2023 till 31.03.2024.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency and effectiveness with which the management has conducted the affairs of the Company.

For VAP & Associates
Company Secretaries
FRN: P2023UP098500
Peer Review No: 1083/2021

Sd/-
Parul Jain
Managing Partner
M. No. F8323
CP No. 13901
UDIN: F008323F000661305

Place: Ghaziabad
Date: 03.07.2024

Business Responsibility and Sustainability Report

Section A

General Disclosure

I. Details of the listed entity

| | | |
|-----|---|---|
| 1. | Corporate Identity Number (CIN) of the listed entity | L45203DL1976GOI008171 |
| 2. | Name of the Listed Entity | Ircon International Limited |
| 3. | Year of Incorporation | 28.04.1976 |
| 4. | Registered Office Address | C-4, District Centre, Saket, New Delhi – 110017 |
| 5. | Corporate Address | C-4, District Centre, Saket, New Delhi – 110017 |
| 6. | E-mail | investors@ircon.org |
| 7. | Telephone | 011-26530266 |
| 8. | Website | www.ircon.org |
| 9. | Financial year for which reporting is being done | 2023-24 |
| 10. | Name of Stock Exchange(s) where shares are listed | 1) National Stock Exchange of India Limited 2) BSE Limited |
| 11. | Paid-up Capital | 1881031480 |
| 12. | Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report | Mr. S.V.Satyanarayana Rao GM (Civil) +91 9560595089 svs.rao@ircon.org |
| 13. | Reporting boundary – Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities that form a part of its consolidated financial statements, taken together) | The disclosures made under this report are on a consolidated basis (including all the wholly owned subsidiaries). However, details of the Board of Directors, KMPs, and employees, appear in this report on a Standalone basis. |
| 14. | Name of assurance provider | Not applicable |
| 15. | Type of assurance obtained | Not applicable |

II. Products/Services

16. Details of business activities (accounting for 90% of the turnover):

| S. No. | Description of Main Activity | Description of Business Activity | % of Turnover of the entity |
|--------|------------------------------|--------------------------------------|-----------------------------|
| 1. | Construction | Roads, Railway and utility projects. | 99.74% |

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

| S. No. | Product/Service | NIC Code | % of total Turnover contributed |
|--------|---|----------|---------------------------------|
| 1. | Construction & maintenance of Railways & Rail Bridges. | 42102 | 83.83% |
| 2. | Construction & maintenance of motorways, streets, roads, other vehicular & pedestrian ways, highways, bridges, tunnels and subways. | 42101 | 15.80% |

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated

| Location | Number of plants | Number of offices | Total |
|---------------|------------------|-------------------|-------|
| National | NA | 57 | 57 |
| International | NA | 6 | 6 |

19. Markets served by the entity:

a. Number of locations

| Locations | Number |
|----------------------------------|----------|
| National (No. of States) | 19 (2UT) |
| International (No. of Countries) | 6 |

b. What is the contribution of exports as a percentage of the total turnover of the entity?

4.81%

c. A brief on types of customers

IRCON has played an integral role in the creation of transformative infrastructure assets since its inception. The company has successfully executed numerous pioneering infrastructural projects, contributing to India's economic growth and enhancing its global standing. A majority of IRCON's domestic projects are awarded by government authorities, including the Ministry of Railways, the National Highways Authority of India, the National High-Speed Rail Corporation Limited, the Chennai Metro Rail Limited, the Dedicated Freight Corridor Corporation of India Limited, the Airports Authority of India, the Rail Land Development Authority, the National Capital Region Transport Corporation, and the Delhi Metro Rail Corporation, among others. Similarly, international projects are awarded by foreign government authorities, such as the Bangladesh Railway, the Sri Lanka Railway, the Algerian Railway, the Ministry of Transport, Malaysia, and the Ministry of External Affairs. In order to secure significant and high-value projects in both the domestic and international markets IRCON actively participates in competitive bidding processes.

IRCON has completed a total of over 401 domestic projects and 128 international projects for diverse clients, maintaining a steadfast commitment to client satisfaction and timely delivery of high-quality outcomes. This unwavering dedication to excellence has been a cornerstone of IRCON's operations.

IV. Employees

20. Details as at the end of Financial Year

a. Employees and workers (including differently-abled)

| S. No. | Particulars | Total (A) | Male | | Female | |
|------------------|--------------------------|-----------------------|---------|---------|---------|---------|
| | | | No. (B) | % (B/A) | No. (C) | % (C/A) |
| EMPLOYEES | | | | | | |
| 1. | Permanent (D) | 861 | 813 | 94 % | 48 | 6% |
| 2. | Other than permanent (E) | 340 | 328 | 96 % | 12 | 4% |
| 3. | Total Employees (D + E) | 1201 | 1141 | 95 % | 60 | 5% |
| WORKERS | | | | | | |
| 4. | Permanent (F) | Not Applicable | | | | |
| 5. | Other than permanent (G) | | | | | |
| 6. | Total Workers (F + G) | | | | | |

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

b. Differently abled Employees and worker:

| S. No. | Particulars | Total (A) | Male | | Female | |
|------------------------------------|--|-----------------------|---------|---------|---------|---------|
| | | | No. (B) | % (B/A) | No. (C) | % (C/A) |
| DIFFERENTLY ABLED EMPLOYEES | | | | | | |
| 1. | Permanent (D) | 6 | 6 | 100% | - | - |
| 2. | Other than permanent (E) | 0 | 0 | - | - | - |
| 3. | Total differently abled employee (D+E) | 6 | 6 | 100% | - | - |
| DIFFERENTLY ABLED WORKERS | | | | | | |
| 4. | Permanent (F) | Not Applicable | | | | |
| 5. | Other than permanent (G) | | | | | |
| 6. | Total differently abled workers (F+G) | | | | | |

21. Participation/Inclusion/Representation of women

| Particulars | Total (A) | No. and percentage of Females | |
|--------------------------|-----------|-------------------------------|---------|
| | | No. (B) | % (B/A) |
| Board of Directors | 9 | 2 | 22.22% |
| Key Management Personnel | 2 | 1 | 50% |

*Company secretary and chief financial officer are covered under Key Managerial Personnel. Directors who are Key Managerial Personnel covered under Board of Directors.

22. Turnover rate for permanent employees and workers

| Particulars | FY 2023-24 (Turnover rate in current FY) | | | FY 2022-23 (Turnover rate in previous FY) | | | FY 2021-22 (Turnover rate in the year prior to the previous FY) | | |
|---------------------|---|--------|-------|--|--------|-------|--|--------|-------|
| | Male | Female | Total | Male | Female | Total | Male | Female | Total |
| Permanent Employees | 5.99% | 8.13% | 6.10% | 8.78% | 13.79% | 9.06% | 7.43% | 2.83% | 6.84% |
| Permanent Workers | Not Applicable | | | | | | | | |

V. Holdings, Subsidiaries and Associate Companies (including joint ventures)

23. a. Names of holding / subsidiary / associate companies / joint ventures

| S. No. | Name of the holding/subsidiary/associate/companies/joint ventures (A) | Indicate whether holding/Subsidiary/Associate/Joint Venture | % of shares held by listed entity | Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No) |
|--------|---|---|-----------------------------------|--|
| 1 | Ircon Infrastructure & Services Limited | Subsidiary | 100% | Yes |
| 2 | Ircon Shivpuri Guna Tollway Limited | Subsidiary | 100% | Yes |
| 3 | Ircon PB Tollway Limited | Subsidiary | 100% | Yes |
| 4 | Ircon Davanagere Haveri Highway Limited | Subsidiary | 100% | Yes |
| 5 | Ircon Vadodara Kim Expressway Limited | Subsidiary | 100% | Yes |
| 6 | Ircon Gurgaon Rewari Highway Limited | Subsidiary | 100% | Yes |
| 7 | Ircon Haridwar Bypass Limited | Subsidiary | 100% | Yes |
| 8 | Ircon Ludhiana Rupnagar Highway Limited | Subsidiary | 100% | Yes |
| 9 | Ircon Bhoj Morbe Expressway Limited | Subsidiary | 100% | Yes |
| 10 | Ircon Akloli-Shirsad Expressway Limited | Subsidiary | 100% | Yes |
| 11 | Ircon Renewable Power Limited | Subsidiary | 76% | Yes |

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

| S. No. | Name of the holding/subsidiary/ associate/companies/joint ventures (A) | Indicate whether holding/Subsidiary /Associate/Joint Venture | % of shares held by listed entity | Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No) |
|--------|--|--|-----------------------------------|--|
| 12 | Chhattisgarh East Railway Limited | Joint Venture | 26% | NA |
| 13 | Chhattisgarh East-West Railway Limited | Joint Venture | 26% | NA |
| 14 | Mahanadi Coal Railway Limited | Joint Venture | 26% | NA |
| 15 | Jharkhand Central Railway Limited | Joint Venture | 26% | NA |
| 16 | Bastar Railway Private Limited | Joint Venture | 26% | NA |
| 17 | Indian Railway Stations Development Corporation Limited | Joint Venture | 26% | NA |
| 18 | Ircon-Soma Tollway Private Limited | Joint Venture | 50% | NA |

VI. CSR Details

24. (i) Whether CSR is applicable as per Section 135 of Companies Act, 2013: (Yes/No)

Yes, CSR applies to IRCON International Limited

FY 2023-24

(ii) Turnover (in Rs.)

11950.40 Cr

(iii) Net worth (in Rs.)

5771.76 Cr

VII. Transparency and Disclosure Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct.

| Stakeholder group from whom complaint is received | Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy) | FY 2023-24 | | | FY 2022-23 | | |
|---|--|--|--|--|--|--|--|
| | | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks |
| Communities | Yes. https://pgportal.gov.in/cpgoffice/ | 117 | 0 | - | 32 | 0 | - |
| Investors (other than shareholders) | - | - | - | - | - | - | - |
| Shareholders | Yes. https://scores.sebi.gov.in | 5 | 0 | - | 10 | 0 | - |
| Employees & Workers | Yes. https://pgportal.gov.in/cpgoffice/ | 2 | 0 | - | 6 | 0 | - |
| Customers | NA | NIL | NIL | - | NIL | NIL | - |
| Value Chain Partners | Yes. https://samadhaan.msme.gov.in/MyMsme/MSEFC/MSEFC_Welcome.aspx | 11 | 0 | 5 complaints have been closed and the replies have been submitted for the remaining 6. | 2 | 2 | Complaints pending at the close of the year have been resolved/disposed of within the scheduled time |
| Other (Please specify) | - | - | - | - | - | - | - |

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format.

| S. No. | Material Issue Identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk/opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|--------|---------------------------|--|--|--|--|
| 1 | Climate Change and Action | Risk | Risk: Climate change is identified as a risk due to the possibility of extreme weather events, sea-level rise, and changing regulations posing threats to railway infrastructure, leading to operational disruptions, financial losses, and reputational damage. Adapting infrastructure for resilience, meeting stricter environmental policies, and addressing supply chain disruptions become imperative considerations. Stakeholder pressure and long-term viability concerns also drive the need to acknowledge and manage climate-related risks effectively. | Incorporating energy audits, switching to energy-efficient technology, and conducting periodic risk assessments. | Negative Implication |
| 2 | Water Management | Risk/ Opportunity | Risk: We recognize the challenges posed by water scarcity, climate change impacts, regulatory compliance, and environmental concerns. Opportunity: Emphasizing efficient water usage not only reduces costs but also demonstrates our commitment to environmental stewardship. Adhering to water-related regulations ensures smooth operations and avoids any potential penalties or project delays. | Ensuring compliance with statutory provisions and incorporating judicious use and re-use of water. | Positive/ Negative Implication |
| 3 | Waste Management | Risk/ Opportunity | Risk: We acknowledge the significance of addressing waste challenges, including proper disposal, recycling, and minimizing environmental impacts. Implementing effective waste management practices not only aligns with our commitment to sustainability but also contributes to a positive image within the communities we operate. Non-compliance with waste regulations can lead to disruptions and reputational risks, underscoring the need for adherence to waste management guidelines. Opportunity: Embracing waste management as an opportunity allows us to explore innovative solutions, reduce waste generation, and support our sustainable development goals. | Incorporating an efficient waste collection and disposal mechanism, with regular record keeping. | Positive/ Negative Implication |

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

| S. No. | Material Issue Identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk/opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|--------|---|--|--|--|--|
| 4 | Environment Management & Compliance | Risk | Risk: We recognize the potential risks associated with non-compliance, including regulatory penalties, project delays, and reputational harm. By prioritizing environmental compliance, we demonstrate our commitment to responsible business practices and safeguarding the environment. Ensuring adherence to environmental regulations not only mitigates risks but also strengthens our relationships with stakeholders and communities. Proactive measures to meet compliance standards can lead to smoother project execution and operational continuity. | Ensure compliance to all statutes as an when required and keeping updated with respective changes made on the same | Negative Implication |
| 5 | Sustainable Construction & Technological Innovation | Opportunity | Opportunity: Embracing eco-friendly practices enhances our reputation, attracts environmentally conscious clients, and reduces our environmental impact. Adopting innovative technologies improves efficiency, resource utilization, and competitiveness in the market. | Incorporating reduce, reuse and recycle strategies whenever applicable and switching to efficient technology to bridge gaps. | Positive Implication |
| 6 | Sustainable Supply Chain | Opportunity /Risk | The sustainable supply chain represents both a risk and an opportunity for IRCON. Risk: Supply chain disruptions and non-compliant suppliers pose risks to our operations and reputation. Opportunity: Embracing sustainable practices presents opportunities to enhance our environmental impact, attract like-minded clients and investors, foster innovation, and contribute to a more responsible industry. | Ensuring safe and quality procurement of goods. | Positive/ Negative Implication |
| 7 | Health & Safety | Opportunity/ Risk | Health and safety represent both risks and opportunities for IRCON. Risk: Neglecting these aspects can lead to accidents, legal liabilities, delays, and reputational damage. Opportunity: Prioritizing health and safety measures fosters a positive work environment, reduces accidents, attracts skilled workers, and ensures compliance with regulations. Proactive investment in health and safety contributes to our organization's long-term success and sustainability. | Ensuring the smooth functioning of the Safety protocols and updating the ISO45001 as and when required. | Positive/ Negative Implication |

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

| S. No. | Material Issue Identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk/opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|--------|-------------------------------------|--|---|--|--|
| 8 | Human Rights, Diversity & Inclusion | Risk | Risk: Human rights, diversity, and inclusion represent potential risks for IRCON if not properly addressed. Failure to uphold these principles could lead to reputational damage, legal disputes, decreased productivity, and strained relationships with stakeholders. Proactively promoting human rights, diversity, and inclusion fosters a positive work environment, attracts top talent, enhances innovation, and demonstrates our commitment to social responsibility. Integrating these considerations into our core values and operations contributes to a more resilient and sustainable organization, positively impacting our long-term success. | Incorporating human rights trainings and awareness programs into the system. Working on improving the assessments regarding human rights issues within the organization. | Negative Implication |
| 9 | Employee Engagement & Wellbeing | Opportunity | Opportunity: Employee engagement and well-being offer valuable opportunities for IRCON. Prioritizing these aspects leads to a motivated and committed workforce, resulting in increased productivity, efficiency, and overall success. Supporting employee well-being creates a positive work environment, reduces turnover, and enhances physical and mental health, contributing to improved performance and safety. | - | Positive Implication |
| 10 | Community Development | Opportunity | Opportunity: By engaging with and investing in local communities, we can build strong relationships, create positive impacts, and foster goodwill. Tailoring projects to address community needs and concerns strengthens IRCON's reputation as a responsible and community-minded organization. Community development initiatives also lead to socio-economic growth, smoother project execution, and increased support from local stakeholders. | - | Positive Implication |

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

| S. No. | Material Issue Identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk/opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|--------|--|--|--|--|--|
| 11 | Data Privacy & Cybersecurity | Opportunity | <p>Opportunity: Prioritizing the protection of sensitive data and implementing robust cybersecurity measures enhances our reputation as a trusted partner and builds confidence among clients and stakeholders. Complying with regulations reduces legal risks and improves operational efficiency. Embracing data privacy and cybersecurity as opportunities allows us to innovate, stay competitive, and gain a competitive edge. Investing in these areas demonstrates our commitment to security and reliability, contributing to our long-term success and sustainability in the industry.</p> | - | Positive Implication |
| 12 | Risk Management | Risk/ Opportunity | <p>Risk management presents both risks and opportunities for IRCON.</p> <p>Risk: Inadequate practices can lead to project delays, cost overruns, and reputational damage. However, proactive and effective risk management can mitigate threats, capitalize on opportunities, improve decision-making, and foster a culture of innovation.</p> <p>Opportunity: Prioritizing risk management is crucial for ensuring our organization's long-term success and sustainability.</p> | Ensuring the risk register is updated regularly. | Positive/ Negative Implication |
| 13 | Business Ethics, Accountability & Transparency | Opportunity | <p>Opportunity: Embracing ethical practices enhances our reputation, builds trust with stakeholders, and attracts socially conscious clients and investors. Being accountable and transparent fosters a positive work environment, improves risk management, and complies with regulations. Stakeholders value organizations that prioritize these principles, leading to long-term relationships and potential business opportunities.</p> | - | Positive Implication |

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

| S. No. | Material Issue Identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk/opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|--------|---------------------------|--|--|---|--|
| 14 | Disaster Management | Risk | Risk: Disaster management is a significant risk for IRCON due to the potential impact of natural disasters and unforeseen emergencies. Inadequate preparedness can lead to project delays, financial losses, and reputational damage. Addressing this risk involves investing in resilience and contingency planning, reinforcing infrastructure, developing evacuation plans, and conducting regular drills. Proactive disaster management ensures safety, protects assets, and maintains operational continuity, demonstrating our commitment to safety and social responsibility, enhancing our reputation, and instilling stakeholder confidence in our organization. | Incorporating a disaster management strategy as a part of the organizational SOP. | Negative Implication |
| 15 | Corporate Governance | Opportunity | Opportunity: Corporate governance presents an opportunity for IRCON by enhancing efficiency, building trust with stakeholders, ensuring compliance, and promoting a culture of accountability and ethical behavior, contributing to long-term success and sustainability. | - | Positive Implication |

SECTION B

Management and process disclosures:

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

| Sl. No. | Disclosure Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|--|--|---|-----|--|-----|-----|--|-----|-----|-----|
| Policy and management processes | | | | | | | | | | |
| 1. | a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| | b. Has the policy been approved by the Board? (Yes/No) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| | c. Web Link of the Policies, if available | https://www.ircon.org/index.php?option=com_content&view=article&id=212&Itemid=606&lang=en | | | | | | | | |
| 2. | Whether the entity has translated the policy into procedures. (Yes / No) | Yes | Yes | Yes | Yes | Yes | Yes | No | Yes | Yes |
| 3. | Do the enlisted policies extend to your value chain partners? (Yes/No) | No | No | No | No | No | No | No | Yes | No |
| 4. | Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle | - | - | ISO:45001: Occupational Health and Safety Management Systems | - | - | ISO:14001 Environment Management Systems ISO 9001 Quality Management System | - | - | - |

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

| Sl. No. | Disclosure Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|---|----|----|----|----|----|----|----|----|
| 5. | Specific commitments, goals and targets set by the entity with defined timelines, if any | IRCON will be setting various commitments, goals, and targets pertaining to the NGRBC principles. The company has aligned efforts to various national targets/schemes in the areas of energy, community development, and environmental sustainability. Furthermore, IRCON remains steadfast in its commitment to quality management, environmental responsibility, and worker safety. We will ensure the continued alignment of our existing ISO certifications (ISO 9001, ISO 14001, ISO 45001) with any amendments or revisions issued by the respective governing bodies. This commitment to best practices underscores IRCON's position as a leader in responsible construction and development. We are confident that these initiatives will position us for continued success while contributing meaningfully to a sustainable future. | | | | | | | | |
| 6. | Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met. | | | | | | | | | |
| Governance, leadership and oversight | | | | | | | | | | |
| 7. | Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure) | With a firm dedication to long-term development, IRCON International Limited is guided by the principles of sustainable development. We strive to uphold the highest ethical standards in our business conduct and continuously work towards the implementation of best practices. Our commitment to ESG reflects this focus, prioritizing environmental consciousness, transparent governance, employee well-being, and the delivery of exceptional projects. We foster a diverse and inclusive work environment, ensuring all voices are heard and valued. Our unwavering commitment to corporate governance and ESG principles lays a solid foundation for our continued growth, resilience, and reputation as a responsible and forward-thinking organization. By aligning our values with our actions, we are confident in achieving continued success, both for IRCON and in contributing to a sustainable and prosperous future for all our stakeholders. | | | | | | | | |
| 8. | Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies). | Director (Works) – Shri Parag Verma Nodal Officer – Mr. S.V. Satyanarayana Rao, GM (Civil) | | | | | | | | |
| 9. | Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details | Yes, IRCON accomplishes its decision-making on sustainability issues through the Corporate Social Responsibility & Sustainability Committee. The following are the members of the committee as of 31.03.2024: 1. Smt. Ranjana Upadhyay, Chairperson, Independent Director 2. Shri. Dhananjaya Singh, Member, Non-Executive Director 3. Shri Parag Verma, Member, Executive Director | | | | | | | | |

10. Details of Review of NGRBCs by the Company:

Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee

| Subject for Review | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 | |
|--|-------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|--|
| Performance against above policies and follow up action | Yes, by the Committee/ Board. | | | | | | | | | |
| Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | |
| Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify) | | | | | | | | | | |
| Subject for Review | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 | |
| Performance against above policies and follow up action | As and when required | | | | | | | | | |
| Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances | As and when required | | | | | | | | | |

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No).

| If yes, provide name of the agency. | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|-------------------------------------|--|----|----|----|----|----|----|----|----|
| | Yes, by Vision360 Management Consulting. | | | | | | | | |

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

| Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|----------------|----|----|----|----|----|----|----|----|
| The entity does not consider the principles material to its business (Yes/No) | Not Applicable | | | | | | | | |
| The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No) | | | | | | | | | |
| The entity does not have the financial or/ human and technical resources available for the task (Yes/No) | | | | | | | | | |
| It is planned to be done in the next financial year (Yes/No) | | | | | | | | | |
| Any other reason (please specify) | | | | | | | | | |

SECTION C

Principle wise Performance Disclosure

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

Principle 1: Businesses should conduct and govern themselves with integrity, in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

- 1 Percentage coverage by training and awareness programs on any of the principles in the financial year: (Only for IRCON)

| Segment | Total no. of training and awareness programs held | Topics/principles covered under the training and its impact | % age of persons in respective category covered by the awareness programs |
|-----------------------------------|---|--|---|
| Board of Directors | 2 | Orientation Programme for Capacity Building | 22.22% |
| Key Management Personnel | 1 | Lecture on Ethics and Governance – Vigilance Awareness Campaign | 50.00% |
| Employees other than BOD and KMPs | 26 | 1. Lecture on Ethics and Governance – Vigilance Awareness Campaign | 69.50% |
| | | 2. Governance; Leadership & Change Theme: Leadership Ethics. Values, Initiative, Drive | |
| | | 3. National Convention on Fostering Trust with Transparency: Pathway | |
| | | 4. RTI ACT | |
| | | 5. Basic of ISO & SHE Management | |
| | | 6. POSH ACT 2013 | |
| | | 7. Vigilance Administration | |

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

| Segment | Total no. of training and awareness programs held | Topics/principles covered under the training and its impact | % age of persons in respective category covered by the awareness programs |
|---------|---|---|---|
| | | 8. Gender Equality & Empowerment | |
| | | 9. Capacity Building Training Initiatives" Programs- Public Private Partnership (PPP) | |
| | | 10. Fifth SEBI –NISM Research Conference titled Sustained Capital Formation –The Way Forward | |
| | | 11. Hindi Workshop | |
| | | 12. National Conference Cum Exhibition on the theme of Revolutionizing Road Infra with Modern Equipment, Technologies, Sustainable Materials, and Policy Guidelines | |
| | | 13. GST MATTERS | |
| | | 14. Indian Academy of Highway Engineers (IAHE) -Operation, Maintenance & Tolling of Highways | |
| | | 15. Global Procurement Summit (GPS) 2024 | |
| | | 16. International Railway Convention & Exhibition on Digital Transformation of Railways | |
| | | 17. National Workshop on "Slope Stabilization Challenges in Infrastructure Projects | |
| | | 18. Cyber Security Awareness/ Red Teaming | |
| | | 19. International Symposium on Tunneling | |
| | | 20. Arbitration and ADR with special focus on International Arbitration | |
| | | 21. International Technical Seminar of IPWE | |
| | | 22. Classroom Training Session on Managing Project & Engineering Insurance-Underwriting and Claims (CT-MP&EI) | |
| | | 23. Management Development Program on Strategic Financial Analysis for Value-Enhancing Decisions | |
| | | 24. Developing HR Competencies for Excellence in PSUs | |
| | | 25. Conference on GEO Smart Infrastructure 2023 Capacity Building Training Initiatives Programs -Digital Transformation in Infrastructure Development | |
| Workers | NA | NA | NA |

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies / judicial institutions in the financial year, in the following format.

(Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

| Monetary | | | | | |
|-----------------|-----------------|---|-------------------|-------------------|--|
| | NGRBC Principle | Name of the regulatory/enforcement agencies/judicial institutions | Amount (In INR) | Brief of the case | Has an appeal been preferred? (Yes/No) |
| Penalty/Fine | | | | | |
| Settlement | | | NIL | | |
| Compounding fee | | | | | |
| Non-Monetary | | | | | |
| | NGRBC Principle | Name of the regulatory/enforcement agencies/judicial institutions | Brief of the case | Brief of the case | Has an appeal been preferred? (Yes/No) |
| Imprisonment | | | | | |
| Punishment | | | NIL | | |

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

| Case Details | Name of the regulatory/enforcement agencies/ judicial institutions |
|--------------|--|
| | NIL |

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy

IRCON follows the Central Vigilance Manual, a comprehensive guide that provides principles, procedures, and best practices for combating corruption and bribery. It serves as a valuable resource for IRCON, outlining measures to prevent corruption, conduct investigations, and take disciplinary actions. The manual emphasizes transparency, integrity, and accountability, and guides on implementing anti-corruption policies and internal control systems. It addresses corruption risks in various areas, such as procurement and financial management. By following the manual, IRCON aims to establish a strong anti-corruption framework, build public trust, and foster a culture of integrity within the organization.

Apart from this, the Company also has a Fraud Prevention and Detection Policy in place for any fraud or suspected fraud involving employees of IRCON as well as representatives of vendors, suppliers, contractors, consultants, service providers or any outside agency/agencies doing any type of business with IRCON and a Whistle-blower Policy meant for employees to raise any ethical issues within the organization.

Additionally, the Company has adopted a Code of Conduct for all the Board Members and Senior Management and Whole-time Directors. As of now, IRCON is exploring the implementation of an anti-bribery policy to further enhance its commitment to ethical practices.

IRCON, being a listed Public Sector Enterprise, conducts and governs itself with the Ethics, Transparency and Accountability policies mandated under SEBI Regulations, the Companies Act, Department of Public Enterprises (DPE) Guidelines, and other policies of the Government of India as applicable from time to time. All these policies cover the Company and its employees and directly/indirectly extend to its subsidiary companies. The Joint Venture Companies have their own set of principles and procedures, broadly in line with the Government's policies.

Web-Link: CVM – <https://portal.cvc.gov.in>

Fraud Prevention and Detection Policy: <https://ircon.org/images/file/cosecy/FPDC%20Policy%20CMD.pdf>

Whistle Blower's Policy: <https://ircon.org/images/file/cosecy/Whistle-Blower-Policy.pdf>

5. Number of directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption.

| | FY 2023-24 (Current Financial Year) | FY 2022-23 (Previous Financial Year) |
|-----------|--|---|
| Directors | NIL | NIL |
| KMPs | NIL | NIL |
| Employees | 2 | NIL |
| Workers | NIL | NIL |

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

6. Details of complaints with regard to conflict of interest

| | FY 2023-24 (Current Financial Year) | | FY 2022-23 (Previous Financial Year) | |
|--|--|--------|---|--------|
| | Number | Remark | Number | Remark |
| Number of complaints received in relation to issues of Conflict of Interest of the Directors | NIL | NIL | NIL | NIL |
| Number of complaints received in relation to issues of Conflict of Interest of the KMPs | | | | |

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not Applicable

8. Number of days of accounts payables (Accounts payable *365)/ Cost of goods/services procured) in the following format:

| | FY 2023-24 (Current Financial Year) | FY 2022-23 (Previous Financial Year) |
|-------------------------------------|--|---|
| Number of days of accounts payables | 30 | 39 |

9. Open-ness of business:

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along with loans and advances & investments, with related parties, in the following format:

| Parameter | Metrics | FY 2023-24 (Current Financial Year) | FY 2022-23 (Previous Financial Year) |
|----------------------------|---|--|---|
| Concentration of Purchases | a. Purchase from trading houses as % of total purchases | - | - |
| | b. Number of trading houses where purchases are made from | - | - |
| | c. Purchases from top 10 trading houses as % of total purchases from trading houses | - | - |
| Concentration of Sales | a. Sales to dealers/ distributors as % of total sales | - | - |
| | b. Number of dealers/ distributors to whom sales are made | - | - |
| | c. Sales to top 10 dealers/ distributors as % of total sales to dealers/ distributors | - | - |
| Share of RPTs in | a. Purchases (Purchases with related parties/ Total Purchases) | 0.087% | - |
| | b. Sales (Sales to related parties/ Total Sales) | 83.13% | - |
| | c. Loans & advances (Loans & advances given to related parties/ Total loans & advances) | - | - |
| | d. Investments (Investments in related parties/ Total investments made) | 29.720% | - |

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

| Total number of awareness programmes held | Topics/ principles covered under the training | %age of value chain partners covered (by value of business done with such partners) under the awareness programmes. |
|--|--|---|
| 1) National Level Special Vendor Development Program | Procurement Policy of IRCON & Business Opportunities for MSE's in IRCON. | 50% |

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No). If Yes, provide details of the same.

-

Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe.

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

| | FY 2023-24 | FY 2022-23 | Details of improvements in environmental and social impacts |
|-------|------------|------------|---|
| R&D | NA | NA | NA |
| Capex | NA | NA | NA |

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

No

- b. If yes, what percentage of inputs were sourced sustainably?

NA

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

| | |
|--------------------|----|
| a) Plastic waste | NA |
| b) E- waste | NA |
| c) Hazardous Waste | NA |
| d) Other waste | NA |

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Not Applicable.

Principle 3: Businesses should respect and promote the well- being of all employees including those in their value chains.

Essential Indicators

1. a. Details of measures for the well-being of employees:

| Category | Total (A) | % of employees covered by | | | | | | | | | |
|---------------------------------------|-----------|---------------------------|---------|--------------------|---------|--------------------|---------|--------------------|---------|--------------------|---------|
| | | Health Insurance | | Accident Insurance | | Maternity benefits | | Paternity Benefits | | Daycare facilities | |
| | | No. (B) | % (B/A) | No. (C) | % (C/A) | No. (D) | % (D/A) | No. (E) | % (E/A) | No. (F) | % (F/A) |
| Permanent employees | | | | | | | | | | | |
| Male | 813 | NIL | NIL | NIL | NIL | NA | NA | 813 | 100% | NIL | NIL |
| Female | 48 | NIL | NIL | NIL | NIL | 48 | 100% | NA | NA | NIL | NIL |
| Total | 861 | NIL | NIL | NIL | NIL | 48 | 0.05% | 813 | 94.42% | NIL | NIL |
| Other than Permanent employees | | | | | | | | | | | |
| Male | 296 | 296 | 100% | NIL | NIL | NA | NA | 32 | 10.81% | NIL | NIL |
| Female | 12 | 12 | 100% | NIL | NIL | 12 | 100% | NA | NA | NIL | NIL |
| Total | 308 | 308 | 100% | NIL | NIL | 12 | 0.03% | 32 | 10.38% | NIL | NIL |

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

b. Details of measures for the well-being of workers

| Category | % of employees covered by | | | | | | | | | | |
|-------------------------------------|---------------------------|------------------|---------|--------------------|---------|--------------------|---------|--------------------|---------|--------------------|---------|
| | Total (A) | Health Insurance | | Accident Insurance | | Maternity benefits | | Paternity Benefits | | Daycare facilities | |
| | | No. (B) | % (B/A) | No. (C) | % (C/A) | No. (D) | % (D/A) | No. (E) | % (E/A) | No. (F) | % (F/A) |
| Permanent workers | | | | | | | | | | | |
| Male | Not Applicable | | | | | | | | | | |
| Female | | | | | | | | | | | |
| Total | | | | | | | | | | | |
| Other than Permanent workers | | | | | | | | | | | |
| Male | Not Applicable | | | | | | | | | | |
| Female | | | | | | | | | | | |
| Total | | | | | | | | | | | |

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format -

| | FY 2023-24 (Current Financial Year) | FY 2022-23 (Previous Financial Year) |
|---|--|---|
| Cost incurred on well-being measures as a % of total revenue of the company | 2.40% | 1.06% |

2. Details of retirement benefits, for Current FY and Previous Financial Year.

| Benefits | FY 2023-24 | | | FY 2022-23 | | |
|-------------|--|--|--|--|--|--|
| | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) |
| PF | 100% | NA | Y | 100% | NA | Y |
| Gratuity | 100% | NA | Y | 100% | NA | Y |
| ESI | NA | NA | NA | NA | NA | NA |
| Others: NPS | 100% | NA | Y | 100% | NA | Y |

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently-abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

IRCON ensures compliance with the Rights of Persons with Disabilities Act, 2016 by designing its office premises in a manner that promotes accessibility and inclusivity for employees and workers with disabilities. The company has implemented various features to achieve this goal. The following are notable features:

1. **Sensor-equipped Automated Doors:** IRCON has installed automated doors with sensors, facilitating easy access for individuals with mobility challenges. These doors automatically open when triggered by the presence of a person, ensuring convenience and smooth entry.
2. **Lift Facilities:** To ensure vertical accessibility, IRCON has installed lifts that adhere to accessibility standards. These lifts enable employees and workers with mobility limitations to effortlessly access different floors of the office building, promoting ease of movement and convenience.
3. **Provision of Wheelchairs:** IRCON provides wheelchairs for employees and workers with mobility challenges. These wheelchairs are available within the office premises and can be used by individuals who require them to move around the workplace comfortably. This provision promotes inclusivity and ensures that employees with mobility limitations can navigate the office environment with ease. A provision for a liaison is made at the premises as per the requirements of the employee.

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4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, IRCON has a specific Equal Opportunity Policy as per the Rights of Persons with Disabilities Act, 2016.

The policy ensures that all employees, regardless of their race, gender, age, disability, religion, or any other protected characteristic, have equal access to employment opportunities, benefits, and advancement. The policy prohibits any form of discrimination, harassment, or bias in all aspects of employment, including recruitment, hiring, training, promotions, compensation, and termination. The policy in line with the Rights of Persons with Disabilities Act, 2016 incorporates accommodations to employees with disabilities, ensuring they have equal access to job opportunities and the necessary support to perform their roles effectively.

Furthermore, the policy incorporates a robust grievance redressal mechanism to address any instances of discrimination faced by individuals with disabilities within the organization.

Web Link – https://www.ircon.org/index.php?option=com_content&view=article&id=212&Itemid=606&lang=en

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

| Gender | Permanent Employees | | Permanent Workers | |
|--------|---------------------|----------------|---------------------|----------------|
| | Return to work rate | Retention rate | Return to work rate | Retention rate |
| Male | 100% | 100% | NA | NA |
| Female | 100% | 100% | NA | NA |
| Total | 100% | 100% | NA | NA |

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief. Yes/No (If Yes, then give details of the mechanism in brief)

Yes/No (If Yes, then give details of the mechanism in brief)

| | |
|--------------------------------|--|
| Permanent Workers | Not Applicable |
| Other than Permanent Workers | Not Applicable |
| Permanent Employees | Yes, the organization utilizes CPGRAMS to receive and redress employee grievances. CPGRAMS, also known as the Centralized Public Grievance Redress and Monitoring System, represents a prominent initiative by the Indian central government aimed at enhancing governance through the effective resolution of public grievances. In this regard, our organization, IRCON, utilizes this online platform to promptly address employee grievances and efficiently track their status and progress. Each grievance is thoroughly reviewed by the respective department, and appropriate measures are taken to ensure timely redressal. |
| Other than Permanent Employees | Yes, the organization utilizes CPGRAMS to receive and redress employee grievances. CPGRAMS, also known as the Centralized Public Grievance Redress and Monitoring System, represents a prominent initiative by the Indian central government aimed at enhancing governance through the effective resolution of public grievances. In this regard, our organization, IRCON, utilizes this online platform to promptly address employee grievances and efficiently track their status and progress. Each grievance is thoroughly reviewed by the respective department, and appropriate measures are taken to ensure timely redressal. |

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7. Membership of employees and worker in association(s) or Unions recognized by the listed entity

| Category | FY 2023-24 | | | FY 2022-23 | | |
|----------------------------------|---|---|-----------|--|--|-----------|
| | Total employees/ workers in respective category (A) | No. of employees/ workers in respective category, who are part of association(s) or Union (B) | % (B / A) | Total employees / workers in respective category (C) | No. of employees / workers in respective category, who are part of association(s) or Union (D) | % (D / C) |
| Total Permanent Employees | Not Applicable | | | | | |
| Male | | | | | | |
| Female | | | | | | |
| Total Permanent Workers | | | | | | |
| Male | | | | | | |
| Female | | | | | | |

8. Details of training given to employees and workers

| Category | FY 2023-24 | | | | | FY 2022-23 | | | | |
|------------------|----------------|-----------------------------|--------------|----------------------|---------------|-------------|-----------------------------|--------------|----------------------|--------------|
| | Total (A) | On health & safety measures | | On skill upgradation | | Total (D) | On health & safety measures | | On skill upgradation | |
| | | No. (B) | % (B/A) | No. (C) | % (C/A) | | No. (E) | % (E/D) | No. (F) | % (F/D) |
| Employees | | | | | | | | | | |
| Male | 813 | 63 | 7.75% | 119 | 14.63% | 1279 | 18 | 1.40% | 35 | 2.73% |
| Female | 48 | 12 | 25.00% | 26 | 54.16% | 65 | 0 | 0% | 2 | 3.07% |
| Total | 861 | 75 | 8.71% | 145 | 16.84% | 1344 | 18 | 1.33% | 37 | 2.75% |
| Workers | | | | | | | | | | |
| Male | Not Applicable | | | | | | | | | |
| Female | | | | | | | | | | |
| Total | | | | | | | | | | |

9. Details of performance and career development reviews of employees and worker

| Category | FY 2023-24 | | | FY 2022-23 | | |
|------------------|----------------|------------|---------------|-------------|------------|---------------|
| | Total (A) | No. (B) | % (B/A) | Total (C) | No. (D) | % (D/C) |
| Employees | | | | | | |
| Male | 813 | 811 | 99.75% | 1279 | 881 | 68.88% |
| Female | 48 | 48 | 100.00% | 65 | 51 | 78.46% |
| Total | 861 | 859 | 99.76% | 1344 | 932 | 69.34% |
| Workers | | | | | | |
| Male | Not Applicable | | | | | |
| Female | | | | | | |
| Total | | | | | | |

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage of such system?

Yes, IRCON has established and implemented an Occupational Health and Safety (OH&S) Management System in accordance with ISO 45001-2018. The organization has determined the necessary processes

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and their application throughout the organization. This includes identifying the inputs and outputs of each process, as well as creating an Inter-relation Matrix to illustrate their relationships. The sequence and interaction of processes have been determined, and criteria and methods, including monitoring, measurements, and performance indicators, have been applied to ensure effective operation and control. Resources have been allocated and made available for the processes, and responsibilities and authorities have been assigned accordingly. Risks and opportunities have been addressed, and processes are regularly evaluated and improved to achieve their intended results. IRCON maintains documented information to support process operations and retains documentation to ensure adherence to planned processes.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

IRCON through their Occupational Health and Safety Manual has established a process for identifying and assessing aspects/hazards, with an assessment mechanism based on their significance. During the initial stage of project execution, major hazards are identified, tabulated, and communicated to the construction team. A comprehensive inventory of all aspects and OH&S hazards are periodically reviewed & updated based on the initial review and group risk assessment. Several factors are addressed, including storage, handling, and disposal of construction & hazardous materials, plant & machinery activities, construction activities & related standard operating procedures, and infrastructure facilities. For OH&S risk assessment, aspects with significant impacts on employee health and safety, such as physical, chemical, and biological factors, are identified. Probability and severity factors are used to rate the assessment, with a scale ranging from "Always" to "Never" for probability and from "Permanent/partial disability with hospitalization or death" to "No harm" for severity. The risk rating is determined by multiplying the probability and severity factors together. If the risk rating is 3 or higher, it is considered intolerable, and control measures should be developed and implemented. The OH&S risk levels are defined as Extreme, High, Moderate, Low, and Trivial based on specific criteria.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes, following an incident or accident, the Person in Charge of Health and Safety (PH/SO) will initiate an investigation in collaboration with the Sub-contractor's safety officer and other site staff to determine the cause(s) of the incident/accident and suggest appropriate remedial actions. The incident/accident report form will be completed, and the PH/SO will identify the necessary steps to be taken. Furthermore, the Safety Officer will present the report to the Safety Committee and also share it during the Project Quality Council Meeting.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, IRCON ensures that its employees have access to non-occupational medical and healthcare services. The company provides a range of benefits to both permanent and non-permanent employees, including outdoor and indoor treatment reimbursement, sanctions for medical advances, ambulance charges and other complete health checkup benefits. Apart from this IRCON has a medical trust set up that provides assistance to employees under different circumstances.

11. Details of safety related incidents

| Safety Incident/Number | Category | FY 2023-24 | FY 2022-23 |
|---|-----------|------------|------------|
| Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) | Employees | NIL | NIL |
| | Workers | NIL | NIL |
| Total recordable work-related injuries | Employees | NIL | NIL |
| | Workers | NIL | NIL |
| No. of fatalities | Employees | NIL | NIL |
| | Workers | NIL | NIL |
| High consequence work-related injury or ill-health (excluding fatalities) | Employees | NIL | NIL |
| | Workers | NIL | NIL |

*IRCON does not have any workers on its pay-roll, we only have workers through contractors.

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

IRCON takes several measures to ensure a safe and healthy workplace. The company conduct regular hazard identification and risk assessments, including safety drills for various scenarios. Stringent safety measures are in place at project sites to prioritize the well-being of employees and workers. This includes the implementation

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of Safety Standard Operating Procedures (SOPs) and comprehensive training programs. Regular pre-medical checkups are conducted at scheduled intervals to monitor the health of personnel. Following the principles of the Industrial Safety hierarchy, the project emphasizes a systematic approach to risk mitigation. The hierarchy involves the steps of elimination, substitution, engineering control and administrative control. Hazards are first eliminated whenever possible, followed by substituting hazardous elements with safer alternatives. Engineering controls are implemented to design a safer work environment, while administrative controls establish procedures and guidelines to manage risks effectively. Finally, when necessary, appropriate PPE is provided to ensure worker safety. Through the consistent application of this safety hierarchy, the project endeavors to identify and address potential hazards, fostering a culture of safety and responsibility throughout the project site.

13. Number of Complaints on the following made by employees and workers

| | FY 2023-24 | | | FY 2022-23 | | |
|--------------------|-----------------------|---------------------------------------|---------|-----------------------|---------------------------------------|---------|
| | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year | Pending resolution at the end of year | Remarks |
| Working Conditions | NIL | NIL | NIL | NIL | NIL | NIL |
| Health & Safety | NIL | NIL | NIL | NIL | NIL | NIL |

14. Assessment for the year

% of your plants and offices that were assessed (by entity or statutory authorities or third parties)

| | |
|-----------------------------|-----|
| Health and safety practices | 90% |
| Working Conditions | 90% |

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

The following are the corrective actions taken to address safety-related incidents:

- Adoption and implementation of staging surrounding every liner driving of pile at the project site – Resulting in no cave-in of any workmen during piling work.
- Pile load Test Using the "Crown Anchor Reaction Method" that reduces the probability of near miss during execution of pile testing.
- Slope stabilization and protection make the execution area safer and more stable during the movement of workmen and machinery. This helps in reducing the chances of fatality and safe working manhours.
- Use of sensor base wagon for loading and unloading of ballast.
- Awareness through training and competency mapping/ appreciation.

Leadership Indicators

- Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N)?
 (A) Employees – Yes
 (B) Workers – Yes
- Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.-
- Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

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| | Total no. of affected employees/workers | | No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment | |
|------------------|---|--------------------------------------|---|--------------------------------------|
| | FY 2023-24 (Current Financial Year) | FY 2022-23 (Previous Financial Year) | FY 2023-24 (Current Financial Year) | FY 2022-23 (Previous Financial Year) |
| Employees | NIL | NIL | NIL | NIL |
| Workers | NIL | NIL | NIL | NIL |

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

No, IRCON currently does not have a designated transition assistance program.

5. Details on assessment of value chain partners:

% of value chain partners (by value of business done with such partners) that were assessed

| | |
|-----------------------------|-----|
| Health and safety practices | 90% |
| Working Conditions | 90% |

6. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

The process of identifying key stakeholder groups for IRCON encompasses several steps. Initially, it involves clearly defining IRCON's purpose and role within the industry. Subsequently, both internal and external stakeholders are identified, taking into account their respective interests and concerns.

As a listed EPC contractor in the infrastructure sector, there are several key stakeholder groups that are considered, these include investors and shareholders, employees and workers, clients or employers, vendors, sub-contractors, consultants, the community, and the end users of the infrastructure. The selection of client/employers is typically based on the company's business interests. Vendors, sub-contractors, and consultants are identified and chosen according to project requirements and contract conditions. The responsibility for the end users of the infrastructure facility typically lies with the client/employer, unless the contract provisions allow for involvement by the EPC contractor. Investors, shareholders, employees, and workers are integral parts of the entity itself.

IRCON can successfully understand and engage with stakeholders, effectively addressing their needs and concerns, and cultivating positive relationships through the stakeholder engagement process. Such a strategic approach enables IRCON to optimize project execution, enhance client satisfaction, collaborate effectively with government agencies, and generate value for its shareholders and other stakeholders, thereby achieving improved overall outcomes.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

| Stakeholder Group | Whether identified as Vulnerable & Marginalized Group (Yes/ No) | Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other | Frequency of engagement (Annually/ Half yearly/ Quarterly / others - please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement |
|-------------------|---|---|--|---|
| Shareholder | No | <ul style="list-style-type: none"> Annual reports Press releases & shareholder meetings Stock exchange intimations Investor meetings. Emails, SMS, newspapers, postal services, and website. | Annual, Periodic, Quarterly | <p>The focus is on creating shareholder's wealth.</p> <p>Key topics:</p> <ul style="list-style-type: none"> i) Financial Performance ii) Payment of Dividend iii) Business Performance iv) Corporate Governance |

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| Stakeholder Group | Whether identified as Vulnerable & Marginalized Group (Yes/No) | Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other | Frequency of engagement (Annually/ Half yearly/ Quarterly / others - please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement |
|----------------------|--|---|--|---|
| Employees | No | <ul style="list-style-type: none"> Internal communications, HR web portals, circulars and office orders Meetings, emails, calls, notice board Training and appraisals Cultural events | Regularly | Key topics: i) Information ii) Events, iii) Training, iv) Business activities |
| Vendors/ Contractors | No | <ul style="list-style-type: none"> Meetings Procurement portals Emails | As and when required | - |
| Clients | No | <ul style="list-style-type: none"> Meetings Procurement portals Emails | Need-based | Business activities |
| Community | Yes | <ul style="list-style-type: none"> Onsite community meetings Local campaigns | Need-based | Audits, Feedbacks |

Principle 5: Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy (ies) of the entity

| Category | FY 2023-24 | | | FY 2022-23 | | |
|----------------------|----------------|--|---------|------------|--|---------|
| | Total (A) | No. of employees / workers covered (B) | % (B/A) | Total (C) | No. of employees / workers covered (D) | % (D/C) |
| Employees | | | | | | |
| Permanent | 861 | 861 | 100% | 932 | 107 | 11.48% |
| Other than permanent | 340 | 340 | 100% | 412 | 2 | 0.49% |
| Total Employees | 1201 | 1201 | 100% | 1344 | 109 | 8.11% |
| Workers | | | | | | |
| Permanent | Not Applicable | | | | | |
| Other than permanent | | | | | | |
| Total Workers | | | | | | |

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2. Details of minimum wages paid to employees and workers

| Category | FY 2023-24 | | | | | FY 2022-23 | | | | |
|-----------------------------|----------------|-----------------------|---------|------------------------|---------|------------|-----------------------|---------|------------------------|---------|
| | Total (A) | Equal to minimum wage | | More than minimum wage | | Total (D) | Equal to minimum wage | | More than minimum wage | |
| | | No. (B) | % (B/A) | No. (C) | % (C/A) | | No. (E) | % (E/D) | No. (F) | % (F/D) |
| Employees | | | | | | | | | | |
| Permanent | | | | | | | | | | |
| Male | 813 | - | - | 813 | 100% | 881 | - | - | 881 | 100% |
| Female | 48 | - | - | 48 | 100% | 51 | - | - | 51 | 100% |
| Other than permanent | | | | | | | | | | |
| Male | 328 | - | - | 328 | 100% | 412 | - | - | 412 | 100% |
| Female | 12 | - | - | 12 | 100% | 14 | - | - | 14 | 100% |
| Workers | | | | | | | | | | |
| Permanent | | | | | | | | | | |
| Male | Not Applicable | | | | | | | | | |
| Female | Not Applicable | | | | | | | | | |
| Other than permanent | | | | | | | | | | |
| Male | Not Applicable | | | | | | | | | |
| Female | Not Applicable | | | | | | | | | |

3. Details of remuneration/salary/wages

a. Median remuneration/ wages:

| | Male | | Female | |
|----------------------------------|--------|--|--------|--|
| | Number | Median remuneration /salary/wages of respective category | Number | Median remuneration /salary wages of respective category |
| Board of Directors (BoD)* | 2 | 4012000 | 1 | 5860908 |
| Key Managerial Personnel* | 1 | 4475354 | 1 | 1364469 |
| Employees other than BoD and KMP | 796 | 1765081 | 46 | 1741040 |
| Workers | NA | NA | NA | NA |

Notes:

- KMP includes CS and CFO (ED/Finance).
- BOD includes CMD and Whole Time Director's only as on 31.03.2024.
- Definition of Median: In Mathematics, the median is defined as the middle value of a sorted list of numbers, hence employee's salary sorted in ascending order and median salary amount calculated.

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

| | FY 2023-24 (Current Financial Year) | FY 2022-23 (Previous Financial Year) |
|---|--|---|
| Gross wages paid to females as % of total wages | 5.00% | 4.76% |

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

IRCON utilizes CPGRAMS to receive and redress employee grievances related to human rights issues. CPGRAMS, also known as the Centralized Public Grievance Redress and Monitoring System, represents a prominent initiative by the Indian central government aimed at enhancing governance through the effective resolution of public/

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organizational grievances. In this regard, our organization, IRCON, utilizes this online platform to promptly address grievances and efficiently track their status and progress. Each grievance is thoroughly reviewed by the respective department, and appropriate measures are taken to ensure timely redressal.

6. Number of Complaints on the following made by employees and workers:

| | FY 2023-24 | | | FY 2022-23 | | |
|--|-----------------------|---------------------------------------|---------|-----------------------|---------------------------------------|---------|
| | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year | Pending resolution at the end of year | Remarks |
| Sexual Harassment | NIL | NIL | - | 1 | 0 | - |
| Discrimination at workplace | NIL | NIL | - | NIL | NIL | - |
| Child Labor | NIL | NIL | - | NIL | NIL | - |
| Forced Labour/Involuntary Labour | NIL | NIL | - | NIL | NIL | - |
| Wages | NIL | NIL | - | NIL | NIL | - |
| Other human rights related issues | NIL | NIL | - | NIL | NIL | - |

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

| | FY 2023-24 (Current Financial Year) | FY 2022-23 (Previous Financial Year) |
|---|--|---|
| Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH) | NIL | 1 |
| Complaints on POSH as a % of female employees/workers | NIL | 1.54% |
| Complaints on POSH upheld | NIL | 0 |

8. Mechanisms to prevent adverse consequences to the complaints in discrimination and harassment cases.

To prevent adverse consequences for complainants in discrimination and harassment cases, IRCON adheres to the POSH policy by

- 1) Providing relief such as the transfer of the aggrieved or the respondent to any other workplace and granting leave to the aggrieved person for up to three months in addition to the entitled leave.
- 2) Ensuring strict confidentiality of complainants' identities and details.
- 3) Implementing robust non-retaliation policies to protect them from reprisals, and establishing whistleblower protection measures for anonymous reporting.
- 4) Conducting independent and unbiased investigations, providing adequate remedies such as disciplinary actions and support for complainants.
- 5) Offering ongoing training and awareness programs.
- 6) Implementing external reporting, and conducting regular reviews and evaluations.

By implementing these steps, IRCON creates a safe and supportive environment for individuals to report complaints, address issues effectively, and prevent adverse consequences for complainants in discrimination and harassment cases.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes

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10. Assessments for the year:

| | % of your plants and offices that were assessed (by entity or statutory authorities or third parties) |
|-----------------------------|---|
| Child Labour | 100% |
| Forced/involuntary labour | 0% |
| Sexual harassment | 100% |
| Discrimination at workplace | 0% |
| Wages | 100% |
| Others-please specify | - |

11. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 10 above.

As per the General Contract Conditions terms 'Claim on Account of Violation of Labour Law', provisions are established.

Principle 6: Businesses should respect and make efforts to protect & restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity

| Parameter | FY 2023-24 | FY 2022-23 |
|--|-----------------|---------------|
| From renewable sources | | |
| Total electricity consumption (A) | 4775.29 GJ | 6744.25 GJ |
| Total fuel consumption (B) | | |
| Energy consumption through other sources (C) | | |
| Total energy consumed from renewable sources (A+B+C) | | |
| From non-renewable sources | | |
| Total electricity consumption (D) | 109,942.897 GJ | 122,325.84 GJ |
| Total fuel consumption (E) | 1,075,757.51 GJ | 463,566.00 GJ |
| Energy consumption through other sources (F) | | |
| Total energy consumed from non-renewable sources (D+E+F) | 11,85,700.41 GJ | 592,636.09 GJ |
| Total energy consumed (A+B+C+D+E+F) | 11,90,475.7 GJ | 592,636.09 GJ |
| Energy intensity per rupee of turnover (Total energy consumed/ Revenue from operations) | 0.0000099 GJ/Cr | 0.00002 GJ/Cr |
| Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)* (Total energy consumed / Revenue from operations adjusted for PPP) | 52026.73 | 25899.66 |
| Energy intensity in terms of physical output | - | - |
| Energy intensity (optional) - the relevant metric may be selected by the entity | - | - |

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, the Company did not carry out independent assessment by an external agency

*PPP value for India is taken as 22.882 NCU/USD as per the data available for the year 2022 according to OECD data bank

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

No, the Company does not have any site identified as DCs under PAT scheme.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

3. Provide details of the following disclosures related to water

| Parameter | FY 2023-24 | FY 2022-23 |
|---|-------------|------------|
| Water withdrawal by source (in kilolitres) | | |
| (i) Surface water | 1346481.8 | 112886 |
| (ii) Groundwater | 2840520.18 | 112887 |
| (iii) Third party water | 4242.35 | 16489 |
| (iv) Seawater / desalinated water | | |
| (v) Others | | |
| Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v) | 4188364.33 | 242262 |
| Total volume of water consumption (in kilolitres) | 3350691.464 | 181294 |
| Water intensity per rupee of turnover (Water consumed / turnover) | 0.0029 | 0.000002 |
| Water intensity (optional) – the relevant metric may be selected by the entity | - | - |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, the Company did not carry out independent assessment by an external agency

4. Provide details of the following details related to water discharged:

| Parameter | FY 2023-24 | FY 2022-23 |
|--|------------|------------|
| Water discharge by destination and level of treatment (in kilolitres) | | |
| (i) To Surface water | | |
| – No treatment | | |
| – With treatment – please specify level of treatment | | |
| (ii) To Groundwater | | |
| – No treatment | | |
| – With treatment – please specify level of treatment | | |
| (iii) To Seawater | | |
| – No treatment | | |
| – With treatment – please specify level of treatment | | |
| (iv) Sent to third-parties | | |
| – No treatment | | |
| – With treatment – please specify level of treatment | | |
| (v) Others – Evaporation loss | | |
| – No treatment | 670138.29 | 242262 |
| – With treatment – please specify level of treatment | | |
| Total water discharged (in kilolitres) | 670138.29 | 242262 |

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

No

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

6. Please provide details of air emissions (other than GHG emissions) by the entity

| Parameter | Please specify unit | FY 2023-24 | FY 2022-23 |
|-------------------------------------|---------------------|------------|------------|
| NOx | µg/m ³ | 29.5 | - |
| SOx | µg/m ³ | 25.1 | - |
| Particulate matter (PM) | µg/m ³ | 103.42 | - |
| Persistent organic pollutants (POP) | | - | - |
| Volatile organic compounds (VOC) | | - | - |
| Hazardous air pollutants (HAP) | | - | - |
| Others – please specify | | - | - |

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, the Company did not carry out independent assessment by an external agency

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity

| Parameter | Unit | FY 2023-24 | FY 2022-23 |
|---|---|------------|------------|
| Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available) | Metric tonnes of CO ₂ equivalent | 88,232.94 | 34,183.30 |
| Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available) | Metric tonnes of CO ₂ equivalent | 21,835.88 | 24,295.27 |
| Total Scope 1 and Scope 2 emissions per rupee of turnover | | 0.0000009 | 0.0000005 |
| Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity | | - | - |
| Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)* (Total Scope 1 and Scope 2 GHG emissions/Revenue from operations adjusted for PPP) | | 4810.28 | 2555.65 |
| Total Scope 1 and Scope 2 emission intensity in terms of physical output. | | - | - |
| Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity | | - | - |

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, the Company did not carry out independent assessment by an external agency

*PPP value for India is taken as 22.882 NCU/USD as per the data available for the year 2022 according to OECD data bank

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

No, IRCON does not have any project related to reducing Green House Gas emissions.

9. Provide details related to waste management by the entity

| Parameter | FY 2023-24 | FY 2022-23 |
|---|------------|------------|
| Total Waste generated (in metric tons) | | |
| Plastic waste (A) | | |
| E-waste (B) | 1.0 | |
| Bio-medical waste (C) | | |
| Construction and demolition waste (D) | 0.56 | 0.811 |
| Battery waste (E) | 0.43 | 1.168 |

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

| Parameter | FY 2023-24 | FY 2022-23 |
|---|--------------|--------------|
| Radioactive waste (F) | | |
| Other Hazardous waste. Please specify, if any. (G) | | |
| Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector) | 1.5 | 1.656 |
| Paper, Cardboard Waste | 1.0 | 0.671 |
| Ply Wood | | |
| Total (A+ B + C + D + E + F + G + H) | 4.49 | 4.31 |
| Waste intensity per rupee of turnover (Total waste generated / Revenue from operations) | 3.757 | 4.200 |
| Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated /Revenue from operations adjusted for PPP) | 0.196 | 0.188 |
| Waste intensity in terms of physical output | - | - |
| Waste intensity (optional) – the relevant metric may be selected by the entity | - | - |
| For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tons) | | |
| Category of waste | | |
| (i) Recycled | 2.93 | |
| (ii) Re-used | | |
| (iii) Other recovery operations | | |
| Total | | |
| For each category of waste generated, total waste disposed by nature of disposal method (in metric tons) | | |
| Category of waste | | |
| (i) Incineration | | |
| (ii) Landfilling | 1.56 | 4.31 |
| (iii) Other disposal operations | | |
| Total | 1.56 | 4.31 |

Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, the Company did not carry out independent assessment by an external agency

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

IRCON strives to incorporate practices that ensure minimal environmental impact, optimal resource usage and recycling wherever applicable. The waste management practices circle around waste segregation, recycling initiatives, proper handling and disposal of hazardous waste. We have a fully functional water treatment plant in the corporate office that ensures the water leaving the system is treated adequately. Continuous improvement and compliance with regulations are integral to the approach, reflecting the company's commitment to sustainability and safety.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/clearances are required

| Location of operations/offices | Type of operations | Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any |
|--------------------------------|--------------------|--|
| Not Applicable | | |

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year

| Name and brief details of project | EIA Notification No. | Date | Whether conducted by independent external agency (Yes/No) | Results communicated in public domain (Yes/No) | Relevant Web link |
|-----------------------------------|----------------------|------|---|--|-------------------|
| Not Applicable | | | | | |

13. Is the entity compliant with the applicable environmental law/regulations/guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, and Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances.

| S. No. | Specify the law/regulation /guidelines which was not complied with | Provide details of the non-compliance | Any fines/penalties/ action taken by regulatory agencies such as pollution control boards or by courts | Corrective action taken, if any |
|----------------|--|---------------------------------------|--|---------------------------------|
| Not Applicable | | | | |

Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/associations 6
 b. List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the entity is a member of/affiliated to.

| S. No. | Name of the trade and industry chambers/ Associations | Reach of trade and industry chambers/ associations (State/national) |
|--------|--|---|
| 1 | Confederation of Indian Industry (CII) Northern Region | National |
| 2 | National Real Estate Development Council (NAREDCO) | National |
| 3 | PHD Chamber of Commerce & Industry (PHDCCI) | National |
| 4 | Standing Conference of Public Enterprises (SCOPE) | National |
| 5 | Project Export Promotion Council of India (PEPC) | National |
| 6 | Construction Industry Development Council (CIDC) | National |

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

| Name of authority | Brief of the case | Corrective action taken |
|-------------------|-------------------|-------------------------|
| NIL | | |

Principle 8: Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of social impact assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year

| Name and brief details of project | SIA Notification No. | Date of notification | Whether conducted by independent external agency (Yes / No) | Results communicated in public domain (Yes / No) | Relevant Web link |
|-----------------------------------|----------------------|----------------------|---|--|-------------------|
| Not Applicable | | | | | |

2. Provide information on project(s) for which ongoing rehabilitation and resettlement (R&R) is being undertaken by your entity

| Name of Project for which R&R is ongoing | State | District | No. of Project Affected Families (PAFs) | % of PAFs covered by R&R | Amounts paid to PAFs in the FY (In INR) |
|--|-------|----------|---|--------------------------|---|
| Not Applicable | | | | | |

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

3. Describe the mechanisms to receive and redress grievances of the community

CPGRAMS, also known as the Centralized Public Grievance Redress and Monitoring System, represents a prominent initiative by the Indian central government aimed at enhancing governance through the effective resolution of public grievances. In this regard, our organization, IRCON, utilizes this online platform to promptly address community grievances and efficiently track their status and progress. Each grievance is thoroughly reviewed by the respective department, and appropriate measures are taken to ensure timely redressal. We value the opportunity to engage with the public and remain committed to providing efficient and responsive services through the CPGRAMS portal.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers

| Particulars | FY 2023-24 | FY 2022-23 |
|--|------------|------------|
| Directly sourced from MSMEs/ small producers | 59.39% | 43.48% |
| Sourced directly from within the district and neighboring district | NA | NA |

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

| Location | FY 2023-24 | FY 2022-23 |
|--------------|------------|------------|
| Rural | 0.5% | 1.3% |
| Semi-urban | 0.2% | 0.7% |
| Urban | 5.7% | 4.2% |
| Metropolitan | 2.6% | 6.1% |

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the social impact assessments

| Details of negative social impact identified | Corrective action taken |
|--|-------------------------|
| Not Applicable | |

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies

| S. No. | State | Aspirational District | Amount spent in INR |
|--------|-----------------|-----------------------|---------------------|
| 1 | Uttar Pradesh | Chitrakoot | 73,22,000 |
| 2 | Uttar Pradesh | Bahraich | 33,68,000 |
| 3 | Uttar Pradesh | Sharawasti | 19,98,000 |
| 4 | Uttar Pradesh | Chandauli | 13,00,000 |
| 5 | Bihar | Chitrakoot | 34,14,000 |
| 6 | Bihar | Muzaffarpur | 20,00,000 |
| 7 | Rajasthan | Jaisalmer | 36,98,000 |
| 8 | Rajasthan | Dholpur | 12,00,000 |
| 9 | Rajasthan | Karauli | 12,00,000 |
| 10 | Jammu & Kashmir | Baramulla | 10,00,000 |
| 11 | Jammu & Kashmir | Kupwara | 30,05,000 |
| 12 | Haryana | Nuh | 22,56,000 |
| 13 | Odisha | Rayagada | 20,00,000 |
| 14 | Uttarakhand | Udham Singh Nagar | 14,49,000 |

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

3. a. Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

Yes.

- b. From which marginalized /vulnerable groups do you procure?

Procurement is done from MSE's general category and from are MSE owned by SC/ST and Women Entrepreneurs.

- c. What percentage of total procurement (by value) does it constitute?

59.39%

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge

| Intellectual Property based on traditional knowledge | Owned/ Acquired (Yes/No) | Benefit shared (Yes / No) | Basis of calculating benefit share |
|--|--------------------------|---------------------------|------------------------------------|
| Not Applicable | | | |

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

| Name of authority | Brief of the Case | Corrective action taken |
|-------------------|-------------------|-------------------------|
| Not Applicable | | |

6. Details of beneficiaries of CSR Projects

| S. No. | CSR Project | No. of persons benefitted from CSR Projects | % of beneficiaries from vulnerable and marginalized groups |
|--------|--|---|--|
| 1 | Providing quality education to 66 Tribal Students of Bhubaneswar, Orissa by M/s Kalinga. | 66 | 100% |
| 2 | Providing education through 150 EKAL Vidyalaya's in three cluster in the State of Tripura by M/s Friends of Tribal Society. | 150 | 100% |
| 3 | Providing primary education to 90 underprivileged children at Nangloi School of Godhuli for FY 22-23. | 90 | 100% |
| 4 | Providing quality education to 1000 underprivileged children in the slums area in Muzaffarpur, Bihar Sharif & Patna by M/s E& H Foundation. | 1000 | 100% |
| 5 | Providing digital literacy in 3 govt schools of Battiah, West Champaran district of Bihar through installation of Computers by M/s Akhandjyoti Foundation. | 980 | 100% |
| 6 | Providing skill development training to 60 youth in different trades Electrician, Plumber, Welder, land surveyor in Gorakhpur district of UP by M/s CIDC. | 60 | 100% |
| 7 | Providing Support to rural communities by constructing of Community hall of Jalna district of Maharashtra by M/s Saprem. | 975 | 100% |
| 8 | Providing Skill development training in different trades to 2000 Youths in Aurangabad district of Maharashtra by M/s Savali. | 2000 | 100% |
| 9 | Conducting self-defense training to 354 girls and distributing self-defense kit in govt schools of Aspirational district of Kupwara, J&K by M/s Sports, Physical Education, Fitness & Leisure Skills Council (SPEFL-SC). | 354 | 100% |
| 10 | Providing hath thella (Cart) to 40 poor persons in Chitrakoot district of Uttar Pradesh by M/s Mahila Jagriti Mandal. | 60 | 100% |
| 11 | Providing livelihood training program to 500 beneficiaries in two trades tailoring and marketing in Jalna and Aurangabad district of Maharashtra by M/s Savali. | 500 | 100% |

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

| S. No. | CSR Project | No. of persons benefitted from CSR Projects | % of beneficiaries from vulnerable and marginalized groups |
|--------|---|---|--|
| 12 | Proposal for providing skill development training to 50 women's at Kaushambi district of UP by M/s Shri Ganeshdeen Santha. | 50 | 100% |
| 13 | Skill development training for 145 women in Khora Colony Ghaziabad by M/s BSGSS. | 145 | 100% |
| 14 | Establishing Netaji Subhas Chandra Bose Military Academy Silvassa in the Union Territory of Dadra and Nagar Haveli Proposal Submitted by M/s Vidya Bharati Gujarat Pradesh. | 700 | 100% |
| 15 | Providing education through 113 EKAL Vidyalaya's in Dharmanagar district of Tripura by M/s Friends of Tribal Society. | 113 | 100% |
| 16 | Providing furniture in govt schools of Banihal by M/s USBRL Project. | 100 | 100% |
| 17 | Proposal for Construction of Village Community Center in Nalanda district of Bihar by M/s Shakti -The Women Empowerment Academy. | 1000 | 100% |
| 18 | Continue Supporting by promoting pre-primary Education of around 160 underprivileged children in Nangloi, Delhi other such locations by M/s Godhuli. | 160 | 100% |
| 19. | Providing Volleyball and Cricket Kits to the students of Lachung primary school in the location of Lauchang district of Sikkim, and also providing Ambulance and other items to PHC by M/s SRRP Project Office of Ircon. (Short terms Activity) | 100 | 100% |
| 20 | Conducting self-defense training to 354 girls and distributing self-defense kit in govt schools of Aspirational district of Kupwara, J&K by M/s Sports, Physical Education, Fitness & Leisure Skills Council (SPEFL-SC). | 354 | 100% |
| 21 | Skill development training for 145 women in Khora Colony Ghaziabad by M/s BSGSS. | 145 | 100% |
| 22 | Providing quality education to 150 tribal student of Bhubaneswar, Orissa by M/s Kalinga. | 150 | 100% |
| 23 | Installation of 2 drinking water machines in Chanduali district of Uttar Pradesh by M/s Pacific Creative Society | - | 100% |
| 24 | Providing skill development training to 80 women's of Chitrkoot district Uttar Pradesh by M/s Matribhoomi Vikas Parishad. | 80 | 100% |
| 25 | Cleaning of Yamuna river at NCR by M/s Draupadi Dream Trust. | 500 | 100% |
| 26 | Construction of two sheds in East Champaran district (Motihari) of Bihar by M/s Kaushalya Foundation. | - | 100% |
| 27 | Providing Skill training / income generation program for 300 poor women at Supaul district Bihar by M/s Bhartiya Navdeep Samiti (BNS). | 300 | 100% |
| 28 | Installing of water filter machine in Darbhanga dist. of Bihar by M/s Manab Kalyan Welfare Society. | 5000 | 100% |
| 29 | Distribution of 40 Thella Cart to unemployed poor persons for Chitrakoot, Uttar Pradesh. | 40 | 100% |
| 30 | Installation of 4 Mini Science Centre in 4 Govt Schools at Udham Singh Nagar district of Uttarakhand by M/s Sambhavana. | 2000 | 100% |
| 31 | Providing of 44 Deep Freezer and 1 Walk in Freezer at Delhi. | 0 | 100% |
| 32 | Setting up of sanitary napkin units and bringing awareness about menstrual hygiene in school girls and communities at Baramula by M/s Vatsalya. | 2000 | 100% |

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

| S. No. | CSR Project | No. of persons benefitted from CSR Projects | % of beneficiaries from vulnerable and marginalized groups |
|--------|--|---|--|
| 33 | Conducting of 90 Medical Consultation Camps (MCC) in districts of J&K: Kathua, Jammu, Samba, Udhampur, Reasi, Rajouri, Poonch, Doda, Ramban, Kishtwar, and 10 Medical Camps in the district of Leh Ladakh. | 66 | 100% |
| 34 | Extension of Primary health post at Banihal for FY 22-23. | 1000 | 100% |
| 35 | Distribution of aid and assistive devices to the Divyangjan in Gaya district of Bihar by M/s ALIMCO. | 510 | 100% |
| 36 | Proposal for anemia prevention and malnutrition in women and children in Rayagada district of Odisha by M/s People to People Health Foundation. | 2000 | 100% |
| 37 | Organizing medical camps at the doorsteps for poor elderly people of Aspirational district Bahraich, Uttar Pradesh by M/s Grameen Evam Shahri Welfare Sansthan | 2000 | 100% |
| 38 | Providing one time freshly cooked food to 300 children every day at Valsad district of Gujrat by M/s Khushiyaan Foundation. | 200 | 100% |
| 39 | Extension of Vision Centre in Aspirational district Jaisalmer of Rajasthan by M/s Shree PCB Trust. | 500 | 100% |
| 40 | Providing Nutritious food to visually impaired girls at Bundelkhand, UP by M/s Drishti. | 100 | 100% |
| 41 | Providing health services by setting up of affordable diagnostic center at Jalna district Maharashtra by M/s EAGL Livelihood Foundation. | 1000 | 100% |
| 42 | Proposal on Nutrition & Health for improvement of Anaganwadi centers in 10 Villages of Jalna district of Maharashtra by M/s Saprem. | 500 | 100% |
| 43 | Proposal for providing treatment of heart disease to around 500 Patients in Palghar district of Maharashtra by M/s UMEED Foundation. | 150 | 100% |
| 44 | Proposal for financial assistance under the awareness on health and medical checkup camps in 2 blocks of Suratgarh under Sri Ganganagar district of Rajasthan by M/s Anmol | 270 | 100% |
| 45 | Proposal for fetal echocardiography screening of 200 pregnant women for fetal cardiac abnormality from underprivileged families at South Extension-II, New Delhi by M/s Child Heart Foundation. | 200 | 100% |
| 46 | Providing essential nutrients rich food for 1000 women. Especially pregnant ladies, lactating mothers & infants and woman also organizing awareness camps for women's in West Champaran district of Bihar by M/s Prawah | 1000 | 100% |
| 47 | Upgradation of PHC and other 2 hospitals of Kalimpong. | 100 | 100% |
| 48 | Proposal for Installation of 3 Health ATM's in the govt hospital at Shravasti District of (UP) Submitted by M/s Manav Vikas Sanstha | 1000 | 100% |
| 49 | Providing home Based Palliative Care for Underserved cancer Patients and their family caregivers in Faridabad, Haryana Proposal Submitted by M/s Can Support. | 500 | 100% |
| 50 | Installation of sanitary napkin dispensing machines and incinerators for providing of free sanitary napkins at 2 girls schools in location of Jaisalmer district of Rajasthan by M/s Women Children Welfare and Rural Development Society. | 500 | 100% |

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

| S. No. | CSR Project | No. of persons benefitted from CSR Projects | % of beneficiaries from vulnerable and marginalized groups |
|--------|--|---|--|
| 51 | Providing Jan Arogyam Community Healthcare Program for pregnant women and also provision of free medical check-up and medicines at Nuh District of Haryana by M/s BSGSS. | 50 | 100% |
| 52 | Providing nutritional food to 50 underprivileged children at Valsad district Gujrat by M/s Swadhyay Mandal. | 50 | 100% |
| 53 | Providing GE 32 Slice, CT Scanner to be installed at Mata Gujri medical centre in Okhla Phase-II, New Delhi by M/s Rotary Southend Charitable Trust | 600 | 100% |
| 54 | Tribal health improvement program at Chitrakoot district of Uttar Pradesh by M/s Mahila Jagrati Mandal. | 100 | 100% |
| 55 | Conducting 53 Medical Consultation Camps in rural and tribal villages of Jammu & Kashmir by M/s Arogya foundation of India. | 700 | 100% |
| 56 | Eye Check-up Camps & Spectacle distribution at Kaushambi district of Uttar Pradesh by M/s Shri Ganeshdeen Shiksha Samiti. | 3000 | 100% |
| 57 | Request for purchasing the hearse van to be provided to District Red Cross Society, Katni, Madhya Pradesh. Requested by Katni-Singrauli Rail Doubling Project. | 1000 | 100% |
| 58 | Proposal for Setting up a Jan Arogyam Kendra at Meerut District Uttar Pradesh by M/s BSGSS | 1000 | 100% |
| 59 | Project for funding for smooth running and maintenance of old age home at Faridabad, Haryana by M/s Anadi Seva Prakalp | 55 | 100% |
| 60 | Providing Nutritious food to visually impaired girls at Bundelkhand, UP by M/s Drishti. | 100 | 100% |
| 61 | Conducting 12 Medical Camps in Baharich district of Uttar Pradesh by M/s Grameen Evam Shahri Welfare Sansthan. | 2000 | 100% |
| 62 | Providing Nutritional supplements and development of 4 Anganwadi centers at Siwan district of Bihar by M/s Matrix society for social services. | 2000 | 100% |
| 63 | Distribution of first aid Box & First AID training camps in Pauri district of Uttarakhand by M/s Future Icons Foundation. | 2600 | 100% |
| 64 | Extension of vision centre for 100 cataract surgeries in Aspirational district Jaisalmer of Rajasthan by M/s Shree PCB Trust. | 1000 | 100% |
| 65 | Distribution and training on First-Aid skill training to the SC and ST women of Morigiaon Dist. Assam by M/s North Eastern Development Council for Human Resource. | 350 | 100% |
| 66 | Construction of Primary Health Care Centre at Kapsiyama village Hilsa block, Nalanda district of Bihar by M/s Women Entrepreneurs Association. | - | 100% |
| 67 | Providing awareness on malnutrition and anemia to specially to pregnant women's and also provision of kitchen garden, M/s People to People Health Foundation | 2000 | 100% |
| 68 | Providing sanitary napkins to 3000 girls, distributing nutritional supplements tablets to 2500 girls and distribution of 4000 shawls to deprived mothers and also conducting 10 health checkups camps in 10 schools. | 2500 | 100% |
| 69 | Providing health services through setting up a Jan Arogyam Community Healthcare Centre for poor peoples | 2000 | 100% |

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

| S. No. | CSR Project | No. of persons benefitted from CSR Projects | % of beneficiaries from vulnerable and marginalized groups |
|--------|--|---|--|
| 70 | Providing health services by distribution of nutritional supplements to 500 children's and conducting Anemia prevention camps for girls at Kaushabhi district Uttar Pradesh. M/s Shri Ganeshdeen Shiksha Samiti. | 500 | 100% |
| 71 | Supply of Ambulance under CSR Activity at Patna district of Bihar | 1000 | 100% |
| 72 | Contribution in PM Cares Fund for FY 2023-24 | - | - |

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

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback

Not Applicable

2. Turnover of products and services as a percentage of turnover from all products/service that carry information about

| | As a percentage to total turnover |
|---|-----------------------------------|
| Environmental and social parameters relevant to the product | NIL |
| Safe and responsible usage | NIL |
| Recycling and/or safe disposal | NIL |

3. Number of consumer complaints

| | FY 2023-24 | | | FY 2022-23 | | |
|--------------------------------|--------------------------|-----------------------------------|---------|--------------------------|-----------------------------------|---------|
| | Received during the year | Pending resolution at end of year | Remarks | Received during the year | Pending resolution at end of year | Remarks |
| Data privacy | NIL | NIL | | NIL | NIL | |
| Advertising | NIL | NIL | | NIL | NIL | |
| Cyber-security | NIL | NIL | | NIL | NIL | |
| Delivery of essential services | NIL | NIL | | NIL | NIL | |
| Restrictive Trade Practices | NIL | NIL | | NIL | NIL | |
| Unfair Trade Practices | NIL | NIL | | NIL | NIL | |
| Other | NIL | NIL | | NIL | NIL | |

4. Details of instances of product recalls on account of safety issues

| | Number | Reasons for recall |
|-------------------|--------|--------------------|
| Voluntary recalls | NIL | NA |
| Forced recalls | NIL | NA |

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, IRCON has a comprehensive framework for managing cyber crisis. This plan delineates diverse categories of cyber incidents, along with associated policies, actions, and responsibilities. Its purpose is to effectively prepare for, identify, exchange information about, respond to, and remediate malicious cyber incidents that could potentially impact critical business functions and processes. The plan underscores the necessity of adopting a coordinated and thorough approach to address cyber security incidents and breaches.

This plan draws its foundation from the 'Cyber Crisis Management Plan for countering cyber-attacks and cyber terrorism' formulated by CERT-In, MeitY, Government of India. It acknowledges the dynamic nature of cyber security, wherein technological progress brings forth new vulnerabilities, necessitating periodic updates to

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

response strategies. Ideally, these updates should occur on an annual basis. The section concerning the nature of cyber crisis and contingencies identifies distinct types of threats and crisis that may target specific objectives. Its objective is to assess the impact of these crisis on critical business functions and services within IRCON, ultimately determining suitable response and mitigation measures.

The plan encompasses various organizational units within IRCON, including the corporate office, regional offices, and project offices. Additionally, it encompasses key business functions such as finance and accounts, human resources management, business development, plant maintenance, contract management, and project management.

Web Link: https://www.ircon.org/index.php?option=com_content&view=article&id=212&Itemid=606&lang=en

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

NIL

7. Provide the following information relating to data breaches:

| | |
|---|-----|
| a. Number of instances of data breaches | NIL |
| b. Percentage of data breaches involving personally identifiable information of customers | NIL |
| c. Impact, if any, of the data breaches | NIL |

For and on behalf of the Board of Directors

Sd/-

(Hari Mohan Gupta)

Chairman & Managing Director
and CEO

(DIN: 08453476)

Date: August 13, 2024

Place: New Delhi

ANNUAL REPORT ON CSR & SUSTAINABILITY

1. Brief outline on CSR & Sustainability Policy of the Company.

To guide our CSR efforts, we have the Corporate Social Responsibility & Sustainability Policy (CSR Policy) in alignment with our Company's vision. This policy lays down guidelines and mechanisms that the Company must adhere to when carrying out CSR projects. In accordance with the guidelines issued by the Department of Public Enterprises (DPE) through their Office Memorandum dated December 10, 2018, along with the update on April 24, 2023, CPSEs (Central Public Sector Enterprises) are required to follow a theme-based approach for their CSR activities. The Company allocates a minimum of 60% of their annual CSR budget for thematic programs and give preference to the Aspirational districts in their CSR initiatives. For the FY 2023-24, the common theme chosen by DPE for CSR activities of CPSEs is "Health & Nutrition." By adhering to these guidelines and embracing the chosen theme, we are actively working towards making a positive difference in society and contributing to the well-being of our communities. CSR Policy of Ircon can be viewed on the Ircon International Limited website: https://www.ircon.org/images/file/cosecy/CSR_Policy_Nov_2022_with_Annexures.pdf

The CSR Committee of the Board reviews and sanctions CSR project proposals, received from Project Implementation Unit (PIU) level and from other sources including the representative of NGO's. IRCON is utilizing the services of NGOs/specialized external agencies, registered with the Ministry of Corporate Affairs and having a CSR

Registration Number for implementation of CSR projects, apart from involvement of the field level committees for close monitoring, evaluation and feedback and impact assessment of CSR projects through an independent agency.

In the FY 2023-24 Company has Spent 11.65 Cr against the Allocated CSR Budget of Rs.11.64 Cr. The Company Implemented many CSR Projects in 14 Aspirational districts listed by Niti Ayog. During the Year, The Company installed the Astronomy Lab, Mini Science Centre and Computers Labs in Govt. Schools. The Company also provided sanitary napkins to girls of Government Schools and provided nutritional supplements to girls & lactating mothers. The Company conducted many medical camps for screening of old age people & underprivileged community.

2. Composition of CSR Committee:

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

From 01.04.2023 till 31.03.2024

Chairperson

Smt. Ranjana Upadhyay, Independent Director

Members

Shri Dhanajaya Singh,
Government Nominee (Part-Time Official Director)

Shri Parag Verma,
Director (Works)

During FY 2023-24, the Committee met three times on 23rd May, 2023, 8th November, 2023 and 16th January, 2024. The attendance details of the said meeting are: -

| Name of Member | Meeting Date | | | Number of Meetings of CSR Committee held during the year | No. of Meetings of CSR Committee attended during the year |
|-----------------------|--------------|------------|------------|--|---|
| | 23.05.2023 | 08.11.2023 | 16.01.2024 | | |
| Smt. Ranjana Upadhyay | ✓ | ✓ | ✓ | 3 | 3 |
| Shri Dhanajaya Singh | ✓ | ✗ | ✓ | 3 | 2 |
| Shri Parag Verma | ✓ | ✓ | ✓ | 3 | 3 |

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

Web Link as Follows: –

- a) CSR committee: https://www.ircon.org/index.php?option=com_content&view=article&id=209&Itemid=604&lang=en
- b) CSR Policy: https://www.ircon.org/images/file/cosecy/CSR_Policy_Nov_2022_with_Annexures.pdf
- c) CSR projects: https://www.ircon.org/images/file/cosecy/Master_Sheet_CSR_Expenditure__2023-24_q.pdf

4. Provide the executive summary along with web-link(s) of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 if applicable.

As per Section 135 of the Companies Act, 2013, the requirement of impact assessment of CSR projects, through an independent agency, is not applicable to IRCON for 2023-24. However, the Company has voluntarily carried out the impact assessment for 14 completed CSR projects through an independent agency. The web link for the executive report on impact assessment on CSR activities of IRCON is

https://ircon.org/images/CSR/FINAL_IA_REPORT_FY23_24.pdf

- 5. (a) Average net profit of the company as per sub-section (5) of section 135: **Rs.582.02 Crore.**
- (b) Two percent of average net profit of the company as per section 135(5): **Rs.11.64 Crore**
- (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **Nil**
- (d) Amount required to be set off for the financial year, if any: **Nil**
- (e) Total CSR obligation for the financial year [(b)+(c)- (d)]: **Rs.11.64 Crore**

6. (₹ in crore)

| | |
|---|--------------|
| (a) Amount spent on CSR Projects (both Ongoing Projects and other than Ongoing Projects). | 11.49 |
| (b) Amount spent in Administrative Overheads : | 0.16 |
| (c) Amount spent on Impact Assessment, if applicable. : | Nil |
| (d) Total amount spent for the Financial Year [(a)+(b)+(c)]: | 11.65 |

e) CSR amount spent or unspent for the financial year:

| Total Amount Spent for the Financial Year (in Rs.) | Amount Unspent (in Rs.) | | | | |
|--|--|------------------|---|--------|------------------|
| | Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135. | | Amount transferred to any fund specified under Schedule VII as per second proviso to subsection (5) of section 135. | | |
| | Amount | Date of transfer | Name of the Fund | Amount | Date of transfer |
| 11.65 | NIL | NIL | NIL | NIL | NIL |

(f) Excess amount for set off, if any

| Sl. No. | Particular | Amount (Rs. in Core) |
|---------|---|----------------------|
| (i) | Two percent of average net profit of the company as per section 135(5) | 11.64 |
| (ii) | Total amount spent for the Financial Year | 11.65 |
| (iii) | Excess amount spent for the financial year [(ii)-(i)] | 0.01 |
| (iv) | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | 0.00 |
| (v) | Amount available for set off in succeeding financial years [(iii)-(iv)] | 0.01* |

*Amount of Rs.0.01 Crore is not being set off from the budget of CSR available for the FY 2024-25.

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years: Nil
8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:
Yes No
- If yes, enter the number of Capital assets created/acquired:- **21 No. of assets has created.**
- Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year: **As enclosed as Annexure -1.**
9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):. Not Applicable

Sd/-
Shri Hari Mohan Gupta
Chairman and Managing
Director
(DIN 08453476)

Sd/-
Shri Parag Verma
Director (Works) &
Member, CSR & Sustainability
Committee
(DIN 05272169)

Sd/-
Smt. Ranjana Upadhyay
Chairperson,
CSR & Sustainability Committee
(DIN 07787711)

Date: August 8, 2024
Place: New Delhi

ANNEXURE-1

| Sl. No. | Short particulars of the property or asset(s) [including complete address and location of the property] | Pincode of the property or asset(s) | Date of creation | Amount spent in the current financial year (Rs. In Lakhs) | Details of entity / Authority/beneficiary of the registered owner | | |
|---------|---|-------------------------------------|------------------|---|---|---|---|
| | | | | | CSR Registration Number, if applicable | Name | Registered Address |
| 1 | Providing Support to rural communities by constructing of Community hall of Jalna district of Maharashtra by M/s SAPREM.(At Javkheda Khurd in Bhokardan Tahsil block, Jalna district) | 431215 | 31.03.24 | 23.19 | CSR00003104 | M/s SAPREM | 11, Panchsheel Building, Opp. Nutan Hindi Highschool, Durga Mata Mandir Road, Katemanivali, Kalyan (East),Dist. Thane. 421306 |
| 2 | Providing Hath Thela (Cart) to 40 poor persons in Chitrakoot district of Uttar Pradesh by M/s Mahila Jagriti Mandal. | 210205 | 26.04.23 | 7.22 | CSR00039776 | M/s Mahila Jagriti Mandal | Station Road, Karwi (Chitrakoot) 210205 |
| 3 | Providing livelihood training program to 500 beneficiaries in two trades tailoring and marketing in Jalna and Aurangabad district of Maharashtra by M/s SAVALI. | 431203 | 30.04.23 | 17.49 | CSR00003432 | M/s SAVALI | AA3/201, Khadak Pada, Barave Road Kalyan (West) -421301 |
| 4 | Establishing Netaji Subhas Chandra Bose Military Academy Silvassa in the Union Territory of Dadra and Nagar Haveli Proposal Submitted by M/s Vidya Bharati Gujarat Pradesh. | 396193 | 30.04.23 | 25.00 | CSR00006412 | M/s Vidya Bharati Gujarat Pradesh. | 4, Vasundhara Society, Anand Park, Kankaria, Ahmedabad – 380028 |
| 5 | Providing furnitures in govt svchools of Banihal by M/s USBRL Project. | 182146 | 31.03.24 | 4.07 | NA | Govt Girls Senior Secondary School Banihal-182146 | Govt Girls Senior Secondary School, Banihal-182146 |
| 6 | Proposal for Construction of Village Community Center in Nalanda district of Bihar by M/s Shakti-The Women Empowerment Academy. | 803111 | 31.03.24 | 27.88 | CSR000052371 | M/s Shakti-The Women Empowerment Academy | 26/1/177-1, B.V Nagar, Nellore-524004 |
| 7 | Installation of 2 drinking water machines in Chanduali district of Uttar Pradesh by M/s Pefic Creative Society | 232104 | 31.03.24 | 13.00 | CSR00004314 | M/s Pefic Creative Society | B-2/23 Safdarjung Enclave, New Delhi-110029 |
| 8 | Construction of two sheds in East Champaran district(Motihari) of Bihar by M/s Kaushalya Foundation | 845401 | 31.03.24 | 30.00 | CSR00001538 | M/s Kaushalya Foundation | 32, AWAS, above PNB, Buddha Colony East, Boring Road Patna-800001, |
| 9 | Installing of water filter Machine in Darbhanga dist. Of bihar by M/s Manab Kalyan welfare society | 846004 | 31.03.24 | 19.84 | CSR00033041 | M/s Manab Kalyan welfare society | Harish Thakur Road, Krishnanagar, Agartala, West Tripura, Tripura-799001 |
| 10 | Distribution of 40 Thella Cart to unemployed poor persons for Chitrakoot, Uttar Pradesh | 210206 | 31.03.24 | 10.00 | CSR00039776 | M/s Mahila Jagriti Mandal | Station Road, Karwi (Chitrakoot) 210205 |

| Sl. No. | Short particulars of the property or asset(s) [including complete address and location of the property] | Pincode of the property or asset(s) | Date of creation | Amount spent in the current financial Year (Rs. In Lakhs) | Details of entity / Authority/beneficiary of the registered owner | | |
|---------|--|-------------------------------------|------------------|---|---|--|---|
| | | | | | CSR Registration Number, if applicable | Name | Registered Address |
| 11 | Installation of 4 Mini Science centre in 4 Govt Schools at Udham Singh Nagar district of Utrakhand | 244713 | 31.03.24 | 14.49 | CSR00000687 | M/s SAMABHAVANA | Sumangal Co Op Hsg Society, Sector-2, Airoli, Navi Mumbai 400708 |
| 12 | Distribution of aid and assistive devices to the Divyangjan in gaya district of Bihar by M/s ALIMCO. | 823001 | 30.04.23 | 7.49 | CSR00000532 | M/s ALIMCO | G.T Road, Kanpur , Uttar Pradesh – 209 217 |
| 13 | Providing Health services by setting up of affordable diagnostic center at Jaina district Maharashtra by M/s EAGL Livelihood Foundation | 431203 | 31.03.24 | 50.00 | CSR00000988 | M/s EAGL Livelihood Foundation | Aadi Allure, D 1202, Kanjurmarg, East Mumbai-400042 |
| 14 | Upgradation of PHC and other 2 hospitals of Kalimpong. | 734312 | 31.03.23 | 0.85 | NA | Teestha PHC Kalimpong,West Bengal-734312 | Teestha PHC Kalimpong,West Bengal-734312 |
| 15 | Proposal for Installation of 3 Health ATM's in the govt hospital at Shrivasti District of (UP) Submitted by M/s Manav Vikas Sanstha | 271805 | 31.12.23 | 19.98 | CSR00001276 | M/s Manav Vikas Sanstha | A-626, World Trade Park, JLN Marg, Malviya Nagar, Jaipur-302017 |
| 16 | Installation of Sanitary Napkin Dispensing Machines and incinerators for providing of free Sanitary Napkins at 2 Girls Schools in location of Jaisalmer district of Rajasthan by M/s Women Children Welfare and Rural Development Society. | 345001 | 31.12.23 | 15.00 | CSR00006284 | M/s Women Children Welfare and Rural Development Society | K.C.House, Mahaveer Colony, Near Kataria Transport, Madanganj Kishangarh 305801 |
| 17 | Providing GE 32 Slice, CT Scanner to be Installed at Mata Gujri Medical Centre in Okhla Phase-II, New Delhi by M/s Rotary Southend Charitable Trust. | 110020 | 31.08.23 | 20.00 | CSR00024288 | M/s Rotary Southend Charitable Trust | B-30, Connaught Place New Delhi 110001 |
| 18 | Request for purchasing the Hearse Van to be provided to District Red Cross Society, Katni, Madhya Pradesh. Requested by Katni-Singrauli Rail Doubling Project. | 483880 | 31.12.23 | 5.76 | NA | District Red Cross Society, Katni, Madhya Pradesh-483880 | District Red Cross Society, Katni, Madhya Pradesh-483880 |
| 19 | Providing Volleyball and Cricket Kits to the students of Lachung primary School in the location of Lauchang district of Sikkim, and also providing Ambulance and other items to PHC by M/s SRRP Project Office of Ircon. | 737120 | 31.12.23 | 19.15 | NA | Primary Health Centre, Lachung, Mangan, Sikkim-737120 | Primary Health Centre, Lachung, Mangan, Sikkim-737120 |
| 20 | Distribution and training on First-Aid skill training to the SC and ST women of Morigaon Dist Assam by M/s North Eastern Development Council for Human Resource. | 782105 | 31.03.24 | 15.15 | CSR00021377 | M/s North Eastern Development Council for Human | NIZ Dandua, P.O. Dandua, Morigaon, Assam-782105 |
| 21 | Supply of Ambulance under CSR Activity at Mokama, Patna district of Bihar. | 803302 | 31.03.24 | 43.77 | NA | Referral Hospital, Mokama, Mokameh, Bihar, 803302 | Referral Hospital, Mokama, Mokameh, Bihar, 803302 |
| | | | | 389.32 | | | |
| | | | | Total | | | |

FORM – MR 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
Ircon International Limited ("the Company")
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 (CIN: L45203DL1976GOI008171)** (hereinafter called the 'Company'). 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.

- A. 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 and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2024 (Audit Period) 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:
- B. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2024 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 there under;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
 - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, to the extent applicable;
 - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'), to the extent applicable:
 - a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 and Amendments thereof;
 - b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), Regulations 2018, to the extent applicable;
 - c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and amendment thereof;
 - d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 and amendment thereof **(No such event during Audit Period);**
 - e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 **(No such event during Audit Period);**
 - f) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 **(No such event during Audit Period);**
 - g) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and amendment thereof;
 - h) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **(No such event during Audit Period);**
 - i) The Depositories Act, 1996 and the Regulations and Bye Laws framed there under to the extent of Regulation 76 of the Securities and Exchange Board of India (Depositories and Participant) Regulations, 2018;
 - j) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulation, 1993 regarding the Companies Act, 2013 and dealing with the client to the extent of securities issued.
 - (vi) Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs), 2010 issued by Department of Public Enterprises ('DPE Guidelines').

- (vii) We further report that, having regards to the compliance system prevailing in the Company for the specifically applicable laws to the Company as identified by the Management, are being verified on the basis of periodic certificate under internal Compliance system submitted to the Board of Directors of the Company.
- C. We have also examined compliance with the applicable clauses of the following:
- (i) Secretarial Standards ('SS') with regard to Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.
 - (ii) Listing Agreements entered by the Company with the National Stock Exchange of India Limited (NSE) and the BSE.
- D. During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:
- i) As per Regulation 17(1)(b) of LODR and Clause 3.1.4 of the DPE Guidelines, not less than fifty percent of the Board of Directors shall comprise of Independent directors, however, half of the Board did not comprise of Independent Directors from 01.04.2023 till 31.03.2024.

As per the information and explanation provided by the management, the appointment of Directors, on the Board of the Company, is made by the Ministry of Railways ('Administrative Ministry'). The Company is regularly requesting the Administrative Ministry to appoint Independent Directors on the Board of the Company.
- E. **We further report that**
- i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors except as enumerated in para D(i) above regarding Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
 - ii) Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda generally sent at least seven days in advance, besides in some cases of Board Meeting notice and agenda were circulated on shorter notice with the consent of Board of 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.
 - iii) All decisions at Board Meetings and Committee Meetings are carried out by majority as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.
- F. **We further report that** based on the information provided and review of compliance reports taken on record by the Board of Directors of the Company, in our opinion, 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.
- G. **We further report that** during the audit period, the Company had the following event which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.:
- i) During the Audit period the Government of India had disinvested 8.01% of the paid-up equity share capital of the Company i.e. 7,53,73,248 equity shares, at the rate of Rs. 158.70/- per equity share, by way of Offer for Sale (OFS) of Shares through Stock Exchange mechanism. Pursuant to the above OFS, the stake of the Government of India has been reduced from 73.18% to 65.17%.

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.

**For VAP & Associates
Company Secretaries
FRN: P2023UP098500
Peer Review No: 1083/2021**

**Sd/-
Parul Jain
Managing Partner
M. No. F8323
C.P. No. 13901
UDIN: F008323F000660546**

**Date: 03.07.2024
Place: Ghaziabad**

ANNEXURE TO SECRETARIAL AUDIT REPORT

To
The Members,
Ircon International Limited

Our report 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 secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial record. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. 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 test check basis.
4. Our Audit examination is restricted only upto legal compliances of the applicable laws to be done by the Company, we have not checked the practical aspects relating to the same.
5. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company as well as correctness of the values and figures reported in various disclosures and returns as required to be submitted by the Company under the specified laws, though we have relied to a certain extent on the information furnished in such returns.
6. The compliance by the Company of applicable financial laws such as direct and indirect tax laws has not been reviewed in this Audit since the same have been subject to review by statutory auditors and other designated professionals and the contents of this Report has to be read in conjunction with and not in isolation of the observations, if any, in the report(s) furnished/to be furnished by any other auditor(s)/agencies/authorities with respect to the Company.
7. Due to the inherent limitations of an audit including internal, financial, and operating controls, there is an unavoidable risk that some misstatements or material non compliances may not be detected, even though the audit is properly planned and performed in accordance with audit practices.
8. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events, etc.
9. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For VAP & Associates Company Secretaries

FRN: P2023UP098500
 Peer Review No: 1083/2021

Sd/-

Parul Jain

Managing Partner

M. No. F8323; C.P. No. 13901

UDIN: F008323F000660546

Date: 03.07.2024

Place: Ghaziabad

REPLIES TO THE OBSERVATIONS CONTAINED IN THE SECRETARIAL AUDIT REPORT AND COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE FOR THE YEAR 2023-24

| Sl. No | Observations contained in the Secretarial Audit Report 2023-24 | Management Reply |
|--------|---|--|
| 1. | As per Regulation 17(1)(b) of LODR and Clause 3.1.4 of the DPE Guidelines, not less than fifty percent of the Board of Directors shall comprise of Independent directors, however, half of the Board did not comprise of Independent Directors from 01.04.2023 till 31.03.2024. | As per provisions of Section 2(45) of the Companies Act 2013, Ircon International Limited (IRCON) is a government company. As per provisions of the Companies Act 2013 and Articles of Association of IRCON, the President of India is vested with the power to appoint Directors (including Independent Directors) on the Board of the Company. Hence, all Directors in IRCON are appointed by the Government of India through its Administrative Ministry, Ministry of Railways and IRCON has no role to play in appointment of any Director (including Independent Director) unless nominated by the Government. The Company has already requested to the Ministry of Railway, Government of India for appointment of requisite number of Independent Directors on the Board. |

Best Regards

Sd/-

(Hari Mohan Gupta)

Chairman & Managing Director

(DIN:08453476)

Date: August 13, 2024

Place: New Delhi

FORM NO. AOC-2

Form for disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in Section 188 (1) of the Companies Act, 2013, including certain arms-length transactions under fourth proviso thereto

[Pursuant to Section 134(3)(h) of the Companies Act, 2013, read with Rule 8(2) of the Companies (Accounts) Rules, 2014]

1. Details of contracts or arrangements or transactions not at arm's length basis : NIL
2. Details of material contracts or arrangements or transactions at arm's length basis : As follows

| Sl. No. | Name of the related party and nature of relationship | Nature of contracts / arrangements / transactions | Duration of contracts / arrangements / transactions | Salient terms of contracts / arrangements / transactions, including the value, if any | Date of approval by the Board, if any | Amount received / paid as advances by IRCON, if any |
|---------|--|---|---|--|---------------------------------------|--|
| 1. | Ircon Shivpuri Guna Tollway Limited (IrconSGTL) A wholly owned subsidiary Company | Awarding of Engineering Procurement Construction (EPC) Agreement for Execution of four laning of Shivpuri-Guna section of NH-46 from Km 236.000 to Km 332.100 in the State of Madhya Pradesh- Stage-II by IrconSGTL to IRCON. Also, execution of Major Maintenance (Bituminous Overlay) and three years Routine Maintenance of Project Highway. | Date: EPC agreement dated 20.01.2021. For Maintenance – LOA dated 22.06.2023. Duration: 12 months from the letter of award or handing over of site, whichever is later. Extended upto June 01, 2023 and further extension is in process. For Maintenance – 12 months for major maintenance and 3 years for Routine maintenance. | Consideration: Actual cost plus 5% basis. For Maintenance – ₹ 107.34 Crore. | Not Applicable | Advance received - ₹ 17.50 Crore Repayment of advance - NIL |
| 2. | Ircon Davanagere Haveri Highway Limited (IrconDHHL) A wholly owned subsidiary Company | Awarding of Engineering Procurement Construction (EPC) contract of Davanagere Haveri Highway Project from km 260+000 to km 338+923 of NH-48 (old NH-4) in the State of Karnataka to IRCON. Short Term Routine Maintenance & Engineering Improvement of Davanagere – Haveri Section in the state of Karnataka. | Date: EPC Agreement dated 04.01.2018. For Maintenance – LOA dt. 22.12.2023 and agreement dt. 07.03.2024. Duration: Completion period is 30 months from Appointed date or handing over of land by IrconDHHL whichever is later. Further, extended up to 31.10.2024 vide IrconDHHL letter dated 16.06.2023. For Maintenance – Completion period is 02 years from the date of handing over of project site for O&M. | Consideration: ₹916.93 Crore plus GST For Maintenance – ₹ 8.08 Crore plus 5% actual expenditure and GST. | Not Applicable | NIL |

| Sl. No. | Name of the related party and nature of relationship | Nature of contracts / arrangements / transactions | Duration of contracts/ arrangements / transactions | Salient terms of contracts/ arrangements/ transactions, including the value, if any | Date of approval by the Board, if any | Amount received/ paid as advances by IRCON, if any |
|---------|--|--|--|--|---------------------------------------|---|
| 3. | Ircon Vadodara Kim Expressway Limited (IrconVKEL) A wholly owned subsidiary Company | Engineering Procurement Construction (EPC) Contract for construction of eight lane Access Controlled Expressway from Km 323+000 to Km 355+000 km in the state of Gujarat to IRCON. Also, execution of Operation & Maintenance works for initial 04 years after PCOD in Vadodara Kim Expressway Project. | Date: EPC Agreement dated 09.11.2018 as modified vide Addendum 1 entered on 10.08.2019 and Addendum 2 entered on 03.01.2020. For Maintenance – LOA Dated 15.05.2023. Duration: Completion period is 730 days reckoned from Appointed Date. Further, extended up to 30.05.2022 vide IrconVKEL letter dated 27.05.2022. Project duration was further extended as per terms of settlement agreement between NHAI & SPV signed on dated: 31.10.2023. Later on, COD has been obtained on 09.01.2024. For Maintenance – 04 years from date of PCOD, w.e.f., 26.08.2022. | Consideration: ₹ 1543 Crore plus GST (Original) ₹ 1760 Crore plus GST (Revised) For Maintenance – ₹ 43.29 Crore incl. GST & Escalation | Not Applicable | NIL |
| 4. | Ircon Gurgaon Rewari Highway Limited (IrconGRHL) A wholly owned subsidiary Company | Awarding of Engineering Procurement Construction (EPC) Contract by IrconGRHL of work of upgradation of Gurgaon-Pataudi-Rewari section of NH-352W (design length 46.110 km) as Feeder route in the State of Haryana to IRCON | Date: EPC Agreement dated 30.06.2021 and Supplementary Agreement No. 1 dated 17.08.2022 & Supplementary Agreement No. 2 dated 30.03.2023. Supplementary Agreement No. 3 dated 14.07.2023. Duration: Completion period is 730 days reckoned from Appointed date and further revised date of completion is a) Km. 0.00 to Km. 6.00 - 31.03.2025 & b) Km. 6.00 to Km. 43.87 – 31.12.2024 as finalized & agreed for settlement agreement b/w NHAI & SPV. | Consideration: ₹ 606.054 Crore plus GST | Not Applicable | Advance received of ₹ 29.34 Crore Repayment of advance-NIL |

| Sl. No. | Name of the related party and nature of relationship | Nature of contracts / arrangements / transactions | Duration of contracts/ arrangements / transactions | Salient terms of contracts/ arrangements/ transactions, including the value, if any | Date of approval by the Board, if any | Amount received/ paid as advances by IRCON, if any |
|---------|---|--|--|---|---------------------------------------|--|
| 5. | Ircon Akloli-Shirsad Expressway Limited (IrconASEL) A wholly owned subsidiary Company | Awarding of Engineering Procurement Construction (EPC) contract for construction of Eight Lane Access Controlled Expressway in Shirsad to Akloli Section-SPUR of Vadodara Mumbai Expressway from Km 3.000 to Km 20.200 in the State of Maharashtra to IRCON | Date: EPC Agreement dated 02.09.2022. Duration: Completion period is 548 days reckoned from Appointed date. No further extension granted. | Consideration: ₹ 1060.23 Crores Plus GST | Not Applicable | NIL |
| 6. | Ircon Ludhiana Rupnagar Highway Limited (IrconLRHL) A wholly owned subsidiary Company | Awarding of Engineering Procurement Construction (EPC) contract for Construction of Four / Six lane Greenfield Ludhiana – Rupnagar National Highway No. 250K from Junction with NE-5 village near Manewal; (Ludhiana) to Junction with NH-205 near Bheora Village (Rupnagar) including spur to Kharar with Ludhiana Bypass Package-3 (Design Ch. 66+440 to Design Ch. 90+500 and spur to Kharar Design Ch. 0+000 to Design Ch. 19+200 – Total length = 43.26 km) in the State of Punjab to IRCON | Date: EPC Agreement dated 02.09.2022 Duration: Completion period is 730 days reckoned from Appointed date. No further extension granted. | Consideration: ₹ 993.86 Crores Plus GST | Not Applicable | NIL |
| 7. | Ircon Bhoj Morbe Expressway Limited (IrconBMEL) A wholly owned subsidiary Company | Awarding of Engineering Procurement Construction (EPC) contract for Construction of Eight Lane Access Controlled Expressway in Bhoj to Morbe Section – SPUR of Vadodara Mumbai Expressway from Km 69.800 to Km 79.783 in the state of Maharashtra to IRCON | Date: EPC Agreement dated 02.09.2022 Duration: Completion period is 910 days reckoned from Appointed date. No further extension granted. | Consideration: ₹ 1321.25 Crores Plus GST | Not Applicable | Advance received of ₹ 21.63 Crore Repayment of advance- NIL |

| Sl. No. | Name of the related party and nature of relationship | Nature of contracts / arrangements / transactions | Duration of contracts/ arrangements / transactions | Salient terms of contracts/ arrangements/ transactions, including the value, if any | Date of approval by the Board, if any | Amount received/ paid as advances by IRCON, if any |
|---------|--|---|--|--|---------------------------------------|---|
| 8. | Ircon Haridwar Bypass Limited (IrconHBL) A wholly owned subsidiary Company | Awarding of Engineering Procurement Construction (EPC) contract for upgradation and four Laning of Haridwar Bypass Package-1 From Km.0+000 (Km 188+100 of NH-58) to Km. 15+100 (km 5+100 of NH 74) in the State of Uttarakhand to IRCON | Date: EPC Agreement dated 02.09.2022 Duration: Completion period is 730 days reckoned from Appointed date. No further extension granted. | Consideration: ₹ 784.58 Crores Plus GST | Not Applicable | Advance received -NIL Repayment of advance- ₹ 4.16 Crore |
| 9. | Chhattisgarh East Railway Limited (CERL) A Joint Venture Company | Award of work of execution of East Corridor Rail Project in Chhattisgarh by CERL to IRCON | Date: Project Execution Agreement dated 18.01.2014 Duration: Till the Railway corridor becomes operational in line with the Concession Agreement. | IRCON would be paid actual cost of work plus specified percentage of contract addition towards overheads and profit. | Not Applicable | Advance received of ₹ 0.74 Crore Repayment of advance ₹ 0.08 Crore |
| 10. | Chhattisgarh East-West Railway Limited (CEWRL) A Joint Venture Company | Award of execution of East- West Corridor Rail Project in Chhattisgarh by CEWRL to IRCON | Date: Project Execution Agreement dated 05.04.2014 Duration: Till the Railway corridor becomes operational in line with the Concession Agreement. | IRCON would be paid actual cost of work plus specified percentage of contract addition towards overheads and profit. | Not Applicable | Advance received ₹ 65.54 Crore Repayment of advance ₹ 86.59 Crore |
| 11. | Mahanadi Coal Railway Limited (MCRL) A Joint Venture Company | Award of work for preparation of feasibility report, Detailed Project Report, Design, and construction of identified project lines and Sidings by MCRL to IRCON | Date: Project Execution Agreement dated 19.04.2016 Duration: Till the Railway corridor becomes operational in line with the Concession Agreement. | 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 |

| Sl. No. | Name of the related party and nature of relationship | Nature of contracts / arrangements / transactions | Duration of contracts / arrangements / transactions | Salient terms of contracts / arrangements / transactions, including the value, if any | Date of approval by the Board, if any | Amount received / paid as advances by IRCON, if any |
|---------|--|---|--|--|---------------------------------------|--|
| 12. | Jharkhand Central Railway Limited (JCRL) A Joint Venture Company | Award of work for preparation of feasibility report, Detailed Project Report, Design, and construction of identified project lines and Sidings by JCRL to IRCON | Date: Project Execution Agreement dated 28.03.2016 Duration: Till the Railway corridor becomes operational in line with the Concession Agreement. | IRCON would be paid a percentage of cost of project for FR & DPR and actual cost of work plus specified percentage of contract addition towards overheads and profit for construction. | Not Applicable | Advance received ₹ 405.61 Crore Repayment of advance ₹ 403.76 Crore |
| 13. | Bastar Railway Private Limited (BRPL) A Joint Venture Company | Award of work for preparation of feasibility report, Detailed Project Report, Design, and construction of identified project lines and Sidings by BRPL to IRCON | Date: Project Execution Agreement has been entered on 19.07.2017 Duration: Till the Railway corridor becomes operational in line with the Concession Agreement. | IRCON would be paid a percentage of cost of project for FR & DPR and actual cost of work plus specified percentage of contract addition towards overheads and profit for construction. | Not Applicable | Nil |

Note:

- All the above said transactions have been approved by the Audit Committee of IRCON.
- Apart from above said transactions, other transactions & arrangements entered into between IRCON or any of its subsidiaries on one hand and a related party of the IRCON or any of its subsidiaries on the other hand in the ordinary course of business for an amount not exceeding Rs.1 Crore for each contract / agreement / transaction for the Financial Year 2023-24 as approved by the Audit Committee are as follows (i) Rendering or availing of Services for Machinery, Manpower and other resources at market rates; (ii) leasing / rental of space; and/or (iii) entering into unforeseen transactions of sale / purchase of goods or materials or availing or rendering of services.
- In addition to above transactions, an amount of ₹45 Crore is lying against advances received from ISTPL towards arbitration claims.
- Loans to, investments made in and guarantees provided in connection with the loan of subsidiary and JV Companies etc. The members may refer to the financial statements which sets out the Related Party Disclosure pursuant to IND AS-24 and also the transactions during the financial year.

For and on behalf of the Board of Directors

Sd/-

(Hari Mohan Gupta)

Chairman & Managing Director and CEO
(DIN: 08453476)

Date: August 13, 2024
Place: New Delhi

Standalone Financial Statements 2023-24

REVISED INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying Standalone Ind AS Financial Statements of Ircon International Limited ("the Company") which comprise the Balance Sheet as at 31st March, 2024, 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 notes to the financial statements including a summary of the material accounting policies and other explanatory information in which are incorporated the Returns for the year ended on that date audited by branch auditors of the Company's branches at Algeria, Bangladesh, Sri Lanka and Myanmar (hereinafter referred to as the "Standalone Ind AS Financial Statements").

We have audited the financial statements of the three (3) foreign branches situated at South Africa, Malaysia and Sri Lanka (Indian part) for the year ended 31st March, 2024. However, we have not visited any foreign branch and the relevant information for the audit purpose was provided to us by the management at corporate level.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2024, the profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

This report has been revised consequent upon observations of Comptroller of Auditor General of the India during the course of audit u/s 139(5) of the Companies Act, 2013 as amended, for the year ended on 31st March 2024, and this report supersedes our earlier report dated 21st May, 2024 under section 143 of the Companies Act, 2013.

Basis for Opinion

We conducted our audit of the Standalone Ind AS Financial Statements in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 ethical requirements that are relevant to our audit of the Standalone Ind AS Financial Statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to it "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS Financial Statements.

Emphasis of Matters

Reference is invited to footnote no. (iii) of Note no. 8.1 of the Standalone Ind AS Financial Statements wherein it has been stated that financial statements of one of the jointly controlled entities i.e. Indian Railway Stations Development Corporation Ltd. (IRSDC) have been prepared on liquidation basis and that the Company does not foresee any impairment in the value of investments held by it in IRSDC.

Our opinion is not modified in respect of the above matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Ind AS Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Ind AS Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

REVISED INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED

| Key Audit Matter | How our audit addressed the matter |
|--|---|
| <p>Revenue Recognition in terms of Ind AS 115 "Revenue from Contracts with Customers"</p> <p>Accounting Standard on Revenue which prescribes five steps revenue recognition model.</p> <p>The Company recognizes revenue for a performance obligation satisfied over time after estimating its progress towards complete satisfaction of the performance obligation. The recognition of revenue requires assessments and judgments to be made on changes in work scope, claims (compensation, rebates etc.) and other payments to the extent performance obligation is satisfied. The company measures the performance obligation by applying input method. In the contracts where performance obligation cannot be measured by input method, the output method is applied, which faithfully depict the Company's performance towards complete satisfaction of the performance obligation.</p> <p>During order fulfillment, contractual obligations may need to be reassessed. In addition, change orders or cancelations have to be considered. As a result, total estimated project costs may exceed total contract revenues and therefore require immediate recognition of the expected loss.</p> <p>Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers.</p> <p>The application of the revenue accounting standard involves certain key judgements relating to -</p> <ol style="list-style-type: none"> i. identification of distinct performance obligations; ii. determination of transaction price of the identified performance obligations; iii. the appropriateness of the basis used to measure revenue recognized at a point in time or over time. <p>Additionally, revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date. Revenue recognition from these judgements were identified as a Key Audit Matter and required a higher extent of audit effort.</p> <p>Refer Note no. 39 to the Standalone Ind AS Financial Statements.</p> | <ul style="list-style-type: none"> - 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. We evaluated the effectiveness of control over the preparation of information that are design to ensure the completeness and accuracy. We selected a sample of contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and satisfaction of performance obligations. We also examined costs included within WIP balances on a sample basis and tested their recoverability through comparing the net realizable values as per the agreements with estimated cost to complete. - 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: <ul style="list-style-type: none"> • Read, analyzed and identified the distinct performance obligations in these contracts. • Compared these performance obligations with that identified and recorded by the Company. • Considered the terms of the contracts to verify the transaction price used to allocate to separate performance obligations. • Checked whether the performance obligation is being satisfied over the period of time or at a point in time. • Performed analytical procedures for reasonableness of revenues disclosed |

REVISED INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED

| | |
|--|--|
| <p>Contingent Liabilities</p> <p>There are a number of litigations pending before various forums against the Company and the management's judgement is required for estimating the amount to be disclosed as contingent liability. We identified this as a key audit matter because the estimates on which these amounts are based involve a significant degree of management judgement in interpreting the cases.</p> <p>Refer Note no. 37 of the Standalone Financial Statements, read with the Accounting Policy No. 2.2.16.</p> | <p>We have obtained an understanding of the Company's procedure in respect of estimation and disclosure of contingent liabilities and adopted the following audit procedure:</p> <ul style="list-style-type: none"> • Reviewing the current status and material developments of legal matters. • Examining recent orders from competent authorities and/or communication received from various authorities, judicial forums and follow-up action thereon. • Review and analysis of evaluation of the contentions of the company through discussions, collection of details of the subject matter under consideration, the likely outcome and consequent potential outflows on those issues. |
| <p>System Environment and internal Controls</p> <p>The Company is having SAP system in place and only FI-CO & Payroll module is implemented and other system like inventory, MM Module etc. is under the process of implementation. Further, the SAP project system module (PS) is required to generate the projects invoices with integration support.</p> <p>The IT system in the company are not fully automated and manual interventions are in place in preparing and reporting of financial statements. This required a high degree of auditor judgement in evaluating the audit evidence and a higher extent of audit effort.</p> | <p>Our procedures included but were not limited to:</p> <ul style="list-style-type: none"> • Discussing with management and IT department on the IT environment and consideration of the key financial processes to understand where IT systems were integral to the financial reporting process. • Testing the design of the key IT controls relating to financial reporting systems of the company. • We also tested the company's controls around system interfaces. • We applied substantive audit procedures to ensure that areas where there are manual controls are operating effectively. • Our audit planning and procedures also includes the various reports which the system generates and without which it is difficult for us to collect the data of the various heads of the Balance sheet. |
| <p>Information Other than the Standalone Ind AS Financial Statements and Auditor's Report Thereon</p> <p>The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Company's Annual Report but does not include consolidated financial statements, the Standalone Ind AS Financial Statements and our auditor's report thereon.</p> <p>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.</p> <p>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 Ind AS Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.</p> <p>If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.</p> | <p>Responsibilities of Management and Those Charged with Governance for the Standalone Ind AS Financial Statements</p> <p>The Company's Board of Directors is responsible for the matters stated in section 134(5) of 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, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. 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 Standalone Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.</p> |

REVISED INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED

In preparing the Standalone Ind AS Financial Statements, Management and the Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Board of Directors is 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 Standalone 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 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 Standalone 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system with reference to Standalone Ind AS Financial Statements 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 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 Standalone 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 Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Standalone Ind AS Financial Statements, including the disclosures, and whether the Standalone Ind AS 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 Standalone Ind AS 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 Standalone Ind AS 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 financial controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Ind AS Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- We did not audit the financial statements / financial information of four (4) foreign branches included in the Standalone Ind AS Financial Statement of the company whose financial statements/financial information reflect total assets of Rs. 831.76 Crores (Previous year Rs. 709.32 Crores) as at 31st March 2024, total revenue of Rs. 548.44 Crores (Previous Year Rs. 401.53 crores) and total PBT of Rs. 112.41 crores (previous year Rs. 84.32 crores), for the year ended on that date. The financial statements/information of these branches have been audited by the branch auditors whose

REVISED INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED

reports have been furnished to us and our opinion in so far as it relates to the amounts and disclosure included in respect of these branches, is based solely on the reports of such branch auditors.

- The financial statements include profit/(loss) of (-) Rs.0.08 Crores (Previous Year Rs.0.08 Crores), the company's share in two (2) integrated joint operations (unincorporated) accounts which have been audited by other firms of chartered Accountants and profit/(loss) of Rs.0.90 Crores (Previous Year Rs. 0.47 Crores) the company's share in two (2) joint operations accounts certified by the management for the year ended March 2024.
- Reference is invited to Note no. 46 (ii) of the Standalone Ind AS Financial Statements regarding amendments made in the IndAS-1. As explained by the Management there is no financial impact of such amendments.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government in terms of sub-section (11) of section 143 of the Act, we give in the **"Annexure A"** a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit 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), the Cash Flow Statement and the Statement of Changes 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 Ind AS specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended).
 - (f) Being a government company, provision of section 164(2) of the Act are not applicable pursuant to the notification No. G.S.R.463(E) dated 5 June 2015, issued by the Central Government.
 - (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. G.S.R. 463 (E) dated 5th June 2015, issued by the Central Government.
 - (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS Financial Statements – Refer Note no. 37 to the Standalone Ind AS Financial Statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards for material foreseeable losses, if any, on long-term contracts Refer Note no. 19.2 to the Standalone Ind AS Financial Statements. The Company did not have any derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv.
 - a) The Management has represented that, to the best of its knowledge and belief, as disclosed in Note no. 45 to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - b) The Management has represented that, to the best of its knowledge and belief as disclosed in Note no. 45 to the accounts, no funds have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend

REVISED INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED

or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. As stated in Accounting Policy No. 2.2.15 to the standalone Ind AS Financial Statements
- a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Companies Act 2013 to the extent applicable.
- b) The interim dividend declared and paid by the Company during the year and until the date of this report is in accordance with section 123 of the Act.
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:
- c) The Board of Directors of the company have proposed final dividend for the current year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend proposed is in accordance with section 123 of the Act to the extent applicable.
- vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended 31st March, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tempered with.
- As proviso to Rule 3(1) of the Companies (Account) Rules 2014 is applicable from 1st April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March, 2024.

| S. No | Directions | Auditor's Replies |
|-------|--|---|
| 1. | Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated. | The Company is using SAP S/4 Hana system for all its projects located in India and also in its foreign branches. As per information and explanation provided to us no accounting transactions have been processed outside the IT system except income billing for which no financial implication were observed. |
| 2. | Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a government company, then this direction is also applicable for statutory auditor of lender company). | No, the Company does not have any case of restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company. However, the Company has given a loan to one of its subsidiary, Ircon PB Tollway Ltd. (IPBTL). On request of the subsidiary company, the holding company has waived off interest for the current year. However, the company has booked interest on the basis of fair valuation as per Ind AS amounting to Rs. 16.31 crores. |
| 3. | Whether funds (grants/subsidy etc.) received/receivable for specific schemes from Central/State Government or its agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation. | According to the information and explanation given to us and as per examination of records, no funds have been received/ receivable for any specific scheme from Central/State Government or its agencies during the financial year 2023-24. |

For Ramesh C Agrawal & Company
Chartered Accountants
Firm Registration No: 001770C

Sd/-
Sanjay Agrawal
(Partner)

Membership No:072867
UDIN : 24072867BKHCUG4294

Date : July 01, 2024
Place: New Delhi

REVISED INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED

"Annexure A" to the Independent Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Ircon International Limited of even date)

To the best of our information and according to the explanation provided to us by the Company and the books of accounts and records examined by us in the normal course of audit, we stated that:

(i). In respect of the company's Property, Plant and Equipment and Intangible Assets:

a) A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment and Investment Properties.

(B) The Company has maintained proper records showing full particulars of intangible assets.

b) The Property, Plant and Equipment were physically verified by the management during the year. There is a regular program of verification, which in our opinion, is reasonable having regard to the size of the Company and nature of its business. No material discrepancies were noticed on such verifications.

c) According to the information and explanations given to us and on the basis of our examination of records of the company, we report that, the title/lease deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favor of the lessee) disclosed in the financial statement included under Property, plant and equipment are held in the name of the Company as at the balance sheet date. However, in some cases where the company is the lessee and the lease agreements are not executed in favor of the company as disclosed in additional disclosure of "Note No 07" Right-of- use Assets.

d) The Company has not revalued its Property, Plant and Equipment (including Right of Use sets) or Intangible Assets or both during the year.

e) No proceedings have been initiated or pending against the Company for holding any benami property under the Prohibition of Benami Transactions Act, 1988 and rules made thereunder.

(ii). a) The inventory (excluding stocks lying with third parties) has been physically verified by the management at reasonable intervals during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the coverage and procedure of such verification is

appropriate. No discrepancies of 10% or more in the aggregate for each class of inventory were noticed on comparison of physical verification with book records.

b) The Company has not been sanctioned any working capital limits at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii) (b) of the Order is not applicable.

(iii). According to the information and explanations given to us and on the basis of our examination of the records, the Company has not made any investment in, provided security to companies, firms, limited liability partnerships or any other parties during the year, except investment in Subsidiaries & Joint Venture of the company.

The Company has provided guarantee, granted unsecured loans and advances in nature of loans during the year to companies and other parties details of which are stated below. The company has not provided guarantees or granted loans or advances in the nature of loans during the year to firms, limited liability partnerships.

a) (A) Based on the audit procedures carried out by us and as per the information and explanations given to us, the company has granted loans, advances in the nature of loans and guarantees to subsidiaries and joint ventures as below:

(₹ in Crores)

| | Guarantees | Loans | Interest Free Loan |
|---|------------|--------|--------------------|
| Aggregate amount granted / provided during the year | | | |
| -Subsidiaries* | 0.78 | Nil | 165.76 |
| -Joint Ventures* | 350.74 | - | 63.62 |
| Balance Outstanding as at the balance sheet date | | | |
| -Subsidiaries* | 2046.33 | 313.60 | 686.69 |
| Joint Ventures* | 1712.30 | - | 245.33 |

*As per the companies Act

(B) Based on the audit procedure carried out by us and as per the information and explanations given to us, the Company has granted advances in the natures of loans to

REVISED INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED

other parties as below:

(₹ in Crores)

| | Advance in the nature of loans- Employee advances |
|---|---|
| Aggregate amount granted / provided during the year | |
| - Other Parties | 0.30 |
| Balance Outstanding as at the balance sheet date | |
| - Other Parties | 1.27 |

- b) In our opinion the investment made and guarantees provided and the terms and conditions of the grant of loans and advances in the nature of loans during the year are, prima facie, not prejudicial to the interest of the Company.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, in the case of loans and advances in the nature of loans granted to Companies & Employees, the schedule of repayment of principal and receipt of interest has been stipulated and the repayment or receipts are regular as per stipulation except in case of one of its subsidiary, Ircon PB Tollway Ltd. (IPBTL) where company has waived off the interest for the period of October, 01 2019 till March, 31 2024.
- d) In respect of loan granted by the company, there is no overdue amount more than 90 days remaining outstanding as at the balance sheet date.
- e) No loan or advances in the nature of loans granted by the company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to same parties.
- f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence reporting under clause 3(iii)(f) is not applicable.
- (iv). In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the companies Act, in respect of loans, investments, guarantees and security.
- (v). The Company has not accepted any deposits within the provisions of Section 73 to 76 or any other relevant provision of the Companies Act, and rules made there under,
- (vi). The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Companies Act, in respect Road & Infrastructure projects of the Company. We have broadly reviewed the records and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made any detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii). a) The Company is generally regular in depositing undisputed statutory dues including provident fund, income tax, goods and service tax, sales tax, 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 31.03.2024 for a period of more than six months from the date the same become payable.
- b) Details of Statutory dues referred to in sub-clause (a) above which have not been deposited as on 31.03.2024 on account of dispute are given below:

| S. No. | Name of the Statute | Nature of the Dues | Amount in (Crores)* | Period to which the amounts related | Forum where dispute is pending |
|--------|---------------------|------------------------|---------------------|-------------------------------------|---|
| 1 | Sales Tax | Sales Tax-AGRP | 0.50 | 2007-08 to 2012-13 | The Additional Commissioner, Commercial Taxes, Ghaziabad |
| 2 | Sales Tax | Entry Tax- AGRP | 0.02 | 2008-09 to 2013-14 | The Additional Commissioner, Commercial Taxes, Ghaziabad |
| 3 | Sales Tax | UP TRADE TAX up-01 | 3.89 | 2004-05 to 2007-08 | The Deputy Commissioner commercial Taxes, (The Assessing Authority), Khand - 9 , Bareli, U.P. |
| 4 | Sales Tax | UPTT-UP-01 (Entry Tax) | 0.16 | 2007-08 | The Deputy Commissioner commercial Taxes, (The Assessing Authority), Khand - 9 , Bareli, U.P. |
| 5 | Sales Tax | UPVAT ACT-UP-01 | 3.41 | 2007-08 & 2008-09 | The Deputy Commissioner commercial Taxes, (The Assessing Authority), Khand - 9 , Bareli, U.P. |

REVISED INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED

| S. No. | Name of the Statute | Nature of the Dues | Amount in (Crores)* | Period to which the amounts related | Forum where dispute is pending |
|--------|----------------------------------|--------------------------------|---------------------|-------------------------------------|--|
| 6 | Sales Tax | UPVAT ACT-UP-01 (Entry Tax) | 0.15 | 2007-08 to 2009-10 | The Deputy Commissioner Commercial Taxes, (The Assessing Authority), Khand - 9, Bareilly, U.P. |
| 7 | Sales Tax | UPVAT ACT-UP-01 | 0.01 | 2010-11 | The Deputy Commissioner Commercial Taxes, (The Assessing Authority), Khand - 9, Bareilly, U.P. |
| 8 | Sales Tax | Sales Tax-BE-08 | 0.26 | 2007-08 to 2009-10 | The Additional Commissioner Appeal, Noida |
| 9 | Sales Tax | Sales Tax-BE-08 Entry Tax | 0.003 | 2014-15 | The Additional Commissioner Appeal, Noida |
| 10 | Sales Tax | UPTT-UP-05 | 1.31 | 2006-07 to 2007-08 | Commercial Tax Appellate Tribunal Jhansi Bench, Jhansi, U.P. |
| 11 | Sales Tax | UPTT-UP-05 | 0.01 | 2005-06 | High Court Allahabad |
| 12 | Sales Tax | UPVAT-UP-05 | 3.27 | 2007-08 to 2009-10 | Commercial Tax Appellate Tribunal Jhansi Bench, Jhansi, U.P. |
| 13 | Sales Tax | Sales Tax 2010-11- GED | 0.05 | 2010-11 | Asst Commercial Tax Officer, Marga |
| 14 | Uttar Pradesh VAT Act, 2008 | Demand raised for sales tax | 0.08 | 1982-83 and 1989-90 | Appellate Authority, Deputy Commissioner, Jhansi |
| 15 | Sales Tax | Sales Tax GED GOA | 0.50 | 2011-12 to 2014-15 | Asst Commercial Tax Officer, Marga |
| 16 | Sales Tax | Demand Raised | 1.19 | 2006-07 | VAT Tribunal Chandigarh |
| 17 | Service Tax | Service Tax Demand | 0.55 | 2015-16 to 2017-18 | CESTAT Allahabad |
| 18 | Service Tax | Service Tax Demand | 0.56 | 2015-16 | Deputy Commissioner commercial Taxes, Jaipur |
| 19 | Uttar Pradesh sales Tax Act 1948 | UP sales tax - section 3 kha | 1.24 | 2005-06 & 2006-07 | Appeal pending before Commercial Tax Appellate Tribunal Kanpur Bench, U.P. |
| 20 | Uttar Pradesh VAT Act, 2008 | UP VAT (Regular) section 28(2) | 0.12 | 2015-16 to 2017-18 | Adjustment letter submitted to assessing authority - Deputy Commissioner Commercial Taxes, Noida. U.P. |
| 21 | Uttar Pradesh sales Tax Act 1948 | UP Entry Tax - GB Nagar | 0.05 | 2002-03 & 2003-04 | Allahabad High Court |
| 22 | Uttar Pradesh VAT Act, 2008 | UP VAT (Regular) section 28(2) | 0.03 | 2016-17 | Appeal filed with Additional commissioner Appeal |
| 23 | Maharashtra GST Act 2017 | Daund Project | 0.22 | 2018-19 | Appeal filed before the first appeal - Joint Commissioner Appeal, Maharashtra. |
| 24 | Jammu & Kashmir GST Act, 1962 | Sales Tax | 14.36 | 1999-00 to 2005-06 | J&K High Court, Jammu and Deputy Commissioner Commercial Sales Taxes (appeals), Srinagar |
| 25 | Sales Tax MRO | Sales Tax - MRO | 3.51 | 1995-96 & 1996-97 | Bombay High Court |

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| S. No. | Name of the Statute | Nature of the Dues | Amount in (Crores)* | Period to which the amounts related | Forum where dispute is pending |
|--------|--------------------------------------|---|---------------------|-------------------------------------|---|
| 26 | Sales Tax-MRO | Sales Tax – MRO | 3.97 | 2010–11 & 2011–12 | Joint Commissioner Sales Tax Appeal, Mumbai |
| 27 | West Bengal State Sales Tax Act 1994 | Sales Tax | 0.26 | 1998–99 | Sr. Jt Commissioner (Appeals), Sales Tax, West Bengal |
| 28 | West Bengal VAT Act 2003 | VAT | 0.72 | 2004–05, 2016–17 & 2017–18 | Asst. Comm. Of Sales Tax College St. Charge, Kolkata |
| 29 | Service Tax | Service Tax (Behala) | 0.87 | 2015–16 to 2016–17 | Joint/Additional Commissioner Kolkata |
| 30 | Central Excise Act, 1944 | Levy of Excise Duty on Bracket/ Cantilever Assemblies | 0.66 | 1998–99 | CESTAT (Dept. Appeal) |
| 31 | DGFT Cases FDTR Act, 1992 | Duty Drawback | 2.89 | 1991–1992 | Appeal in Delhi High Court |
| 32 | Service Tax | Service Tax on Agency Fees | 12.91 | 2010–11 to 2014–15 | CESTAT |
| 33 | Service Tax | Service Tax on Agency Fees | 5.60 | 2009–10 to 2013–14 | CESTAT |
| 34 | Service Tax | Service Tax on Agency Fees | 2.06 | 2016–17 to 2017–18 | CESTAT |
| 35 | Bihar VAT Act | VAT TDS | 5.98 | 2005–06 and 2006–07 | Office of the Joint Commissioner of commercial Taxes (Appeals) Central Division Patna |
| 36 | Bihar VAT Act | VAT | 0.003 | 2010–11 | Office of the Joint Commissioner of commercial Taxes (Appeals) Central Division Patna |
| 37 | Bihar VAT Act | VAT | 29.20 | 2012–13 | Office of the Joint Commissioner of commercial Taxes (Appeals) Central Division Patna |
| 38 | Bihar VAT Act | Bihar VAT | 33.46 | 2013–14 | Writ Petition Filed before High Court |
| 39 | Bihar VAT Act | Bihar VAT | 25.54 | 2014–15 | Writ Petition Filed before High Court |
| 40 | Service Tax | Service Tax | 2.16 | 2015–16 | CESTAT, Kolkata |
| 41 | Bihar VAT Act 2005 | Regular assessment under section 31 | 0.92 | 2015–16 | Office of the Joint Commissioner of commercial Taxes (Appeals) Central Division Patna |
| 42 | Service Tax | Service Tax Jagdalpur | 2.84 | 2016–17 to 2017–18 | Appeal Filed before Commissioner of Central and Customs Appeal, Chhattisgarh |
| 43 | Bihar VAT Act 2005 | Regular assessment under section 31 | 19.63 | 2016–17 | Appeal before Bihar VAT Department, West Circle Patna |

REVISED INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED

| S. No. | Name of the Statute | Nature of the Dues | Amount in (Crores)* | Period to which the amounts related | Forum where dispute is pending |
|--------|---|--------------------------------|---------------------|-------------------------------------|---|
| 44 | Bihar GST Act, 2017 | Demand order u/s 73(9) | 3.83 | 2017-18 | Appeal filed before the first appeal- Asst. Commissioner of state tax and Patna west, Patna West, Bihar |
| 45 | Bihar GST Act, 2017 | Demand order u/s 73(9) | 0.31 | 2018-19 | Appeal filed before the first appeal- Asst. Commissioner of state tax and Patna west, Patna West, Bihar Appeal before the first appeal. |
| 46 | UP VAT Act | UP VAT (Regular) section 28(2) | 1.19 | 2010-11 | Sales Tax Tribunal, Lucknow |
| 47 | UP VAT Act | UP VAT (Regular) section 28(2) | 42.87 | 2014-15 | Sales Tax Tribunal, Lucknow |
| 48 | UP VAT Act | UP VAT (Regular) section 28(2) | 14.73 | 2015-16 | Sales Tax Tribunal, Lucknow |
| 49 | Bangladesh VAT & Supplementary Act 2012 | VAT Intelligence | 0.45 | 2018-19 to 2022-23 | DG, VAT Audit, Intelligence & Investigation Directorate |
| 50 | Income Tax Act | Assessment Demand | 10.51 | 2021-22 | CIT(Appeals) |
| 51 | Income Tax Act | Assessment Demand | 0.07 | 2018-19 | CIT(Appeals) |
| 52 | Income Tax Act | Traces Demand | 0.25 | 2008-09 to 2010-11 | TDS CPC, Aaykar Bhawan , Sector-3 Vaishali, Ghaziabad |
| 53 | Income Tax Act | Traces Demand | 0.03 | 2013-14 to 2016-17 | TDS CPC, Aaykar Bhawan , Sector-3 Vaishali, Ghaziabad |

*As compiled by the management and relied upon by us.

(viii). There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

- (ix). a) The Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- b) The Company has not been declared willful defaulter by any bank or financial institution or other lender.
- c) The Company did not have any term loan whose utilization was outstanding during the year and hence, reporting under clause 3(ix) (c) of the Order is not applicable.
- d) On an overall examination of the financial statement of the Company, we reported that the company has not raised any short- term funds during the year and hence reporting under clause 3(ix)(d) of the order is not applicable.

e) On an overall examination of the financial statement of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries and joint ventures.

f) The Company has not raised any loans during the year on the pledge of securities held in its Subsidiaries or Joint Venture Companies and hence reporting on clause 3(ix)(f) of the Order is not applicable.

(x). a) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

REVISED INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED

- (xi). a) No fraud by the company or any fraud on the company has been noticed or reported during the year.
- b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c) We have taken into consideration the whistle blower complaints received by the Company during the year, while determining the nature, timing and extent of our audit procedures.
- (xii). The Company is not a Nidhi Company as specified in the Nidhi Rules, 2014. Thus, the requirements under para 3(xii) (a), (b) & (c) of the Order are not applicable to the Company.
- (xiii). In our opinion and according to the information and explanations given to us, all transactions with related parties are in compliance with sections 177 and 188 of the Companies Act, where applicable and the details have been disclosed in notes to the financial statements, etc. as required by the applicable accounting standards.
- (xiv). a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- b) We have considered, the internal audit reports of the company issued till date, for the period under audit.
- (xv). According to the information and explanations given to us, in our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, are not applicable.
- (xvi). a) The Company is not required to be registered under section 45- IA of the Reserve Bank of India Act, 1934 (2 of 1934). Hence, clauses 3(xvi)(a) of the Order is not applicable.
- b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. hence, clause 3(xvi)(c) of the Order is not applicable.
- d) According to the information and explanations provided to us there is no Core Investment Company as a part of the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016), hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable.
- (xvii). The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii). There has been no resignation of the statutory auditors during the year. Hence, clause 3(xviii) of the order is not applicable.
- (xix). On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx). a) There is no unspent amount towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in schedule VII to the Companies Act in compliance with second proviso to sub section (5) of Section 135 of the said Act. Hence, reporting under clause 3(xx) (a) of the Order is not applicable.
- b) There are no unspent amount in respect of ongoing projects, which are required to be transferred into a Special account within a period of 30 days from the end of the financial year in compliance with the provision of section 135(6) of the said Act. Hence, reporting under clause 3(xx)(b) of the order is not applicable.

For Ramesh C Agrawal & Company
Chartered Accountants
Firm Registration No: 001770C

Sd/-

Sanjay Agrawal
(Partner)

Membership No:072867

UDIN : 24072867BKHCUG4294

Place: New Delhi

Date : July 01, 2024

REVISED INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED

"Annexure B" to the Independent Auditors' Report of even date on the Standalone Ind AS Financial Statements of Ircon International Limited for the year ended 31st March, 2024

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Ircon International Limited "the Company" as of 31st March, 2024 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on, "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2024, "based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". However, internal control needs further strengthening in

REVISED INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED

respect of the following areas identified as on 31st March, 2024 based on our audit.

- a. The Company has an integrated ERP system which was not used at its full potential. Further, the SAP project system module (PS) is required to generate the projects invoices with integration support.
- b. The Inventory records at some units are maintained manually and the inventory manual in SAP is under consideration.

Our opinion is not modified in respect of the above matters.

Other Matters

Our aforesaid report under section 143 (3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to branches, is based on the corresponding report of other auditors.

We have considered the identified areas and reported above in determining the nature, timing and extent of audit procedures applied in our audit of the standalone financial statement of the company for the year ended 31st March, 2024 and these areas do not affect our opinion on the Standalone financial statement of the company.

For Ramesh C Agrawal & Company

Chartered Accountants
Firm Registration No: 001770C

Sd/-

Sanjay Agrawal
(Partner)

Membership No:072867
UDIN : 24072867BKHCU4294

Place: New Delhi

Date : July 01, 2024

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying Standalone Ind AS Financial Statements of **Ircon International Limited ("the Company")** which comprise the Balance Sheet as at 31st March, 2024, 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 notes to the financial statements including a summary of the material accounting policies and other explanatory information in which are incorporated the Returns for the year ended on that date audited by branch auditors of the Company's branches at Algeria, Bangladesh, Sri Lanka and Myanmar (hereinafter referred to as the "Standalone Ind AS Financial Statements").

We have audited the financial statements of the three (3) foreign branches situated at South Africa, Malaysia and Sri Lanka (Indian part) for the year ended 31st March, 2024. However, we have not visited any foreign branch and the relevant information for the audit purpose was provided to us by the management at corporate level.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2024, the profit, 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

Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 ethical requirements that are relevant to our audit of the Standalone Ind AS Financial Statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to it "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS Financial Statements.

Emphasis of Matters

Reference is invited to footnote no. (iii) of Note no. 8.1 of the Standalone Ind AS Financial Statements wherein it has been stated that financial statements of one of the jointly controlled entities i.e. Indian Railway Stations Development Corporation Ltd. (IRSDC) have been prepared on liquidation basis and that the Company does not foresee any impairment in the value of investments held by it in IRSDC.

Our opinion is not modified in respect of the above matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Ind AS Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Ind AS Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED

| Key Audit Matter | How our audit addressed the matter |
|--|---|
| <p>Revenue Recognition in terms of Ind AS 115 "Revenue from Contracts with Customers"</p> <p>Accounting Standard on Revenue which prescribes five steps revenue recognition model.</p> <p>The Company recognizes revenue for a performance obligation satisfied over time after estimating its progress towards complete satisfaction of the performance obligation. The recognition of revenue requires assessments and judgments to be made on changes in work scope, claims (compensation, rebates etc.) and other payments to the extent performance obligation is satisfied. The company measures the performance obligation by applying input method. In the contracts where performance obligation cannot be measured by input method, the output method is applied, which faithfully depict the Company's performance towards complete satisfaction of the performance obligation.</p> <p>During order fulfillment, contractual obligations may need to be reassessed. In addition, change orders or cancelations have to be considered. As a result, total estimated project costs may exceed total contract revenues and therefore require immediate recognition of the expected loss.</p> <p>Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers.</p> <p>The application of the revenue accounting standard involves certain key judgements relating to –</p> <ol style="list-style-type: none"> i. identification of distinct performance obligations; ii. determination of transaction price of the identified performance obligations; iii. the appropriateness of the basis used to measure revenue recognized at a point in time or over time. <p>Additionally, revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date. Revenue recognition from these judgements were identified as a Key Audit Matter and required a higher extent of audit effort.</p> <p>Refer Note no. 39 to the Standalone Ind AS Financial Statements.</p> | <p>- Our audit procedures included considering the appropriateness of the Company's revenue recognition accounting policies and assessing compliance with the policies in terms of the applicable accounting standards. We evaluated the effectiveness of control over the preparation of information that are design to ensure the completeness and accuracy. We selected a sample of contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and satisfaction of performance obligations. We also examined costs included within WIP balances on a sample basis and tested their recoverability through comparing the net realizable values as per the agreements with estimated cost to complete.</p> <p>- We performed following substantive procedures over revenue recognition with specific focus on whether there is single performance obligation or multiple performance obligations in the contract and whether the performance obligation is being satisfied over the period of time or at a point in time:</p> <ul style="list-style-type: none"> • Read, analyzed and identified the distinct performance obligations in these contracts. • Compared these performance obligations with that identified and recorded by the Company. • Considered the terms of the contracts to verify the transaction price used to allocate to separate performance obligations. • Checked whether the performance obligation is being satisfied over the period of time or at a point in time. • Performed analytical procedures for reasonableness of revenues disclosed |

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED

Contingent Liabilities

There are a number of litigations pending before various forums against the Company and the management's judgement is required for estimating the amount to be disclosed as contingent liability. We identified this as a key audit matter because the estimates on which these amounts are based involve a significant degree of management judgement in interpreting the cases.

Refer Note no. 37 of the Standalone Financial Statements, read with the Accounting Policy No. 2.2.16.

We have obtained an understanding of the Company's procedure in respect of estimation and disclosure of contingent liabilities and adopted the following audit procedure:

- Reviewing the current status and material developments of legal matters.
- Examining recent orders from competent authorities and/or communication received from various authorities, judicial forums and follow-up action thereon.
- Review and analysis of evaluation of the contentions of the company through discussions, collection of details of the subject matter under consideration, the likely outcome and consequent potential outflows on those issues.

System Environment and internal Controls

The Company is having SAP system in place and only FI-CO & Payroll module is Implemented and other system like inventory, MM Module etc. is under the process of implementation Further, the SAP project system module (PS) is required to generate the projects invoices with integration support.

The IT system in the company are not fully automated and manual interventions are in place in preparing and reporting of financial statements. This required a high degree of auditor judgement in evaluating the audit evidence and a higher extent of audit effort.

Our procedures included but were not limited to:

- Discussing with management and IT department on the IT environment and consideration of the key financial processes to understand where IT systems were integral to the financial reporting process.
- Testing the design of the key IT controls relating to financial reporting systems of the company.
- We also tested the company's controls around system interfaces.
- We applied substantive audit procedures to ensure that areas where there are manual controls are operating effectively.
- Our audit planning and procedures also includes the various reports which the system generates and without which it is difficult for us to collect the data of the various heads of the Balance sheet.

Information Other than the Standalone Ind AS Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Company's Annual Report but does not include consolidated financial statements, 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 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 Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of 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, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. 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 Standalone Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Ind AS Financial Statements, Management and the Board of Directors are responsible for assessing the Company's ability to continue as a

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED

going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Board of Directors is 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 Standalone 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 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 Standalone 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system with reference to Standalone Ind AS Financial Statements 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 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 Standalone 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 Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Standalone Ind AS Financial Statements, including the disclosures, and whether the Standalone Ind AS 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 Standalone Ind AS 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 Standalone Ind AS 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 financial controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Ind AS Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- We did not audit the financial statements / financial information of four (4) foreign branches included in the Standalone Ind AS Financial Statement of the company whose financial statements/financial information reflect total assets of Rs. 831.76 Crores (Previous year Rs. 709.32 Crores) as at 31st March 2024, total revenue of Rs. 548.44 Crores (Previous Year Rs. 401.53 crores) and total PBT of Rs. 112.41 crores (previous year Rs. 84.32 crores), for the year ended on that date. 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED

- The financial statements include profit/(loss) of (-) Rs.0.08 Crores (Previous Year Rs.0.08 Crores), the company's share in two (2) integrated joint operations (unincorporated) accounts which have been audited by other firms of chartered Accountants and profit/(loss) of Rs.0.90 Crores (Previous Year Rs. 0.47 Crores) the company's share in two (2) joint operations accounts certified by the management for the year ended March 2024.
- Reference is invited to Note no. 46 (ii) of the Standalone Ind AS Financial Statements regarding amendments made in the IndAS-1. As explained by the Management there is no financial impact of such amendments.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government in terms of sub-section (11) of section 143 of the Act, we give in the **"Annexure A"** a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit 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), the Cash Flow Statement and the Statement of Changes 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 Ind AS specified under Section 133 of the Act.
 - f. Being a government company, provision of section 164(2) of the Act are not applicable pursuant to the notification No. G.S.R.463(E) dated 5 June 2015, issued by the Central Government.
 - 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. G.S.R. 463 (E) dated 5th June 2015, issued by the Central Government.
- i. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS Financial Statements – Refer Note no.37 to the Standalone Ind AS Financial Statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards for material foreseeable losses, if any, on long-term contracts Refer Note no.19.2 to the Standalone Ind AS Financial Statements. The Company did not have any derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. a) The Management has represented that, to the best of its knowledge and belief, as disclosed in Note no. 45 to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - b) The Management has represented that, to the best of its knowledge and belief as disclosed in Note no. 45 to the accounts, no funds have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED

identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. As stated in Accounting Policy No. 2.2.15 to the standalone Ind AS Financial Statements
- a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Companies Act 2013 to the extent applicable.
- b) The interim dividend declared and paid by the Company during the year and until the date of this report is in accordance with section 123 of the Act.
- c) The Board of Directors of the company have proposed final dividend for the

current year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend proposed is in accordance with section 123 of the Act to the extent applicable.

- vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended 31st March, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tempered with.

As proviso to Rule 3(1) of the Companies (Account) Rules 2014 is applicable from 1st April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March, 2024.

3. As required by Section 143(5) of the Act and as per directions issued by Comptroller and Auditor General of India, we report that:

| S. No | Directions | Auditor's Replies |
|-------|---|---|
| 1. | Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated. | The Company is using SAP S/4 Hana system for all its projects located in India and also in its foreign branches. As per information and explanation provided to us no accounting transactions have been processed outside the IT system except income billing for which no financial implication were observed. |
| 2. | Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/ interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a government company, then this direction is also applicable for statutory auditor of lender company). | No, the Company does not have any case of restructuring of an existing loan or cases of waiver/write off of debts /loans / interest etc. made by a lender to the company. However, the Company has given a loan to one of its subsidiary, Ircon PB Tollway Ltd. (IPBTL). On request of the subsidiary company, the holding company has waived off interest for the current year. However, the company has booked interest on the basis of fair valuation as per Ind AS amounting to Rs. 16.31 crores. |
| 3. | Whether funds (grants/subsidy etc.) received/receivable for specific schemes from Central/State Government or its agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation. | According to the information and explanation given to us and as per examination of records, no funds have been received/ receivable for any specific scheme from central/state agencies during the financial year 2023-24. |

For Ramesh C Agrawal & Company
Chartered Accountants
Firm Registration No: 001770C

Sd/-

Sanjay Agrawal
(Partner)

Membership No:072867

UDIN : 24072867BKHCUD4431

Place: New Delhi

Date : May 21, 2024

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED

"Annexure A" to the Independent Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Ircon International Limited of even date)

To the best of our information and according to the explanation provided to us by the Company and the books of accounts and records examined by us in the normal course of audit, we stated that:

(i). In respect of the company's Property, Plant and Equipment and Intangible Assets:

a) A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

b) The Property, Plant and Equipment were physically verified by the management during the year. There is a regular program of verification, which in our opinion, is reasonable having regard to the size of the Company and nature of its business. No material discrepancies were noticed on such verifications.

c) According to the information and explanations given to us and on the basis of our examination of records of the company, we report that, the title/lease deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favor of the lessee) disclosed in the financial statement included under Property, plant and equipment are held in the name of the Company as at the balance sheet date. However, in some cases where the company is the lessee and the lease agreements are not executed in favor of the company, as disclosed in additional disclosure of "Note No 07" Right-of- use Assets.

d) The Company has not revalued its Property, Plant and Equipment (including Right of Use Assets) or Intangible Assets or both during the year.

e) No proceedings have been initiated or pending against the Company for holding any benami property under the Prohibition of Benami Transactions Act, 1988 and rules made thereunder.

(ii). a) The inventory (excluding stocks lying with third parties) has been physically verified by the management at reasonable intervals during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the coverage and procedure of such verification is

appropriate. No discrepancies of 10% or more in the aggregate for each class of inventory were noticed on comparison of physical verification with book records.

b) The Company has not been sanctioned any working capital limits at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii) (b) of the Order is not applicable.

(iii). According to the information and explanations given to us and on the basis of our examination of the records, the Company has not made any investment in, provided security to companies, firms, limited liability partnerships or any other parties during the year, except investment in Subsidiaries & Joint Venture of the company.

The Company has provided guarantee, granted unsecured loans and advances in nature of loans during the year to companies and other parties details of which are stated below. The company has not provided guarantees or granted loans or advances in the nature of loans during the year to firms, limited liability partnerships.

a) (A) Based on the audit procedures carried out by us and as per the information and explanations given to us, the company has granted loans, advances in the nature of loans and guarantees to subsidiaries and joint ventures as below:

(Rs in Crores)

| | Guarantees | Loans | Interest Free Loan |
|---|------------|--------|--------------------|
| Aggregate amount granted / provided during the year | | | |
| -Subsidiaries* | 0.78 | Nil | 165.76 |
| -Joint Ventures* | 350.74 | - | 63.62 |
| Balance Outstanding as at the balance sheet date | | | |
| -Subsidiaries* | 2046.33 | 313.60 | 686.69 |
| -Joint Ventures* | 1712.30 | - | 245.33 |

*As per the companies Act

(B) Based on the audit procedure carried out by us and as per the information and explanations given to us, the Company has granted advances in the nature of loans to other parties as below:

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED

(Rs in Crores)

| | Advance in the nature of loans- Employee advances |
|---|---|
| Aggregate amount granted / provided during the year - Other Parties | 0.30 |
| Balance Outstanding as at the balance sheet date - Other Parties | 1.27 |

- b) In our opinion the investment made and guarantees provided and the terms and conditions of the grant of loans and advances in the nature of loans during the year are, prima facie, not prejudicial to the interest of the Company.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, in the case of loans and advances in the nature of loans granted to Companies & Employees, the schedule of repayment of principal and receipt of interest has been stipulated and the repayment or receipts are regular as per stipulation except in case of one of its subsidiary, Ircon PB Tollway Ltd. (IPBTL) where company has waived off the interest for the period of October, 01 2019 till March, 31 2024.
- d) In respect of loan granted by the company, there is no overdue amount more than 90 days remaining outstanding as at the balance sheet date.
- e) No loan or advances in the nature of loans granted by the company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to same parties.
- f) The Company has not granted any loans or advances in the nature of loans either

repayable on demand or without specifying any terms or period of repayment during the year. Hence reporting under clause 3(iii)(f) is not applicable.

- (iv). In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the companies Act, in respect of loans, investments, guarantees and security.
- (v). The Company has not accepted any deposits within the provisions of Section 73 to 76 or any other relevant provision of the Companies Act, and rules made there under,
- (vi). The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Companies Act, in respect Road & Infrastructure projects of the Company. We have broadly reviewed the records and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made any detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii). a) The Company is generally regular in depositing undisputed statutory dues including provident fund, income tax, goods and service tax, sales tax, 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 31.03.2024 for a period of more than six months from the date the same become payable.
- b) Details of Statutory dues referred to in sub-clause (a) above which have not been deposited as on 31.03.2024 on account of dispute are given below:

| S. No. | Name of the Statue | Nature of the Dues | Amount in (Crores)* | Period to which the amounts related | Forum where dispute is pending |
|--------|--------------------|-----------------------------|---------------------|-------------------------------------|--|
| 1 | Sales Tax | Sales Tax-AGRP | 0.50 | 2007-08 to 2012-13 | The Additional Commissioner, Commercial Taxes, Ghaziabad |
| 2 | Sales Tax | Entry Tax- AGRP | 0.02 | 2008-09 to 2013-14 | The Additional Commissioner, Commercial Taxes, Ghaziabad |
| 3 | Sales Tax | UP TRADE TAX UP-01 | 3.89 | 2004-05 to 2007-08 | The Assessing Authority |
| 4 | Sales Tax | UPTT-UP-01 (Entry Tax) | 0.16 | 2007-08 | The Assessing Authority |
| 5 | Sales Tax | UPVAT ACT-UP-01 | 3.41 | 2007-08 & 2008-09 | The Appellate Authority |
| 6 | Sales Tax | UPVAT ACT-UP-01 (Entry Tax) | 0.15 | 2007-08 to 2009-10 | The Appellate Authority |
| 7 | Sales Tax | UPVAT ACT-UP-01 | 0.01 | 2010-11 | The Deputy Commissioner |
| 8 | Sales Tax | Sales Tax-BE-08 | 0.26 | 2007-08 to 2009-10 | The Additional Commissioner Appeal, Noida |

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED

| S. No. | Name of the Statute | Nature of the Dues | Amount in (Crores)* | Period to which the amounts related | Forum where dispute is pending |
|--------|--------------------------------------|---|---------------------|-------------------------------------|--|
| 9 | Sales Tax | Sales Tax-BE-08 Entry Tax | 0.003 | 2014-15 | The Additional Commissioner Appeal, Noida |
| 10 | Sales Tax | UPTT-UP-05 | 1.31 | 2006-07 to 2007-08 | Tribunal Jhansi Bench |
| 11 | Sales Tax | UPTT-UP-05 | 0.01 | 2005-06 | High Court Allahabad |
| 12 | Sales Tax | UPVAT-UP-05 | 3.27 | 2007-08 to 2009-10 | Tribunal Jhansi Bench |
| 13 | Sales Tax | Sales Tax 2010-11- GED | 0.05 | 2010-11 | Asst Commercial Tax Officer, Margoa |
| 14 | Uttar Pradesh VAT Act, 2008 | Demand raised for sales tax | 0.08 | 1982-83 and 1989-90 | Appellate Authority, Jhansi |
| 15 | Sales Tax | Sales Tax GED GOA | 0.50 | 2011-12 to 2014-15 | Asst Commercial Tax Officer, Margoa |
| 16 | Sales Tax | Demand Raised | 1.19 | 2006-07 | VAT Tribunal Chandigarh |
| 17 | Service Tax | Service Tax Demand | 0.55 | 2015-16 to 2017-18 | CESTAT Allahabad |
| 18 | Service Tax | Service Tax Demand | 0.56 | 2015-16 | Deputy/Assistant Commissioner Jaipur |
| 19 | Uttar Pradesh sales Tax Act 1948 | UP sales tax - section 3 kha | 1.24 | 2005-06 & 2006-07 | Appeal pending in Tribunal |
| 20 | Uttar Pradesh VAT Act,2008 | UP VAT (Regular) section 28(2) | 0.12 | 2015-16 to 2017-18 | Adjustment letter submitted to assessing authority |
| 21 | Uttar Pradesh sales Tax Act 1948 | UP Entry Tax - GB Nagar | 0.05 | 2002-03 & 2003-04 | Allahabad High Court |
| 22 | Uttar Pradesh VAT Act,2008 | UP VAT (Regular) section 28(2) | 0.03 | 2016-17 | Appeal filed with Additional commissioner Appeal |
| 23 | Maharashtra GST Act 2017 | Daund Project | 0.22 | 2018-19 | Appeal filed before the first appeal |
| 24 | Jammu & Kashmir GST Act, 1962 | Sales Tax | 14.36 | 1999-00 to 2005-06 | J&K High Court, Jammu and Deputy Commissioner Commercial Sales Taxes (appeals), Srinagar |
| 25 | Sales Tax -MRO | Sales Tax - MRO | 3.51 | 1995-96 & 1996-97 | Bombay High Court |
| 26 | Sales Tax- MRO | Sales Tax - MRO | 3.97 | 2010-11 & 2011-12 | Sales Tax Office, Mumbai |
| 27 | West Bengal State Sales Tax Act 1994 | Sales Tax | 0.26 | 1998-99 | Sr. Jt Commissioner (Appeals), Sales Tax, West Bengal |
| 28 | West Bengal VAT Act 2003 | VAT | 0.72 | 2004-05,2016-17 & 2017-18 | Asst. Comm. Of Sales Tax College St. Charge, Kolkata |
| 29 | Service Tax | Service Tax (Behala) | 0.87 | 2015-16 to 2016-17 | Joint/Additional Commissioner Kolkata |
| 30 | Central Excise Act, 1944 | Levy of Excise Duty on Bracket/ Cantilever Assemblies | 0.66 | 1998-99 | CESTAT (Dept. Appeal) |
| 31 | DGFT Cases FDTR Act, 1992 | Duty Drawback | 2.89 | 1991-1992 | Appeal in Delhi High Court |
| 32 | Service Tax | Service Tax on Agency Fees | 12.91 | 2010-11 to 2014-15 | CESTAT |
| 33 | Service Tax | Service Tax on Agency Fees | 5.60 | 2009-10 to 2013-14 | CESTAT |
| 34 | Service Tax | Service Tax on Agency Fees | 2.06 | 2016-17 to 2017-18 | CESTAT |
| 35 | Bihar VAT Act | VAT TDS | 5.98 | 2005-06 and 2006-07 | Bihar VAT Department, West Circle Patna |
| 36 | Bihar VAT Act | VAT | 0.003 | 2010-11 | Bihar VAT Department, West Circle Patna |
| 37 | Bihar VAT Act | VAT | 29.20 | 2012-13 | Bihar VAT Department, West Circle Patna |

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED

| S. No. | Name of the Statute | Nature of the Dues | Amount in (Crores)* | Period to which the amounts related | Forum where dispute is pending |
|--------|---|-------------------------------------|---------------------|-------------------------------------|--|
| 38 | Bihar VAT Act | Bihar VAT | 33.46 | 2013-14 | Writ Petition Filed before High Court |
| 39 | Bihar VAT Act | Bihar VAT | 25.54 | 2014-15 | Writ Petition Filed before High Court |
| 40 | Service Tax | Service Tax | 2.16 | 2015-16 | CESTAT, Kolkata |
| 41 | Bihar VAT Act 2005 | Regular assessment under section 31 | 0.92 | 2015-16 | Appeal before Bihar VAT Department, West Circle Patna |
| 42 | Service Tax | Service Tax Jagdalpur | 2.84 | 2016-17 to 2017-18 | Appeal Filed before Commissioner of Central and Customs Appeal, Chhattisgarh |
| 43 | Bihar VAT Act 2005 | Regular assessment under section 31 | 19.63 | 2016-17 | Appeal before Bihar VAT Department, West Circle Patna |
| 44 | Bihar GST Act,2017 | Demand order u/s 73(9) | 3.83 | 2017-18 | Appeal before the first appeal. |
| 45 | Bihar GST Act,2017 | Demand order u/s 73(9) | 0.31 | 2018-19 | Appeal before the first appeal. |
| 46 | UP VAT Act | UP VAT (Regular) section 28(2) | 1.19 | 2010-11 | Sales Tax Tribunal, Lucknow |
| 47 | UP VAT Act | UP VAT (Regular) section 28(2) | 42.87 | 2014-15 | Sales Tax Tribunal, Lucknow |
| 48 | UP VAT Act | UP VAT (Regular) section 28(2) | 14.73 | 2015-16 | Sales Tax Tribunal, Lucknow |
| 49 | Bangladesh VAT & Supplementary Act 2012 | VAT Intelligence | 0.45 | 2018-19 to 2022-23 | VAT Intelligence |
| 50 | Income Tax Act | Assessment Demand | 10.51 | 2021-22 | CIT(Appeals) |
| 51 | Income Tax Act | Assessment Demand | 0.07 | 2018-19 | CIT(Appeals) |
| 52 | Income Tax Act | Traces Demand | 0.25 | 2008-09 to 2010-11 | Assessing Officer |
| 53 | Income Tax Act | Traces Demand | 0.03 | 2013-14 to 2016-17 | Assessing Officer |

*As compiled by the management and relied upon by us.

(viii). There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

- (ix). a) The Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- b) The Company has not been declared willful defaulter by any bank or financial institution or other lender.
- c) The Company did not have any term loan whose utilization was outstanding during the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- d) On an overall examination of the financial statement of the Company, we reported that the company has not raised any short- term

funds during the year and hence reporting under clause 3(ix)(d) of the order is not applicable.

- e) On an overall examination of the financial statement of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries and joint ventures.
- f) The Company has not raised any loans during the year on the pledge of securities held in its Subsidiaries or Joint Venture Companies and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- (x). a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED

- b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- (xi). a) No fraud by the company or any fraud on the company has been noticed or reported during the year.
- b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c) We have taken into consideration the whistle blower complaints received by the Company during the year, while determining the nature, timing and extent of our audit procedures.
- (xii). The Company is not a Nidhi Company as specified in the Nidhi Rules, 2014. Thus, the requirements under para 3(xii) (a), (b) & (c) of the Order is not applicable to the Company.
- (xiii). In our opinion and according to the information and explanations given to us, all transactions with related parties are in compliance with sections 177 and 188 of the Companies Act, where applicable and the details have been disclosed in notes to the financial statements, etc as required by the applicable accounting standards.
- (xiv). a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- b) We have considered, the internal audit reports of the company issued till date, for the period under audit.
- (xv). According to the information and explanations given to us, in our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, are not applicable.
- (xvi). a) The Company is not required to be registered under section 45- IA of the Reserve Bank of India Act, 1934 (2 of 1934). Hence, clauses 3(xvi)(a) of the Order is not applicable.
- b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Hence, clause 3(xvi)(c) of the Order is not applicable.
- d) According to the information and explanations provided to us there is no Core Investment Company as a part of the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016), hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable.
- (xvii). The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii). There has been no resignation of the statutory auditors during the year. Hence, clause 3(xviii) of the order is not applicable.
- (xix). On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx). a) There are no unspent amount towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in schedule VII to the Companies Act in compliance with second proviso to sub section (5) of Section 135 of the said Act. Hence, reporting under clause 3(xx) (a) of the Order is not applicable.
- b) There are no unspent amount in respect of ongoing projects, which required to transferred in to a Special account within a period of 30 days from the end of the financial year in compliance with the provision of section 135(6) of the said Act. Hence, reporting under clause 3(xx)(b) of the order is not applicable.

For Ramesh C Agrawal & Company
Chartered Accountants
Firm Registration No: 001770C

Sd/-
Sanjay Agrawal
(Partner)

Membership No: 072867
UDIN : 24072867BKHUCUD4431

Place: New Delhi
Date : May 21, 2024

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED

"Annexure B" to the Independent Auditors' Report of even date on the Standalone Ind AS Financial Statements of Ircon International Limited for the year ended 31st March, 2024

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Ircon International Limited "the Company" as of 31st March, 2024 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on, "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on

the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2024, "based on the internal

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED

control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". However, internal control needs further strengthening in respect of the following areas identified as on 31st March, 2024 based on our audit.

- a. The Company has an integrated ERP system which was not used at its full potential. Further, the SAP project system module (PS) is required to generate the projects invoices with integration support.
- b. The Inventory records at some units are maintained manually and the inventory manual in SAP is under consideration.

Our opinion is not modified in respect of the above matters.

Place: New Delhi
Date : May 21, 2024

Other Matters

Our aforesaid report under section 143 (3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to branches, is based on the corresponding report of other auditors.

We have considered the identified areas and reported above in determining the nature, timing and extent of audit procedures applied in our audit of the standalone financial statement of the company for the year ended 31st March, 2024 and these areas do not affect our opinion on the Standalone financial statement of the company.

For Ramesh C Agrawal & Company
Chartered Accountants
Firm Registration No: 001770C

Sd/-
Sanjay Agrawal
(Partner)
Membership No:072867
UDIN : 24072867BKHCU4431

STANDALONE BALANCE SHEET

For The Year Ended 31st March 2024

(₹ in crore)

| Particulars | Note No. | As at 31st March 2024 | As at 31st March 2023 |
|---|----------|--------------------------|--------------------------|
| I. ASSETS | | | |
| 1 Non-Current Assets | | | |
| (a) Property, Plant and Equipment | 3 | 185.21 | 178.65 |
| (b) Capital Work-in-Progress | 4 | 6.56 | - |
| (c) Investment Property | 5 | 543.07 | 552.31 |
| (d) Intangible Assets | 6 | 8.90 | 8.69 |
| (e) Intangible Assets under Development | 6 | - | 2.59 |
| (f) Right-of-use Assets | 7 | 6.59 | 4.40 |
| (g) Financial Assets | 8 | | |
| (i) Investments | 8.1 | 2,275.88 | 2,037.60 |
| (ii) Loans | 8.2 | 279.10 | 315.84 |
| (iii) Other Financial Assets | 8.3 | 39.38 | 22.82 |
| (h) Deferred Tax Assets (Net) | 9 | 123.33 | 114.60 |
| (i) Other Non-Current Assets | 10 | 290.97 | 91.34 |
| Total Non-Current Assets | | 3,758.99 | 3,328.84 |
| 2 Current Assets | | | |
| (a) Inventories | 11 | 232.37 | 183.59 |
| (b) Financial Assets | 12 | | |
| (i) Investments | 12.1 | 563.51 | 99.99 |
| (ii) Trade Receivables | 12.2 | 946.46 | 868.73 |
| (iii) Cash and Cash Equivalents | 12.3 | 1,828.88 | 2,168.41 |
| (iv) Other Bank Balances | 12.4 | 2,600.25 | 2,616.91 |
| (v) Loans | 12.5 | 35.80 | 30.14 |
| (vi) Other Financial Assets | 12.6 | 1,837.27 | 1,603.70 |
| (c) Current Tax Assets (Net) | 13 | 50.47 | 154.86 |
| (d) Other Current Assets | 14 | 2,230.13 | 2,621.23 |
| | | 10,325.14 | 10,347.56 |
| Assets held for Sale | 15 | - | 0.01 |
| Total Current Assets | | 10,325.14 | 10,347.57 |
| Total Assets | | 14,084.13 | 13,676.41 |
| II. EQUITY AND LIABILITIES | | | |
| 1 Equity | | | |
| (a) Equity Share Capital | 16 | 188.10 | 188.10 |
| (b) Other Equity | 17 | 5,583.66 | 4,990.38 |
| Total Equity | | 5771.76 | 5178.48 |
| 2 Liabilities | | | |
| (i) Non-Current Liabilities | | | |
| (a) Financial Liabilities | 18 | | |
| (i) Lease Liabilities | 18.1 | 2.52 | 0.42 |

STANDALONE BALANCE SHEET

For The Year Ended 31st March 2024

(₹ in crore)

| Particulars | Note No. | As at 31st March 2024 | As at 31st March 2023 |
|---|----------|--------------------------|--------------------------|
| (ii) Trade Payables | 18.2 | | |
| - Total Outstanding Dues of Micro Enterprises and Small Enterprises | | - | - |
| - Total Outstanding Dues of Creditors Other than of Micro Enterprises and Small Enterprises | | - | - |
| (iii) Other Financial Liabilities | 18.3 | 758.29 | 653.00 |
| (b) Provisions | 19 | 142.37 | 119.69 |
| (c) Other Non-Current Liabilities | 20 | 940.48 | 759.24 |
| Total Non-Current Liabilities | | 1,843.66 | 1,532.35 |
| (ii) Current Liabilities | | | |
| (a) Financial Liabilities | 21 | | |
| (i) Borrowings | 21.1 | - | - |
| (ii) Lease Liabilities | 21.2 | 0.72 | 0.09 |
| (iii) Trade Payables | 21.3 | | |
| - Total Outstanding Dues of Micro Enterprises and Small Enterprises | | 3.73 | 9.24 |
| - Total Outstanding Dues of Creditors Other than of Micro Enterprises and Small Enterprises | | 850.64 | 802.17 |
| (iv) Other Financial Liabilities | 21.4 | 2,792.81 | 2,690.76 |
| (b) Other Current Liabilities | 22 | 2,500.76 | 3,233.78 |
| (c) Provisions | 19 | 261.20 | 201.05 |
| (d) Current Tax Liability (Net) | 23 | 58.85 | 28.49 |
| Total Current Liabilities | | 6,468.71 | 6,965.58 |
| Total Equity and Liabilities | | 14,084.13 | 13,676.41 |
| III Summary of Material Accounting Policies | 2 | | |
| IV Notes forming part of Financial Statements | 1 - 47 | | |

As per our Report of even date attached

For Ramesh C Agrawal and Company

Chartered Accountant
FRN : 001770C

Sd/-

Sanjay Agrawal

Partner

M. No. 072867

Place : New Delhi

Date : 21st May, 2024

For and on behalf of Board of Directors

Sd/-

Ragini Advani

Director (Finance)

DIN-09575213

Sd/-

B. Mugunthan

Chief Financial Officer

Sd/-

Ashish Bansal

Chairman & Managing Director
and CEO

DIN-10328174

Sd/-

Pratibha Aggarwal

Company Secretary

FCS No. 8874

STANDALONE STATEMENT OF PROFIT AND LOSS

For The Year Ended 31st March 2024

(₹ in crore)

| Particulars | | Note No. | For the period ended 31st March 2024 | For the year ended 31st March 2023 |
|-------------|---|-----------|--------------------------------------|------------------------------------|
| I. | Revenue : | | | |
| | Revenue from operations | 24 | 11,950.40 | 9,921.20 |
| II. | Other income | 25 | 437.45 | 340.43 |
| III. | Total Income (I + II) | | 12,387.85 | 10,261.63 |
| IV. | Expenses: | | | |
| | Materials and stores consumed | 26 (i) | 531.55 | 392.08 |
| | (Increase) / Decrease in WIP | 26 (ii) | (39.12) | 51.37 |
| | Project Expenses | 26 (iii) | 10,306.20 | 8,586.16 |
| | Employee Benefits Expenses | 27 | 307.09 | 264.70 |
| | Finance Costs | 28 | 9.61 | 2.80 |
| | Depreciation, Amortisation and Impairment | 29 | 36.21 | 37.73 |
| | Other Expenses | 26 (iii) | 80.77 | 43.60 |
| | Total Expenses (IV) | | 11,232.31 | 9,378.44 |
| V. | Profit Before exceptional items and Tax (III – IV) | | 1,155.54 | 883.19 |
| VI. | Exceptional items | | – | – |
| VII. | Profit before tax (V + VI) | | 1,155.54 | 883.19 |
| VIII. | Tax expenses: | | | |
| | (1) Current tax | 9 | | |
| | – For the Period | | 298.77 | 215.33 |
| | – For earlier years (net) | | 2.60 | (78.53) |
| | (2) Deferred tax (net) | | (8.73) | (30.44) |
| | Total Tax Expense | | 292.64 | 106.36 |
| IX | Profit for the year from continuing operation (VII – VIII) | | 862.90 | 776.83 |
| X | Other Comprehensive Income | 30 | | |
| | A. (i) Items that will not be reclassified to profit or loss | | 1.77 | 1.95 |
| | (ii) Income Tax relating to Items that will not be reclassified to profit or loss | | (0.45) | (0.49) |
| | B. (i) Items that will be reclassified to profit or loss | | (2.44) | 12.90 |
| | (ii) Income Tax relating to Items that will be reclassified to profit or loss | | 0.61 | (3.25) |
| | | | (0.51) | 11.11 |
| XI | Total Comprehensive Income for the year (IX +X) (Comprising profit/(loss) and other comprehensive income for the year, net of tax) | | 862.39 | 787.94 |
| XII | Earnings Per Equity Share: (For Continuing Operation) | | | |
| | (1) Basic (in ₹) | 35 | 9.17 | 8.26 |
| | (2) Diluted (in ₹) | | 9.17 | 8.26 |
| | Face Value Per Equity Share (in ₹) | | 2.00 | 2.00 |
| XIII | Summary of Material Accounting policies | 2 | | |
| XIV | Notes forming part of financial statements | 1 – 47 | | |

As per our Report of even date attached

For and on behalf of Board of Directors

For Ramesh C Agrawal and Company

Chartered Accountant

FRN : 001770C

Sd/-

Ragini Advani

Director (Finance)

DIN-09575213

Sd/-

Ashish BansalChairman & Managing Director
and CEO

DIN-10328174

Sd/-

Sanjay Agrawal

Partner

M. No. 072867

Sd/-

B. Mugunthan

Chief Financial Officer

Sd/-

Pratibha Aggarwal

Company Secretary

FCS No. 8874

Place : New Delhi

Date : 21st May, 2024

STANDALONE STATEMENT OF CASH FLOWS

For The Year Ended 31st March 2024

(₹ in crore)

| Particulars | | For the period ended 31st March 2024 | For the year ended 31st March 2023 |
|---|--------------|---|---------------------------------------|
| CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Profit Before Tax | | 1,155.54 | 883.19 |
| Adjustment for : | | | |
| Interest on Unwinding of Financial Instruments (Net) | | (16.31) | (18.64) |
| Amortisation of Financial Instruments (Net) | | (0.02) | (0.14) |
| Depreciation, Amortization and Impairment | | 36.21 | 37.73 |
| Profit on Sale of Assets (Net) | | (0.37) | (2.45) |
| Profit on Sale of Mutual Funds | | (27.64) | (0.32) |
| Finance Cost | | 8.57 | 2.35 |
| Gain on Changes of Fair Value of Mutual Funds | | (2.71) | - |
| Interest Income | | (231.20) | (191.45) |
| Dividend Received from Subsidiary & Joint Venture Company | | (72.00) | (69.00) |
| Reclassification of Exchange Gain/Loss to Profit and Loss | | 13.04 | - |
| Effect of Exchange Differences on Translation of Foreign Currency Cash & Cash Equivalents | | 14.42 | (3.72) |
| Operating Profit Before Current /Non - Current Assets and Liabilities | (1) | 877.53 | 637.55 |
| Adjustment for : | | | |
| Decrease / (Increase) in Trade Receivables | | (77.73) | (159.57) |
| Decrease / (Increase) in Inventories | | (48.78) | 71.60 |
| Decrease / (Increase) in Loans, Other Financial Assets & Other Assets | | (75.10) | (821.96) |
| (Decrease) / Increase in Trade Payables | | 42.95 | (198.91) |
| (Decrease) / Increase in Other Liabilities, Financial Liabilities & Provisions | | (402.16) | 409.20 |
| | (2) | (560.82) | (699.64) |
| Cash Generated from Operations | (1+2) | 316.71 | (62.09) |
| Income Tax Paid | | (32.13) | (57.81) |
| NET CASH FROM OPERATING ACTIVITIES | (A) | 284.58 | (119.90) |
| CASH FLOW FROM INVESTING ACTIVITIES | | | |
| Purchase of Property, Plant and Equipment including CWIP | | (33.92) | (12.76) |
| Acquisition of Intangible Assets and Intangible Assets under Development | | (0.85) | (1.90) |
| Purchase / Proceeds of Investment Property | | (2.58) | (9.54) |
| Sale of Property, Plant and Equipments & Intangible Assets | | 0.86 | 2.44 |
| Sale of Mutual Funds | | 7,975.66 | 81.56 |
| Purchase of Mutual Fund | | (8,507.31) | (81.24) |
| Purchase of Government Security | | (1.51) | - |
| Loan to Subsidiaries | | - | (61.75) |
| Repayment of Loan from Subsidiaries and JVs | | 52.24 | 31.00 |
| Interest Received | | 220.05 | 170.64 |
| Dividend Received from Subsidiary and Joint Venture Company | | 72.00 | 69.00 |
| Investment in Subsidiaries & Joint Ventures | | (242.39) | (423.42) |
| Redemption of Bonds | | 100.00 | 50.00 |
| Bank Balance Other than Cash and Cash Equivalents | | 42.14 | 1,495.68 |
| NET CASH FROM INVESTING ACTIVITIES | (B) | (325.61) | 1,309.71 |
| CASH FLOW FROM FINANCING ACTIVITIES | | | |
| Payment of Lease Liabilities | | (0.87) | (0.01) |
| Finance Cost Paid | | (1.06) | (0.89) |
| Final Dividend paid | | (112.86) | (61.13) |
| Interim Dividend paid | | (169.29) | (169.29) |
| NET CASH FROM FINANCING ACTIVITIES | (C) | (284.08) | (231.32) |

STANDALONE STATEMENT OF CASH FLOWS

For The Year Ended 31st March 2024

| Particulars | | For the period ended 31st March 2024 | For the year ended 31st March 2023 |
|---|------------------|---|---------------------------------------|
| Effect of Exchange Differences on Translation of Foreign Currency Cash & Cash Equivalents | (D) | (14.42) | 3.72 |
| NET INCREASE IN CASH & CASH EQUIVALENTS | (A+B+C+D) | (339.53) | 962.21 |
| CASH AND CASH EQUIVALENTS (OPENING) (Refer Note 2, 3, 4) | (E) | 2,168.41 | 1,206.20 |
| CASH AND CASH EQUIVALENTS (CLOSING) (Refer Note 2, 3, 4) | (F) | 1,828.88 | 2,168.41 |
| NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS | (F - E) | (339.53) | 962.21 |

Note:

- The above Cash flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS) – 7 on Statement of Cash Flows.
- Reconciliation of Cash and Cash Equivalents and Components of Cash and Cash Equivalents included in the above Standalone Statement of Cash Flows :

(₹ in crore)

| Particulars | For the period ended 31st March 2024 | For the year ended 31st March 2023 |
|--|---|---------------------------------------|
| Cash in hand | 0.05 | 0.09 |
| Remittance in Transit | - | 13.61 |
| Balances with banks: | | |
| - On current accounts | 567.56 | 380.90 |
| - Flexi Accounts | 376.80 | 173.35 |
| - Deposits with original maturity of less than 3 months | 884.47 | 1,600.46 |
| Total Cash and Cash Equivalents as per Balance Sheet and Standalone Statement of Cash Flows | 1,828.88 | 2,168.41 |

- Reconciliation between the Opening and Closing Balances in the Balance Sheet for Liabilities arising from Financing Activities:

(₹ in crore)

| Particulars | Lease Liabilities |
|--------------------------------------|-------------------|
| As at 1st April, 2022 | 0.16 |
| (a) Cash Flows during the year | (0.01) |
| (b) Non Cash Changes due to : | - |
| - Addition to Lease Liability | 0.34 |
| - Interest cost on Lease Liabilities | 0.02 |
| As at 31st March, 2023 | 0.51 |
| (a) Cash Flows during the year | (0.87) |
| (b) Non Cash Changes due to : | |
| - Addition to Lease Liability | 3.32 |
| - Interest cost on Lease Liabilities | 0.28 |
| As at 31st March, 2024 | 3.24 |

- Previous year's figures have been regrouped / reclassified and restated wherever applicable.
- Earmarked and restricted balances are mentioned in Note 12.3 and 12.4.
- Figures in brackets represent outflow of cash.

As per our Report of even date attached

For Ramesh C Agrawal and Company

Chartered Accountant
FRN : 001770C

Sd/-

Sanjay Agrawal
Partner
M. No. 072867

For and on behalf of Board of Directors

Sd/-

Ragini Advani
Director (Finance)
DIN-09575213

Sd/-

B. Mugunthan
Chief Financial Officer

Sd/-

Ashish Bansal
Chairman & Managing Director and CEO
DIN-10328174

Sd/-

Pratibha Aggarwal
Company Secretary
FCS No. 8874

Place : New Delhi

Date : 21st May, 2024

STANDALONE STATEMENT OF CHANGES IN EQUITY

For The Year Ended 31st March 2024

A. Equity Share Capital

For the year ended 31st March, 2024

(₹ in crore)

| Particulars | Amount |
|---|--------|
| Balance as at 1st April, 2022 | 188.10 |
| Changes in equity share capital during the year | - |
| Balance as at 31st March, 2023 | 188.10 |
| Changes in equity share capital during the year | - |
| Balance as at 31st March, 2024 | 188.10 |

B. Other Equity

For the year ended 31st March, 2023

(₹ in crore)

| Particulars | Reserves & Surplus | | | Other Comprehensive Income | Total |
|--|--------------------|-------------------|----------------------------|--|----------|
| | General Reserves | Retained Earnings | Capital Redemption Reserve | Exchange differences on translating the financial statement of a foreign operation | |
| Balance as at 1st April, 2022 | 3,333.71 | 1,094.65 | 4.93 | (0.43) | 4,432.86 |
| Profit for the year | - | 776.83 | - | - | 776.83 |
| Other Comprehensive Income | | | | | |
| Remeasurment of Defined Benefit Plans | - | 1.46 | - | - | 1.46 |
| Foreign Exchange Translation Difference | - | - | - | 9.65 | 9.65 |
| Total Comprehensive Income for the period | - | 778.29 | - | 9.65 | 787.94 |
| Dividend Paid | - | (230.42) | - | - | (230.42) |
| Balance as at 31st March, 2023 | 3,333.71 | 1,642.52 | 4.93 | 9.22 | 4,990.38 |

For the year ended 31st March, 2024

(₹ in crore)

| Particulars | Reserves & Surplus | | | Other Comprehensive Income | Total |
|--|--------------------|-------------------|----------------------------|--|----------|
| | General Reserves | Retained Earnings | Capital Redemption Reserve | Exchange differences on translating the financial statement of a foreign operation | |
| Balance as at 1st April, 2023 | 3,333.71 | 1,642.52 | 4.93 | 9.22 | 4,990.38 |
| Profit for the year | - | 862.90 | - | - | 862.90 |
| Other Comprehensive Income | | | | | |
| Remeasurment of Defined Benefit Plans | - | 1.32 | - | - | 1.32 |
| Foreign Exchange Translation Difference | - | - | - | (1.83) | (1.83) |
| Exchange Loss Reclassified to Profit and Loss | - | - | - | 13.04 | 13.04 |
| Total Comprehensive Income for the period | - | 864.22 | - | 11.21 | 875.43 |
| Dividend Paid | - | (282.15) | - | - | (282.15) |
| Balance as at 31st March, 2024 | 3,333.71 | 2,224.59 | 4.93 | 20.43 | 5,583.66 |

As per our Report of even date attached

For Ramesh C Agrawal and Company

Chartered Accountant
FRN : 001770C

Sd/-

Sanjay Agrawal
Partner

M. No. 072867

Place : New Delhi

Date : 21st May, 2024

For and on behalf of Board of Directors

Sd/-

Ragini Advani
Director (Finance)
DIN-09575213

Sd/-

B. Mugunthan
Chief Financial Officer

Sd/-

Ashish Bansal
Chairman & Managing Director
and CEO
DIN-10328174

Sd/-

Pratibha Aggarwal
Company Secretary
FCS No. 8874

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended March 31, 2024

1. Corporate Information

Ilcon International Limited is a public sector construction company, with emphasis on infrastructure projects, domiciled in India (CIN: L45203DL1976GOI008171) and is incorporated under the provisions of the Companies Act applicable in India with specialization in execution of Railway projects on turnkey basis and otherwise. After commencing business as a railway construction company, it diversified progressively to roads, buildings, electrical substation and distribution, airport construction, commercial complexes, as well as metro rail works. The Company caters to both domestic and international markets. The Company is an ISO certified Company for Quality, Environment and Occupational Health and Safety Management systems; a Schedule 'A' public sector company and a Nav Ratna company. The registered office of the Company is located at C-4, District Centre, Saket, New Delhi- 110017 and the shares of the Company are listed on National stock exchange and BSE.

The presentation and functional currency of the Company is Indian Rupees (INR). Figures in financial statements are presented in crore, by rounding off up to two decimals except for per share data and as otherwise stated.

The standalone financial statements are approved for issue by the Company's Board of Directors in their meeting held on 21st May, 2024.

2. Material Accounting Policies

2.1 Basis of preparation

(i) Statement of compliance

The Standalone Financial Statements of the Company have been prepared on going concern basis following accrual system of accounting and in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the standalone financial statements.

(ii) Basis of measurement

The Standalone Financial Statements have been prepared under the historical cost convention, except for the following assets and liabilities which have been measured at fair value:

- Provisions, where the effect of time value of money is material are measured at present value
- Certain financial assets and liabilities measured at fair value
- Defined benefit plans and other long-term employee benefits

2.2 Summary of material accounting policies

A summary of the material accounting policies applied in the preparation of the financial statements are as given below. These accounting policies have been applied consistently to all periods presented in the financial statements.

2.2.1 Current vs Non-current classification

Based on the time involved between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has determined twelve months as its operating cycle for the purpose of classification of its assets and liabilities as current and non-current in the balance sheet.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.2.2 Property, plant and equipment

Property, plant and equipment are initially stated at their cost.

The cost of an item of property, plant and equipment includes:

- a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates;
- b) Cost directly attributable to the acquisition of the asset which incurred in bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- c) Incidental expenditure during the construction period is capitalised as part of the indirect construction cost to the extent the expenditure is directly related to construction or is incidental there to.
- d) Present value of the estimated costs of dismantling & removing the items & restoring the site to the original condition on which it is located if recognition criteria are met.

Freehold land is carried at historical cost.

Property, plant and equipment are subsequently measured at cost net of accumulated depreciation and accumulated impairment losses, if any. Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Cost of replacement, major inspection, repair of significant parts for long-term construction projects are capitalised if the recognition criteria are met.

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values and is charged to the Statement of Profit and Loss. Depreciation on property, plant and equipment, excluding freehold land and leasehold land acquired on perpetual lease is provided on straight line basis over the estimated useful lives of the assets as specified under part C of schedule

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended March 31, 2024

II of the Companies act, 2013. However, in case of certain class of assets, the Company uses different useful life than those prescribed in Schedule II of the Companies Act, 2013. The useful life has been assessed based on technical evaluation, taking into account the nature of those classes of assets, the estimated usage of the asset on the basis of the management's best estimation of getting economic benefits from the asset. The estimated useful life as per the technical evaluation viz-a-viz Schedule II of the Companies Act, 2013 has been disclosed in the notes to accounts. The residual values is not more than 5% of the original cost of assets.

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.

Property plant and equipment acquired during the period, individually costing up to ₹5000/- are fully depreciated, by keeping Re. 1 as token value for identification. However, Mobile phones provided to employees are charged to statement of profit and loss irrespective of its value.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in statement of profit and loss within other gains/(losses).

2.2.3 Capital work in progress

Property, plant and equipment that are not yet ready for their intended use on the reporting date are disclosed as "capital work in progress". Capital work in progress is carried at cost less accumulated impairment loss, if any. The cost comprises of direct cost and related incidental expenses.

2.2.4 Investment properties

Investment property comprises of completed property, property under construction and property held under a lease. Investment properties are measured initially at cost, including transaction costs. Subsequently investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Subsequent cost is added if recognition criteria is met.

The Company depreciates building component of investment property on straight line basis over 60 years from the date of original purchase/completion of construction. Leasehold land acquired on perpetual lease is not amortised. Depreciation methods and useful lives are reviewed at each financial year end.

Though the Company measures investment property using cost-based measurement, the fair value of investment property is disclosed in the notes. Fair value determined based on an annual

evaluation performed by an accredited external independent valuer applying valuation model acceptable internationally.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in statement of profit and loss within other gains/(losses).

2.2.5 Intangible assets

Intangible assets are initially measured at cost. Intangible assets not ready for the intended use on the date of the Balance Sheet are disclosed as "Intangible assets underdevelopment".

Subsequently, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Software cost up to ₹1 Lakhs in each case is fully amortised in the period of purchase, by keeping ₹1 as token value for identification.

The cost of capitalised software is amortised over a period 36 months from the date of its acquisition. The residual values is not more than 5% of the original cost of assets.

Amortisation methods and useful lives are reviewed at each financial year end.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in statement of profit and loss within other gains/(losses).

2.2.6 Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

If such assets are considered to be impaired, the impairment to be recognised in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset.

2.2.7 Investment in equity instruments of subsidiaries and joint ventures

Investment in equity instruments of subsidiaries and joint ventures are stated at cost as per Ind AS 27 'Separate Financial Statements'. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is assessed for recoverability and in case of permanent diminution provision for impairment is recorded in statement of Profit and Loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount of investments is recognised to the statement of profit and loss.

Interests in joint operations

The Company as a joint operator recognises in relation to its interest in a joint operation, its share

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended March 31, 2024

in the assets/liabilities held/ incurred jointly with the other parties of the joint arrangement. Revenue is recognised for its share of revenue from the sale of output by the joint operation. Expenses are recognised for its share of expenses incurred jointly with other parties as part of the joint arrangement.

2.2.8 Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined on First in First out (FIFO) basis.

Construction costs incurred for future contract activities are recognised as assets if it is probable that they will be recovered during the contract period and classified as construction work-in-progress under inventories.

Loose tools are expensed in the period of purchase.

2.2.9 Revenue recognition

The Company operates in construction industry and it earns revenue primarily from the Engineering, Procurement and Construction ('EPC') business. The contracts with the customers are of construction of railways, construction of roads & highways, construction of commercial and residential buildings, electrification work and others. The type of work in these contracts involve geotechnical investigations, topographical surveys, resource-planning, preparation of DPR, construction, engineering, designing, supply of materials, redevelopment of system, installation, project management, operations and management etc. ("together called as construction related services"). The company provides these construction services on a fixed-sum turnkey basis as well as on cost plus basis.

Revenue from contract with customers is recognised when control of the goods or services ("performance obligation") 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 ("transaction price").

a) Revenue from construction related services

The Company's contracts with the Customers for the construction related services are accounted for as a single performance obligation as contract is negotiated as a package with a single commercial objective and involves complex integration of construction and maintenance services.

Revenue is recognised over the time using input method (i.e. percentage-of-completion method) which is consistent with the transfer of control to the customer because there is a direct relationship between the Company's effort (i.e., cost incurred) and the transfer of service to the customer. Under input method, contract revenue is recognised as revenue by reference to the stage of completion as at the reporting date. The stage of completion

is measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation. Changes to total estimated contract costs, if any, are recognised in the period in which they are determined as assessed at the contract level. In cases where the input method does not reliably depicts the progress towards completion of performance obligation, then output method is used to recognise revenue.

Any expected losses on contracts in progress are charged to Statement to Profit & Loss, in total, in the period the losses are identified.

Revenue is measured at the transaction price that is allocated to the performance obligation and is adjusted for variable considerations. Variability in the transaction price arises primarily due to liquidated damages, price variation clauses, incentives, if any. The Company recognises revenue for variable consideration when it is probable that a significant reversal in the amount cumulative revenue recognised will not occur. The company estimates the amount of revenue to be recognised on variable consideration using most likely amount method. Consequently, amounts allocated to a satisfied performance obligation are recognised as revenue, or as a reduction of revenue, in the period in which the transaction price changes.

The Company recognises asset from the costs incurred to fulfill the contract such as initial contract expenses on new projects for mobilisation which will be used in satisfying the contract and are expected to be recovered. The asset is amortised over the contract tenure on a systematic basis that is consistent with the transfer of control to the customer of the goods or services to which the asset relates i.e., stage of completion of the contract as at the end of reporting period. Site mobilisation expenditure to the extent not written off valued at cost.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to the existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch-up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if additional services are priced at the standalone selling price, or as a termination of existing contract and creation of a new contract if not priced at the standalone selling price.

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended March 31, 2024

b) Contract balances

Contract assets: If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. The portion of the payments retained by the customer until final contract settlement is not considered a significant financing component since it is usually intended to provide customer with a form of security for Company's remaining performance as specified under the contract, which is consistent with the industry practice.

Trade receivables: A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The Company hold the trade receivable with the objective of collecting the contractual cash flows and therefore measure them subsequently at amortised cost using the effective interest rate method less loss allowance, if any.

Contract liabilities: If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

c) Other operating income

- The Rental income of the Company mainly arises from leasing of machinery, unutilised office space and investment properties. These rental incomes are accounted for on straight-line basis over the lease terms.
- Other operating income represents income earned from the activities incidental to business and is recognised when performance obligation is satisfied and right to receive the income is established as per terms of contract.

d) Other income

Dividend income is recognised when the right to receive payment is established.

- Interest income is recognised using Effective Interest rate method.
- Miscellaneous income is recognised when performance obligation is satisfied and right to receive the income is established as per terms of contract.

2.2.10 Borrowing cost

Borrowing costs consist of interest and other costs that the Company incurs in connection with the

borrowing of funds and are charged to statement of profit and loss in the period in which they are incurred except when it meets the criteria for capitalisation as part of qualifying assets as per Ind AS 23.

2.2.11 Taxes

Tax expense comprises current tax and deferred income tax.

a) Current income Tax

Current tax is determined as the tax payable in respect of taxable income for the period and is computed in accordance with relevant tax regulations. Current income tax is recognised in statement of profit and loss except to the extent it relates to items recognised outside profit or loss in which case it is recognised either in other comprehensive income or in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

b) Deferred Tax

Deferred tax is provided for temporary taxable/deductible difference arising on the difference of tax base and accounting base of assets/liabilities using the liability method and are measured at the enacted tax rates or substantively enacted tax rates at reporting date.

Deferred tax is recognised in statement of profit and loss except to the extent it relates to items recognised outside profit or loss, in which case it is recognised (either in other comprehensive income or in equity).

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

2.2.12 Foreign currencies

Functional and presentation currency

The functional currency and presentation currency of the Company is Indian Rupees.

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended March 31, 2024

Transactions and balances

Foreign currency transactions are recorded on initial recognition in the functional currency, by applying the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Foreign currency monetary items outstanding at the reporting date are reported in the functional currency using the closing rate (Closing selling rates for liabilities and closing buying rate for assets). Non-monetary items denominated in a foreign currency which are carried at historical cost are not retranslated and are reported using the exchange rate at the date of the transaction.

Exchange differences on monetary items are recognised in Statement of Profit and Loss in the period in which they arise and are presented on net basis.

Foreign Operations

Financial statements of foreign operations whose functional currency is different from Indian Rupees are translated into Indian Rupees as follows:

- a) assets and liabilities (both monetary and non-monetary) are translated at the closing rate at the date of Balance Sheet;
- b) income and expenses are translated at average exchange rate for the reporting period, unless exchange rate fluctuate significantly during the period, in which case, the exchange rates at the dates of transaction are used; and
- c) all resulting exchange differences are recognised in other comprehensive income and accumulated in equity as foreign currency translation reserve for subsequent reclassification to statement of profit and loss on disposal of such foreign operations.

2.2.13 Employee benefit

a) Short-term employee benefits

Employee benefits such as wages and salaries, short term compensated absences, and Performance Related Pay (PRP) falling due wholly within twelve months of rendering the service are classified as short-term employee benefits and undiscounted amount of such benefits are expensed in the statement of profit and loss in the period in which the employee renders the related services.

b) Post-employment benefits

Defined Contribution Plan: The Company has a defined contribution employee pension scheme. Initially, this scheme was administered through a separate trust i.e., Itron Defined Contribution Superannuation Pension Scheme 2009, Trust and subsequently transferred to National Pension Scheme. The Contributions towards the scheme are recognised in the

statement of profit and loss of the period when the contributions are due.

Defined Benefit Plan: The Company's liability towards gratuity, provident fund and post-retirement medical benefit are in the nature of defined benefit plans.

The gratuity is funded by the Company and is managed by a separate trust (Itron Employees Group Gratuity Trust). The contributions to the gratuity trust for the period are recognised as expense and are charged to statement of profit and loss. The Company pays fixed contribution to the recognised provident fund at predetermined rates to a separate trust (Itron Contributory Provident Fund Trust), which invests the funds in permitted securities. The contributions to the fund for the period are recognised as expense and are charged to statement of profit and loss. The obligation of the company is to make such fixed contributions and to ensure a minimum rate of return to the members as specified by the Government of India. The Company has Post-Retirement Medical Facility (PRMF) which is also funded by the Company and is managed by a separate trust (Itron Medical Trust). The contributions to the medical trust for the period are recognised as expense and are charged to statement of profit and loss.

The Company's net obligation in respect of defined benefit plans is measured separately for each plan at the present value of the estimated future cash flows using a discount rate based on the market yield on government securities of a maturity period equivalent to the weighted average maturity profile of the defined benefit obligations at each reporting date. The fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognise the obligation on a net basis.

The calculation is performed by an independent actuary using the projected unit credit method and provided for if the circumstances indicate that the Trusts may not be able to generate adequate returns to cover the interest rates notified by the Government.

Re-measurement, comprising actuarial gains and losses, the return on plan assets (excluding amounts included in net interest on the net defined benefit liability or asset) is recognised in other comprehensive income and is reflected in retained earnings and the same is not eligible to be reclassified to statement of profit and loss.

c) Other long-term employee benefits

The Company treats leave encashment expected to be carried forward beyond twelve months and leave travel concession as

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended March 31, 2024

long-term employee benefit for measurement purposes. The obligation recognised in respect of these long-term benefits is measured at present value of the obligation based on actuarial valuation using the projected unit credit method.

Long term employee benefit costs comprising current service cost, interest cost and gains or losses on curtailments and settlements, re-measurements including actuarial gains and losses are recognised in the statement of profit and loss as employee benefit expenses.

2.2.14 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes unrestricted cash and short-term deposits with original maturities of three months and less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

2.2.15 Dividend

Annual Dividend distribution to the Company's equity shareholders is recognised as liability in the period in which dividend is approved by the shareholders. Any interim dividend is recognised as liability on approval by the Board of Directors. Dividend payable is recognised directly in equity.

2.2.16 Provisions, contingent assets and contingent liabilities

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions recognised by the Company include provisions for Maintenance, Demobilisation, Legal Cases, Corporate Social Responsibility (CSR), Onerous Contracts and others.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

These provisions are reviewed at each reporting date and adjusted to reflect the current best estimates.

Onerous contracts

If the Company has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Company recognises any impairment loss that has occurred on assets dedicated to that contract.

These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Contingent liabilities

Contingent liabilities are disclosed when there is a possible obligation or present obligations that may but probably will not, require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent assets

Contingent assets are not recognised though are disclosed, where an inflow of economic benefits is probable.

2.2.17 Leases

If the contract conveys the right to control the use of an identified asset for a period in exchange for consideration, it is treated as lease.

a) Company as a lessee

The Company recognises a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases for low value underlying assets.

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment.

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended March 31, 2024

ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company's lease liabilities are included in financial liabilities.

iii) Short term lease and leases of low value assets

The Company applies the short-term lease recognition exemption to its short-term leases contracts including lease of residential premises and offices (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

b) Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating

lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

2.2.18 Financial instruments

The Company recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument.

a) Financial assets

Initial recognition and measurement

All financial assets (excluding trade receivables which do not contain a significant financing component, being measured at transaction price) are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition of financial asset. Transaction costs directly attributable to the acquisition of financial assets carried at fair value through profit or loss (FVTPL) are expensed in statement of profit and loss.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in below categories based on the Company's business model and the cash flow characteristics of the asset:

- **Financial assets at amortised cost**
 - After initial measurement, the financial assets that are held for collection of contractual cash flows where those cash flow represent solely payments of principal and interest (SPPI) on the principal amount outstanding are measured at amortised cost using the effective interest rate (EIR) method. Interest income from these financial assets is included in other income.
- **Financial assets at fair value through other comprehensive income (FVTOCI):**
 - A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cashflows that are solely payments of principal and interest on the principal amount outstanding.
- **Financial assets at fair value through profit or loss (FVTPL):**

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at fair value through profit or loss (FVTPL). Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

Impairment of financial assets

The Company applies the expected credit loss (ECL) model for recognising impairment loss on financial assets measured at amortised cost or financial assets measured at FVTOCI.

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended March 31, 2024

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 116

Under simplified approach, impairment loss allowance is recognised based on lifetime ECLs at each reporting date.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the statement of profit and loss.

The balance sheet presentation of impairment for various financial instruments is described below:

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance. The impairment allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet i.e., as a liability.
- Debt instruments measured at FVTOCI: For debt instruments measured at FVTOCI, the expected credit losses do not reduce the carrying amount in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance is recognised in other comprehensive income as the 'accumulated impairment amount'.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109.

The difference between the carrying amount and the amount of consideration received / receivable is recognised in the statement of profit and loss.

b) **Financial liabilities**

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities includes trade payables, borrowings and other financial liabilities etc.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

• **Financial liabilities at fair value through profit or loss.**

The company has not designated any financial liabilities at FVTPL.

• **Financial liabilities at amortised cost**

Borrowings, trade payables and other financial liabilities

After initial recognition, borrowings, trade payables and other financial liabilities are subsequently measured at amortised cost using the EIR method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition of financial liabilities

A financial liability (or a part of a financial liability) is derecognised from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

c) **Financial guarantee contracts**

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

d) **Offsetting of financial instruments**

Financial assets and financial liabilities are offset, and the net amount is reported in the balance sheet if there is a currently enforceable contractual legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended March 31, 2024

2.2.19 Fair value measurement

The Company measures financial instruments at fair value at each reporting period.

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.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy and are disclosed accordingly in the financial statements.

External valuers are involved for valuation of significant assets and liabilities, if any. At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies.

2.2.20 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. The Company does not have any dilutive potential equity shares.

2.2.21 Non – current asset held for sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. The sale is considered highly probable only when the asset or disposal group is available for immediate sale in its present condition, it is unlikely that the sale will be withdrawn, and sale is expected within one year from the date of the classification. Disposal groups classified as held for sale are stated at the lower of carrying amount and fair value less costs to sell. Property, plant and equipment, investment property and intangible assets are not depreciated or amortised 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 recognised had that asset not been classified as held for sale, and (ii) its recoverable amount at the date when the disposal group ceases

to be classified as held for sale. The depreciation reversal adjustment related property, plant and equipment, investment property and intangible assets is charged to statement of profit and loss in the period when non-current assets held for sale criteria are no longer met.

2.2.22 Prior Period Adjustment

Errors/omissions discovered in the current year relating to prior periods are treated as immaterial and adjusted during the current year, if all such errors and omissions in aggregate does not exceed 0.50% of total operating revenue as per last audited financial statement of the Company.

2.2.23 Significant accounting estimates and judgments

The preparation of Standalone Financial Statements requires the management to make judgements, accounting estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

This policy provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

Significant areas of estimation and judgements as stated in the respective accounting policies that have the most significant effect on the financial statements are as follows:

Allowances for uncollected trade receivables

Trade receivables do not carry interest and are stated at their nominal values as reduced by appropriate allowances for estimated irrecoverable amount are based on ageing of the receivables balances and historical experiences. Individual trade receivables are written off when management deems not be collectible.

Defined benefit plans

The costs of post-retirement benefit obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended March 31, 2024

against the Company. There are certain obligations which managements have concluded based on all available facts and circumstances are not probable of payment or difficult to quantify reliably and such obligations are treated as contingent liabilities and disclosed in notes.

Impairment of financial assets

The impairment provision for financial assets is based on assumptions about risk of default and expected loss rates. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the nature of business differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Impairment of non-financial assets

The entity assesses at each reporting date whether there is an indication that an asset may be impaired. Determining the recoverable amount of the assets is judgmental and involves the use of significant estimates and assumptions. The estimates are based upon assumptions believed to be reasonable, but which are inherently uncertain and unpredictable and do not reflect unanticipated events and circumstances that may occur.

Non-current asset held for sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. The sale is considered highly probable only when the asset or disposal group is available

for immediate sale in its present condition, it is unlikely that the sale will be withdrawn, and sale is expected within one year from the date of the classification.

Leases – Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Determining the lease term of contracts with renewal and termination options – Company as lessee

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

Revenue recognition

The Company's revenue recognition policy is central to how the Company values the work it has carried out in each financial year.

These policies require forecasts to be made of the outcomes of Contracts, which require, assessments and judgements to be made on changes in scope of work and claims and variations.

There are several long term and complex projects where the Company has incorporated significant judgements over contractual entitlements. The range of potential outcomes could result in a materially positive or negative change to underlying profitability and cash flow.

Estimates are also required with respect to the below mentioned aspects of the contract:

- Determination of stage of completion
- Estimation of project completion date
- Provisions for foreseeable losses
- Estimated total revenues and estimated total costs to completion, including claims and variations.

These are reviewed at each reporting date and adjust to reflect the current best estimates.

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended March 31, 2024

3. Property, Plant and Equipment

(₹ in crore)

| Particulars | Freehold Land | Freehold Buildings/ Flats- Residential | Freehold Buildings/ Flats-Non- Residential | Plant & Machinery | Survey Instru- ments | Computers | Office Equip- ments | Furniture & Fixtures | Caravans, Camps and Temporary Sheds | Vehicles | Total | FOOT NOTES | | |
|--|---------------|--|--|----------------------|-------------------------|-------------|------------------------|-------------------------|--|-------------|---------------|------------|------|--|
| | | | | | | | | | | | | (i) | (ii) | |
| Gross Carrying Amount (At Cost) | | | | | | | | | | | | | | |
| As at 1st April, 2022 | 42.69 | 6.36 | 43.81 | 170.62 | 2.79 | 7.12 | 4.78 | 5.85 | 3.01 | 2.89 | 289.92 | | | |
| Additions | - | - | - | 9.52 | 0.18 | 1.19 | 0.71 | 0.78 | 0.06 | 0.32 | 12.76 | | | |
| Disposals/Adjustments | - | - | - | - | - | (0.35) | (0.12) | (0.09) | - | (0.01) | (0.57) | | | |
| Transfer from Asset held for sale (iv) | - | 0.19 | - | - | - | - | - | - | - | - | 0.19 | | | |
| Exchange Gain / (Loss) (iii) | - | - | 0.29 | 4.01 | 0.05 | 0.03 | 0.08 | 0.06 | 0.05 | 0.24 | 4.81 | | | |
| As at 31st March, 2023 | 42.69 | 6.55 | 44.10 | 184.15 | 3.02 | 7.99 | 5.45 | 6.60 | 3.12 | 3.44 | 307.11 | | | |
| Additions | - | - | - | 23.62 | 0.97 | 0.97 | 0.40 | 1.08 | 0.32 | - | 27.36 | | | |
| Disposals/Adjustments | - | - | - | (2.18) | (0.02) | (0.39) | (0.04) | (0.06) | - | - | (2.69) | | | |
| Transfer from Asset held for sale (v) | - | - | - | - | - | - | - | - | - | - | - | | | |
| Exchange Gain / (Loss) (iii) | - | - | (0.49) | (0.22) | 0.01 | - | 0.01 | - | 0.01 | 0.02 | (0.66) | | | |
| At 31st March, 2024 | 42.69 | 6.55 | 43.61 | 205.37 | 3.98 | 8.57 | 5.82 | 7.62 | 3.45 | 3.46 | 331.12 | | | |
| Depreciation and impairment | | | | | | | | | | | | | | |
| As at 1st April, 2022 | - | 3.74 | 19.92 | 62.14 | 0.79 | 5.16 | 3.26 | 2.20 | 2.66 | 1.76 | 101.63 | | | |
| Depreciation charge for the year | - | 0.77 | 1.97 | 18.69 | 0.26 | 0.97 | 0.47 | 0.58 | 0.10 | 0.28 | 24.09 | | | |
| Disposals/Adjustments | - | - | - | - | - | (0.28) | (0.11) | (0.05) | - | - | (0.44) | | | |
| Transfer to Asset held for sale (iv) | - | 0.05 | - | - | - | - | - | - | - | - | 0.05 | | | |
| Exchange Gain / (Loss) (iii) | - | - | 0.15 | 2.63 | 0.02 | 0.03 | 0.06 | 0.04 | 0.04 | 0.16 | 3.13 | | | |
| As at 31st March, 2023 | - | 4.56 | 22.04 | 83.46 | 1.07 | 5.88 | 3.68 | 2.77 | 2.80 | 2.20 | 128.46 | | | |
| Depreciation charge for the year | - | 0.06 | 1.49 | 15.66 | 0.28 | 1.03 | 0.47 | 0.60 | 0.12 | 0.32 | 20.03 | | | |
| Disposals/Adjustments | - | - | - | (1.83) | (0.01) | (0.32) | (0.02) | (0.02) | - | - | (2.20) | | | |
| Exchange Gain / (Loss) (iii) | - | - | (0.27) | (0.15) | - | - | 0.01 | - | 0.01 | 0.02 | (0.38) | | | |
| At 31st March, 2024 | - | 4.62 | 23.26 | 97.14 | 1.34 | 6.59 | 4.14 | 3.35 | 2.93 | 2.54 | 145.91 | | | |
| Net book value | | | | | | | | | | | | | | |
| At 31st March, 2024 | 42.69 | 1.93 | 20.35 | 108.23 | 2.64 | 1.98 | 1.68 | 4.27 | 0.52 | 0.92 | 185.21 | | | |
| At 31st March, 2023 | 42.69 | 1.99 | 22.06 | 100.69 | 1.95 | 2.11 | 1.77 | 3.83 | 0.32 | 1.24 | 178.65 | | | |

Foot Notes:-

- (i) Office Equipment includes Electrical Appliances and Air Conditioners
- (ii) Furniture & Fixtures includes Furnishings.
- (iii) Carrying amount include foreign exchange gain/(loss) on account of Property, Plant & Equipment (PPE) translation from functional currency to presentation currency.
- (iv) Freehold Building - Residential at Chennai transferred from assets held for sale to Property, Plant & Equipment (PPE).
- (v) Plant & Machinery - at Northern Region is transferred from assets held for sale to Property, Plant & Equipment (PPE).
- (vi) Depreciation is provided based on useful life supported by the technical evaluation considering business specific usage, the consumption pattern of the assets and the past performance of similar assets.

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended March 31, 2024

Estimated useful life of assets are as follows:

| Class of Assets | Useful lives as per Schedule II (in years) | Useful life adopted based on technical evaluation (in years) |
|--|--|--|
| Building/flats residential/non residential * | 60 | 8-60 |
| Plant and Machinery * | 8-15 | 1-15 |
| Survey instruments | 10 | 10 |
| Computers | 3-6 | 3-6 |
| Office Equipment's | 5-10 | 5-10 |
| Furniture and fixtures | 10 | 10 |
| Caravans, Camps and temporary shed | 3-5 | 3-5 |
| Vehicles | 8-10 | 8-10 |

* Each significant component of the asset has been considered for determination of useful life of the assets as per the technical evaluation

4. Capital Work in Progress

(₹ in crore)

| Particulars | Amount |
|------------------------------------|-------------|
| As at 1st April, 2022 | - |
| Additions (subsequent expenditure) | - |
| Capitalised during the year | - |
| As at 31st March, 2023 | - |
| Additions (subsequent expenditure) | 6.56 |
| Capitalised during the year | - |
| As at 31st March, 2024 | 6.56 |
| Net Book Value | |
| At 31st March 2024 | 6.56 |
| At 31st March 2023 | - |

The Ageing Schedule of Capital -work-in progress for the year ended as at 31st March 2024 and March 2023 is as follows.

| Particulars | Less than 1 year | 1-2 year | 2-3 year | More than 3 years | Total |
|--------------------------------|------------------|----------|----------|-------------------|-------|
| As at March 31, 2024 | | | | | |
| Projects in progress | 6.56 | - | - | - | 6.56 |
| Projects temporarily suspended | - | - | - | - | - |
| As at March 31, 2023 | | | | | |
| Projects in progress | - | - | - | - | - |
| Projects temporarily suspended | - | - | - | - | - |

- (i) There are no projects where activity has been suspended.
- (ii) In case of below project, completion is overdue, total cost approved is ₹ 7.30 Crore and the project is expected to be completed as below.

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended March 31, 2024

| Capital Work in Progress | Less than 1 year | 1-2 year | 2-3 year | More than 3 years |
|--|------------------|----------|----------|-------------------|
| As at March 31, 2024 | | | | |
| Projects in progress | - | - | - | - |
| Renovation of Corporate Office Building – False Ceiling & HVAC | 1.68 | - | - | - |
| As at March 31, 2023 | | | | |
| Projects in progress | - | - | - | - |

5. Investment Property

(₹ in crore)

| Particulars | Noida | | | Gurugram | | | Bangalore | TOTAL |
|------------------------------------|---------------|--------------------------|---------------|-------------|--------------------------|--------------|-------------|---------------|
| | Land | Capital work in progress | Building | Land | Capital work in progress | Building | Building | |
| As at 1st April, 2022 | 327.20 | 0.57 | 146.21 | 2.23 | - | 96.38 | 3.04 | 575.63 |
| Additions (subsequent expenditure) | - | - | 10.56 | - | - | - | - | 10.56 |
| Derecognised during the year | - | - | - | - | - | (1.02) | - | (1.02) |
| As at 31st March, 2023 | 327.20 | 0.57 | 156.77 | 2.23 | - | 95.36 | 3.04 | 585.17 |
| Additions (subsequent expenditure) | - | 0.57 | 0.85 | - | 1.48 | - | - | 2.90 |
| Derecognised during the year | - | - | - | - | - | (0.32) | - | (0.32) |
| As at 31st March, 2024 | 327.20 | 1.14 | 157.62 | 2.23 | 1.48 | 95.03 | 3.04 | 587.75 |
| Depreciation and impairment | | | | | | | | |
| As at 1st April, 2022 | - | - | 16.81 | - | - | 3.28 | 0.36 | 20.45 |
| Depreciation during the year | - | - | 7.92 | - | - | 3.55 | 0.94 | 12.41 |
| As at 31st March, 2023 | - | - | 24.73 | - | - | 6.83 | 1.30 | 32.86 |
| Depreciation during the year | - | - | 8.12 | - | - | 3.61 | 0.09 | 11.82 |
| As at 31st March, 2024 | - | - | 32.85 | - | - | 10.44 | 1.39 | 44.68 |
| Net Block | | | | | | | | |
| At 31st March, 2024 | 327.20 | 1.14 | 124.77 | 2.23 | 1.48 | 84.59 | 1.65 | 543.07 |
| At 31st March, 2023 | 327.20 | 0.57 | 132.04 | 2.23 | - | 88.53 | 1.74 | 552.31 |

Information regarding income and expenditure of Investment property

(₹ in crore)

| Particulars | 31st March, 2024 | 31st March, 2023 |
|--|------------------|------------------|
| Rental income from investment properties* | 16.28 | 6.65 |
| Direct operating expenses (including Repairs and maintenance) arising from investment property that generated rental income during the year | 2.32 | 4.21 |
| Direct operating expenses (including Repairs and maintenance) arising from investment property that did not generate rental income during the year | - | - |
| Profit arising from investment properties before depreciation and indirect expenses | 13.96 | 2.44 |
| Less: Depreciation during the year | (11.82) | (8.86) |
| Profit arising from investment properties before indirect expenses | 2.14 | (6.42) |
| Projects temporarily suspended | - | - |

* Includes maintenance income from the properties.

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended March 31, 2024

Reconciliation of fair value

(₹ in crore)

| Particulars | Noida | | | Gurugram | | | Bangalore | Total |
|--|---------------|--------------------------|---------------|---------------|--------------------------|--------------|--------------|---------------|
| | Land | Capital work in progress | Building | Land | Capital work in progress | Building | Building | |
| Opening balance at 1st April, 2022 | 248.23 | - | 136.70 | 121.82 | - | 90.13 | 9.36 | 606.24 |
| Additions | - | - | - | - | - | - | - | - |
| Fair value difference | 14.20 | - | (15.26) | 3.34 | - | (4.91) | 0.21 | (2.42) |
| Closing balance At 31st March, 2023 | 262.43 | - | 121.44 | 125.16 | - | 85.22 | 9.57 | 603.82 |
| Additions | - | - | - | - | - | - | - | - |
| Fair value difference for the year | 67.60 | - | 7.48 | (50.66) | - | 1.18 | 0.94 | 26.55 |
| Closing balance At 31st March, 2024 | 330.03 | - | 128.92 | 74.50 | - | 86.40 | 10.51 | 630.37 |
| Note:- | | | | | | | | |
| Investment Property self constructed | 330.03 | - | 128.92 | 74.50 | - | 86.40 | 10.51 | 630.36 |

Note:

- (i) These valuations are based on valuations performed by a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017 applying valuation model acceptable internationally. Fair Values are based on income/cost/market value approach. As per the assumption made by the valuer, the one-time lease payment of ₹ 66.89 crore for the Noida land has not been considered in FY 2022-23.
- (ii) The fair value measurement is categorised in Level 3 of fair value hierarchy.
- (iii) The investment property in Noida comprises three locations, having lease term of 90 years. Additionally, the properties in Gurugram and Bangalore are located at single location and are freehold.
- (iv) Other provisions amounting to ₹ 0.57 crore has been created towards capital work in progress for the Sector 125, Noida property due to pending resolution of the dispute with the Noida Authority.

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended March 31, 2024

6. Intangible Assets and Intangible Assets under Development

(₹ in crore)

| Particulars | Intangible Assets under Development (Software) | Other Intangibles (Software) |
|--|--|------------------------------|
| Gross Block | | |
| As at 1st April, 2022 | 9.79 | 2.55 |
| Addition during the year | 1.89 | 9.10 |
| Capitalisation during the year | (9.09) | - |
| Disposals / adjustment during the year | - | - |
| As at 31st March, 2023 | 2.59 | 11.65 |
| Addition during the year | 0.84 | 3.44 |
| Capitalisation during the year | (3.43) | - |
| Disposals / adjustment during the year | - | (0.24) |
| As at 31st March, 2024 | - | 14.85 |
| Amortisation and Impairment | | |
| As at 1st April, 2022 | - | 2.11 |
| Amortisation during the year | - | 0.85 |
| Sales / adjustment during the year | - | - |
| As at 31st March, 2023 | - | 2.96 |
| Amortisation during the year | - | 3.23 |
| Sales / adjustment during the year | - | (0.24) |
| As at 31st March, 2024 | - | 5.95 |
| Net book value | | |
| At 31st March, 2024 | - | 8.90 |
| At 31st March, 2023 | 2.59 | 8.69 |

NOTES : -

(i) Intangible assets under development represents capital expenditure made for acquiring SAP S4 / HANA ERP software.

The Ageing Schedule of Intangible Assets under Development for the year ended as at 31st March, 2024 and 31st March, 2023 is as follows :

| Particulars | Less than 1 year | 1-2 year | 2-3 year | More than 3 years | Total |
|--------------------------------|------------------|----------|----------|-------------------|-------------|
| As at March 31, 2024 | | | | | |
| Projects in progress | - | - | - | - | - |
| Projects temporarily suspended | - | - | - | - | - |
| As at March 31, 2023 | | | | | |
| Projects in progress | 1.89 | - | - | 0.70 | 2.59 |
| Projects temporarily suspended | - | - | - | - | - |
| | 1.89 | - | - | 0.70 | 2.59 |

(ii) There are no projects where activity has been suspended.

(iii) In case of below project, completion is overdue, the total cost approved is ₹ 23.56 crore for the project expected to be completed as of 31st March, 2024, and ₹ 26.16 crore for the project expected to be completed as of 31st March, 2023, as detailed below :

| Intangible assets under development | To be Completed in | | | |
|-------------------------------------|--------------------|------------|------------|-------------------|
| | Less than 1 year | 1 - 2 year | 2 - 3 year | More than 3 years |
| As at March 31, 2024 | | | | |
| Projects in progress | | | | |
| SAP S-4 HANA SAP/ERP | 7.25 | 3.79 | - | - |
| As at March 31, 2023 | | | | |
| Projects in progress | | | | |
| SAP S-4 HANA SAP/ERP | 3.50 | 5.26 | 5.70 | - |

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended March 31, 2024

7. Right-of-use Assets

(₹ in crore)

| Particulars | Land (i) | Building (ii) | Vehicles | Total |
|--|-------------|---------------|-------------|--------------|
| Gross Block | | | | |
| As at 1st April, 2022 | 1.25 | 5.21 | 0.04 | 6.50 |
| Addition during the year | 0.35 | - | - | 0.35 |
| Disposals / adjustment during the year | - | -0.01 | - | -0.01 |
| As at 31st March, 2023 | 1.60 | 5.20 | 0.04 | 6.84 |
| Addition during the year | 0.29 | 3.03 | - | 3.32 |
| Disposals / adjustment during the year | - | - | - | - |
| As at 31st March, 2024 | 1.89 | 8.23 | 0.04 | 10.16 |
| Depreciation and Impairment | | | | |
| As at 1st April, 2022 | 0.16 | 1.87 | 0.04 | 2.07 |
| Depreciation during the year | 0.06 | 0.32 | - | 0.38 |
| Impairment | - | - | - | - |
| Disposals / adjustment during the year | - | -0.01 | - | (0.01) |
| As at 31st March, 2023 | 0.22 | 2.18 | 0.04 | 2.44 |
| Depreciation during the year | 0.24 | 0.89 | - | 1.13 |
| Impairment | - | - | - | - |
| Disposals / adjustment during the year | - | - | - | - |
| As at 31st March, 2024 | 0.46 | 3.07 | 0.04 | 3.57 |
| Net Book Value | | | | |
| At 31st March, 2024 | 1.43 | 5.16 | - | 6.59 |
| At 31st March, 2023 | 1.38 | 3.02 | - | 4.40 |

NOTE :-

- Includes lease hold building on Railways land for 30 years lease at San Martin Marg, New Delhi; Pali Hill, Mumbai & Metro Railway Service Building, Kolkata for which agreement is yet to be finalised.
- Lease hold land includes land at Greater Noida Industrial Development Authority (GNIDA) for construction of proposed Central Inspection Cell (CIC) by the Company (Gross value ₹0.76 crore). The request for time extension for construction of Building has been submitted to the appropriate authority.

Title deeds of immovable properties not held in name of the company

| Right of use Assets Lease Asset | Description of item of property | Gross carrying value | Title deeds held in the name of | Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director | Property held since which date | Reason for not being held in the name of the company (also indicate if in dispute) |
|---------------------------------------|---------------------------------------|----------------------|---------------------------------|---|--------------------------------|---|
| Right to use Building Residential | Pali Hill, Bandra Flat No. 401 Mumbai | 0.21 | Western Railway | NA | 14th August, 2002 | Flats are constructed on Railway Land and has been leased to IRCON by respective Zonal Railway for a period of 30 years based on instruction issued in this regard. |
| Right to use Building Residential | Flats at San Martin, New Delhi | 2.26 | Northern Railway | NA | 16th September, 2004 | |
| Right to use Building Non-Residential | Metro Rail Service Building, Kolkata | 0.75 | Metro Rail, Kolkata | NA | 3rd March, 2000 | |

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended March 31, 2024

8. Non-Current Financial Assets

8.1 Non-Current Financial Assets – Investments

(₹ in crore)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|---|---------------------------|---------------------------|
| 1. Investments in Equity Instruments (fully paid-up, unquoted, at cost) | | |
| A) Subsidiary Companies | | |
| Ircon Infrastructure & Services Limited 6,50,00,000 equity shares of ₹ 10 each (31st March, 2023 : 6,50,00,000) | 65.00 | 65.00 |
| Ircon PB Tollway Limited 16,50,00,000 equity shares of ₹10 each (31st March, 2023: 16,50,00,000) {Refer note (i) h} | 225.75 | 230.62 |
| Ircon Shivpuri Guna Tollway Limited 15,00,00,000 equity shares of ₹ 10 each (31st March, 2023 : 15,00,00,000) {Refer note (i) g} | 150.19 | 150.19 |
| Ircon Vadodara Kim Expressway Limited 1,00,00,000 equity shares of ₹ 10 each (31st March, 2023 : 1,00,00,000 equity shares) {Refer note (i) a} | 205.98 | 205.98 |
| Ircon Davanagere Haveri Highway Limited 17,30,00,000 equity shares of ₹ 10 each (31st March, 2023 : 17,30,00,000 equity shares) {Refer note (i) c} | 187.69 | 187.69 |
| Ircon Gurgaon Rewari Highway Limited 50,000 equity share of ₹ 10 each (31st March, 2023: 50,000 equity shares) {Refer note (i) d} | 88.47 | 71.40 |
| Ircon Akloli-Shirsad Expressway Limited 43,40,000 equity share of ₹ 10 each (31st March, 2023: 50,000 Equity Share) {Refer note (i) i} | 56.05 | 51.49 |
| Ircon Ludhiana Rupnagar Highway Limited 36,20,000 equity share of ₹ 10 each (31st March, 2023: Equity Share 50,000 equity shares) {Refer note (i) j} | 58.21 | 0.94 |
| Ircon Bhoj Morbe Expressway Limited 52,00,000 equity share of ₹ 10 each (31st March, 2023: 50,000 equity Share of ₹ 10 each) {Refer note (i) k} | 56.74 | 6.78 |
| Ircon Haridwar Bypass Limited 50,000 equity share of ₹ 10 each (31st March, 2023: 50,000 equity Share of ₹ 10 each) {Refer note (i) l} | 82.64 | 82.22 |
| Ircon Renewable Power Limited 38,00,000 equity share of ₹10 each (31st March, 2023 :38,00,000 equity shares) {Refer note (i) f} | 92.04 | 41.80 |
| Total (A) – Investment in Subsidiary Companies | 1,268.76 | 1,094.09 |
| B) Joint Venture Companies | | |
| Ircon-Soma Tollway Private Limited (ISTPL) 6,38,70,000 equity shares of ₹ 10 each fully paid. (31st March, 2023: 6,38,70,000) {Refer note (ii)} | 64.15 | 64.15 |
| Indian Railway Stations Development Corporation Limited 5,19,99,699 equity shares of ₹10 each (31st March, 2023: 5,19,99,699 equity shares) {Refer note (iii)} | 52.00 | 52.00 |
| Bastar Railway Pvt. Limited 7,63,37,300 equity shares of ₹ 10 each (31st March, 2023: 7,63,37,300 equity shares) {Refer note (iv)} | 76.34 | 76.34 |
| Jharkhand Central Railway Limited 2,62,56,438 equity shares of ₹ 10 each (31st March, 2023: 2,62,56,438) {Refer note (i) b} | 140.37 | 140.37 |
| Mahanadi Coal Railway Limited 2,60,00,000 equity shares of ₹ 10 each (31st March, 2023: 2,60,00,000 equity shares) {Refer note (i) m} | 110.50 | 78.00 |
| Chhattisgarh East Railway Limited 19,78,55,700 equity shares of ₹ 10 each fully paid. (31st March, 2023 : 19,78,55,700 equity shares) {Refer note (i) e} | 228.46 | 213.46 |
| Chhattisgarh East-West Railway Limited 19,39,91,200 equity shares of ₹ 10 each fully paid. (31st March, 2023: 19,39,91,200 equity shares) {Refer note (i) n} | 210.11 | 193.99 |
| Total (B) – Investment in Joint Venture Companies | 881.93 | 818.31 |

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended March 31, 2024

(₹ in crore)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|--|---------------------------|---------------------------|
| 2. Investment in Bonds (Quoted, at Amortised cost) | | |
| 7.15% Tax Free Indian Railway Finance Corporation Limited (IRFC) Bonds, 250 units of ₹ 10,00,000 each (31st March, 2023: 250 units) | 24.99 | 25.00 |
| 7.07% Tax Free Indian Railway Finance Corporation Limited (IRFC) Bonds, 3,02,000 units of ₹1,000 each (31st March, 2023: 3,02,000 units) | 30.20 | 30.20 |
| 7.14% Tax Free NHA1 Bonds, 1,99,989 units of ₹ 1,000 each (31st March, 2023: 1,99,989 units) | 20.00 | 20.00 |
| 7.02% Tax Free NHA1 Bonds, 500 units of ₹ 10,00,000 each (31st March, 2023: 500 units) | 50.00 | 50.00 |
| Total (2) – Investment in Bonds (Quoted) | 125.19 | 125.20 |
| Total Non – Current Investments (1+2) | 2,275.88 | 2,037.60 |
| Aggregate Book value of quoted investments | 125.19 | 125.20 |
| Aggregate Market value of quoted investments | 130.43 | 130.41 |
| Aggregate Book value of unquoted investments 1(A)+1(B) | 2,150.69 | 1,912.40 |
| Aggregate amount of impairment in value of investments | - | - |

- (i) (a) BoD has approved the Equity participation (committed), not exceeding ₹ 10.00 crore in Wholly Owned Subsidiary, Ircon Vadodara Kim Expressway limited (IVKEL) Further, BoD has approved interest free loan not exceeding ₹ 195.74 crore for IVKEL which has been paid. Further, this includes fair value of the financial guarantee of ₹0.24 crore issued by IRCON to Bank of Baroda on behalf of and in respect of term loan facility availed by IVKEL.
- (b) Board of Directors have approved Interest free loan, of ₹ 114.11 crore (31st March, 2023: ₹ 114.11 crore) in favour of Jharkhand Central Railway Limited (JCRL).
- (c) Includes fair value of the financial guarantee of ₹0.83 crore (as on 31st March, 2023 ₹ 0.83 crore) issued by IRCON to Punjab National Bank on behalf of and in respect of term loan facility availed by Ircon Davangere Haveri Highway Limited (IDHHL), Wholly Owned Subsidiary. Further, BoD has approved interest free loan not exceeding ₹ 13.86 crore for IDHHL which has been paid.
- (d) BoD has approved the Equity participation (committed), not exceeding ₹ 5 Lakh in Wholly Owned Subsidiary, Ircon Gurgaon Rewari Highway Limited(IGRHL). Further, BoD has approved interest free loan not exceeding ₹ 103.18 crore for IGRHL out of which ₹ 88.35 crore (31st March, 2023: 71.35 crore) has been paid. Additionally, this includes fair value of the financial guarantee of ₹ 0.07 crore issued by IRCON to Indian Overseas Bank on behalf of and in respect of term loan facility availed by IGRHL.
- (e) BoD has approved interest free loan not exceeding ₹ 30.60 crore (31st March, 2023 15.60 crore) for Chhattisgarh East Railway Limited (CERL) which has been paid accordingly.
- (f) BoD has approved the Equity participation (committed), not exceeding ₹ 3.80 crore in Ircon Renewal Power Limited (IRPL). Further, BoD has approved interest free loan not exceeding ₹ 108.03 crore in IRPL out of which ₹ 88.24 crore (31st March, 2023: ₹ 38 crore) has been paid.
- (g) Includes fair value of the financial guarantee of ₹ 0.19 crore (31st March, 2023 ₹ 019 crore) issued by Ircon to State Bank of India on behalf of and in respect of term loan facility availed by Ircon Shivpuri Guna Tollway Limited (ISGTL).
- (h) The Company vide board approval dated 12th August, 2021 has waived interest on its loan given to IRCON PB Tollway Limited for the period 1st October, 2019 till 31st March, 2024 and deferment of balance interest till repayment of principal. The said waiver has been considered as Investment in subsidiary by the Company in accordance with provision of Ind AS. Accordingly ₹ 60.75 crore (31st March, 2023: ₹ 65.62 crore) has been included in above.
- (i) BoD has approved the Equity participation (committed), not exceeding ₹ 17.16 crore, out of which 4.34 crore has been paid to Ircon Akloli-Shirsad Expressway Limited (IASSEL). Further, BoD has approved interest free loan not exceeding ₹ 154.43 crore for IASSEL out of which ₹51.54 crore (31st March, 2023 ₹ 51.44 crore) has been paid. Additionally, this includes fair value of the financial guarantee of ₹ 0.18 crore issued by IRCON to Bank of Baroda on behalf of and in respect of term loan facility availed by IASSEL.
- (j) BoD has approved the Equity participation (committed), not exceeding ₹ 14.27 crore, out of which 3.62 crore has been paid to Ircon Ludhiana Rupnagar Highway Limited (ILRHL). Further, BoD has approved interest free

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended March 31, 2024

loan not exceeding ₹ 128.43 crore for ILRHL out of which ₹ 54.42 crore (31st March, 2023 ₹ 0.89 crore) has been paid. Additionally, this includes fair value of the financial guarantee of ₹ 0.18 crore issued by IRCON to Bank of Baroda on behalf of and in respect of term loan facility availed by ILRHL.

- (k) BoD has approved the Equity participation (committed), not exceeding ₹ 20.58 crore, out of which 5.20 crore has been paid Ircon Bhoj Morbe Expressway Limited (IBMEL). Further, BoD has approved interest free loan not exceeding ₹ 185.27 crore for IBMEL out of which ₹ 51.42 crore (31st March, 2023 ₹ 6.73 crore) has been paid. Additionally, this includes fair value of the financial guarantee of ₹ 0.13 crore issued by IRCON to Bank of Baroda on behalf of and in respect of term loan facility availed by IBMEL.
- (l) BoD has approved the Equity participation (committed), not exceeding ₹ 5 lakh for WOS, Ircon Haridwar Bypass Limited (IHBL). Further, BoD has approved interest free loan not exceeding ₹ 111.85 crore for IHBL out of which ₹ 82.37 crore (31st March, 2023 ₹ 82.17 crore) has been paid. Additionally, this includes fair value of the financial guarantee of ₹ 0.23 crore issued by IRCON to State Bank of India on behalf of and in respect of term loan facility availed by IHBL.
- (m) Board of Directors have approved Interest free loan, of ₹ 84.50 crores (31st March, 2023 ₹ 52 crore) in favour of Mahanadi Coal Railway Limited (MCRL) which has been paid. Further, It has been decided to handover Phase- I (Angul – Balram, 14 KM already operational) and Phase- II (Balram-Putgadia-Tentuloi, 54 KM under construction) of MCRL Project to Ministry of Railways (MoR). The legal formalities, pricing and related modalities are in process and the Company does not foresee any impairment in the value of investment at this stage.
- (n) BoD has approved interest free loan not exceeding ₹ 16.12 crore for Chhattisgarh East-West Railway Limited (CEWRL) which has been paid accordingly.
- (o) The Interest free loan as per "(i) a to n" above will be repaid only on winding up of the SPVs/JV or end of concession period which ever is later.
- (ii) Includes fair value of the financial guarantee for ₹ 0.28 crore issued by IRCON to Punjab National Bank on behalf of and in respect of term loan facility availed by ISTPL. Loan outstanding as on 31st March, 2024 is Nil (as on 31st March, 2023 Nil).
- (iii) "Ministry of Railways" (MoR) vide its letter No. 2011/LMB/22/1/39 dated 18.10.2021 had communicated 'in-principle' decision for closure of Indian Railway Station Development Corporation Limited (IRSDC) and transfer/handover of its business to RLDA/MoR. Accordingly, as part of the closure activities, all assets and liabilities (except investments in SITCO and GARUD) are to be transferred to RLDA/MoR on slump sale basis for a consideration not less than the book value as on the cutoff date to be mutually agreed upon as approved in the 59th BoD meeting held on 07.11.2022 of IRSDC. Closure related activities initiated in FY 2021-22 are yet to be completed. The Liquidation process shall commence on completion of these activities and handing over of assets and liabilities to RLDA/MoR. Financial statement of IRSDC has been prepared on liquidation basis and the Company does not foresee any impairment in the value of investment at this stage.
- (iv) Ministry of Railway (MoR) has granted in-principle approval for closure of Bastar Railway Private Limited, a joint venture company and transfer of its assets and liabilities to MoR. The legal formalities, pricing and related modalities are in process and the Company does not foresee any impairment in the value of investment at this stage.

8.2 Non-Current Financial Assets – Loans

(₹ in crore)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|---|------------------------|------------------------|
| A. Considered Good : Secured | | |
| Staff Loans and Advances | 0.02 | 0.03 |
| B. Considered Good : Unsecured | | |
| (i) Loans to Related Parties: | | |
| Subsidiaries | | |
| – Ircon PB Tollway Limited {Refer Note (i)} | 162.59 | 199.24 |
| – Ircon Vadodara Kim Expressway Limited | 68.96 | 68.96 |
| – Ircon Davanagere Haveri Highway Limited | 47.13 | 47.13 |
| (ii) Others: | | |
| Staff Loans & Advances | 0.41 | 0.48 |
| Total | 279.10 | 315.84 |

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended March 31, 2024

Foot Notes :

- (i) The Company vide board approval dated 12th August, 2021 has waived interest on its Loan given to IRCON PB Tollway Limited for the period 1st October, 2019 to 31st March, 2024. The said waiver has been considered as Investment in subsidiary by the Company in accordance with provision of Ind AS. {Refer Note 8.1 (i) (h)}

Loan or advances in the nature of Loans granted to related parties

| Type of Borrower | As at 31st March, 2024 | | As at 31st March, 2023 | |
|-------------------------|--|---|--|---|
| | Amount of loan or advance in the nature of loan outstanding* | % of total Loans and Advances in the nature of loans^ | Amount of loan or advance in the nature of loan outstanding* | % of total Loans and Advances in the nature of loans^ |
| Loan to Promoters | - | - | - | - |
| Loan to Directors | - | - | - | - |
| Loan to KMPs | - | - | - | - |
| Loan to Related parties | 278.68 | 99.85% | 315.33 | 99.84% |
| Total | 278.68 | 99.85% | 315.33 | 99.84% |

* represents loan or advance in the nature of loan

^ represents percentage to the total loans and Advances in the nature of loans.

8.3 Non-Current Assets – Other Financial Assets

(₹ in crore)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|--|------------------------|------------------------|
| Considered Good | | |
| Security Deposits | | |
| - Government Departments | 0.25 | 0.01 |
| - Others | 0.08 | 0.05 |
| Contract Asset: | | |
| - Retention Money with Client | 14.75 | 3.54 |
| - Money Withheld by Client | - | - |
| Fixed Deposits with original maturity of more than 12 months {Refer Note (i)} | 0.01 | 0.01 |
| Interest Accrued on Advances to Staff # | 0.27 | 0.24 |
| Interest Accrued on Loans to Related Party – Ircon Vadodara Kim Expressway Limited | 9.02 | 3.96 |
| Recoverable from Rail Land Development Authority (RLDA) | 15.00 | 15.00 |
| Total | 39.38 | 22.82 |

Interest accrued on advance to Director is Nil (Nil).

Notes:

- (i) Includes FDR's under Lien for ₹ 0.01 crore (as on 31st March, 2023 : ₹ 0.01 crore).

9. Deferred Tax Assets (Net)

- (a) The major components of income tax expense for the year ended 31st March, 2024 and 31st March, 2023 are :

(₹ in crore)

| S. No. | Particulars | For the Year ended | |
|--------|--|--------------------|------------------|
| | | 31st March, 2024 | 31st March, 2023 |
| 1 | Statement of Profit and Loss Section | | |
| | Current income tax : | | |
| | Current income tax charge | 298.77 | 215.33 |
| | Adjustment in respect of current tax of previous year | 2.60 | (78.53) |
| | Deferred tax : | | |
| | Relating to origination and reversal of temporary differences | (8.73) | (30.44) |
| | Income tax expense reported in the Statement of Profit and Loss Section | 292.64 | 106.36 |

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended March 31, 2024

| S. No. | Particulars | For the Year ended | |
|--------|--|--------------------|------------------|
| | | 31st March, 2024 | 31st March, 2023 |
| 2 | Other Comprehensive income (OCI) Section | | |
| | Income tax related to items recognised in OCI during in the year: | | |
| | Net loss/(gain) on remeasurements of defined benefit plans | 0.45 | 0.49 |
| | Net loss/(gain) on exchange gain/ loss | (0.61) | 3.25 |
| | Income tax expense reported in the OCI Section | (0.16) | 3.74 |

(b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31st March, 2024 and 31st March, 2023:

(₹ in crore)

| S. No. | Particulars | For the Year ended | |
|--------|---|--------------------|------------------|
| | | 31st March, 2024 | 31st March, 2023 |
| 1 | Accounting profit before income tax | 1,155.55 | 883.18 |
| 2 | Tax on Accounting Profit | 290.83 | 222.28 |
| 3 | Effect on Tax Adjustments: | | |
| (i) | Adjustments in respect of current income tax of previous years | 2.60 | (78.53) |
| (ii) | Utilisation of previously unrecognised tax losses | - | - |
| | - Non taxable items | (37.46) | (37.38) |
| | -Other | 15.24 | (20.40) |
| (iii) | Tax on Income exempt from tax | - | - |
| (iv) | Non-deductible expenses for tax purposes: | | |
| | - Other country additional tax | 14.77 | 17.11 |
| | - Other non-deductible expenses | 6.50 | 7.01 |
| (v) | Tax effect of various other items | - | - |
| | | 292.48 | 110.09 |
| 4 | Income tax expense reported in the statement of profit and loss | 292.48 | 110.09 |
| 5 | Effective tax rate | 25.31% | 12.47% |

(c) Components of deferred tax assets and (liabilities) recognised in the Balance Sheet and Statement of Profit or Loss

(₹ in crore)

| S. No. | Particulars | Balance sheet | | Statement of profit or loss | |
|--------|---|------------------|------------------|-----------------------------|------------------|
| | | 31st March, 2024 | 31st March, 2023 | 31st March, 2024 | 31st March, 2023 |
| 1 | Property, plant & equipment (including intangible): Difference in book depreciation and income tax depreciation | (21.44) | (20.25) | 1.20 | 1.53 |
| 2 | Provisions | 98.76 | 82.31 | (16.45) | (8.53) |
| 3 | Impact of expenditure charged to the statement of profit and loss in the current year and earlier years but allowable for tax purposes on payment basis | 46.01 | 52.54 | 6.53 | (23.44) |
| | Net deferred tax Assets / (Liabilities) | 123.33 | 114.60 | (8.72) | (30.44) |

(d) Reflected in the balance sheet as follows:

(₹ in crore)

| S. No. | Particulars | 31st March, 2024 | 31st March, 2023 |
|--------|--|------------------|------------------|
| 1 | Deferred tax assets | 144.77 | 134.84 |
| 2 | Deferred tax liability | (21.44) | (20.24) |
| | Deferred Tax (Liabilities) /Asset (Net) | 123.33 | 114.60 |

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended March 31, 2024

(e) Reconciliation of deferred tax (liabilities) / assets:

As at 31 March, 2024

(₹ in crore)

| S. No. | Particulars | Balance As at 1st April, 2023 (Net) | Recognised in statement of profit and loss | Recognised in OCI | Balance As at 31st March, 2024 (Net) |
|--------|---|-------------------------------------|--|-------------------|--------------------------------------|
| 1 | Property, Plant & Equipment (including intangible): Difference in book depreciation and income tax depreciation | (20.25) | (1.19) | - | (21.44) |
| 2 | Provisions | 82.32 | 16.45 | - | 98.77 |
| 3 | Impact of expenditure charged to the statement of profit and loss in the current year and earlier years but allowable for tax purposes on payment basis | 52.53 | (6.53) | - | 46.00 |
| | Net deferred tax assets / (liabilities) | 114.60 | 8.73 | - | 123.33 |

As at 31 March, 2023

(₹ in crore)

| S. No. | Particulars | Balance As at 1st April, 2022 (Net) | Recognised in statement of profit and loss | Recognised in OCI | Balance As at 31st March, 2023 (Net) |
|--------|---|-------------------------------------|--|-------------------|--------------------------------------|
| 1 | Property, Plant & Equipment (including intangible): Difference in book depreciation and income tax depreciation | (18.73) | (1.52) | - | (20.25) |
| 2 | Provisions | 73.79 | 8.53 | - | 82.32 |
| 3 | Impact of expenditure charged to the statement of profit and loss in the current year and earlier years but allowable for tax purposes on payment basis | 29.09 | 23.44 | - | 52.53 |
| | Net deferred tax assets / (liabilities) | 84.15 | 30.45 | - | 114.60 |

10. Other Non-Current Assets

(₹ in crore)

| Particulars | 31st March, 2024 | 31st March, 2023 |
|---|------------------|------------------|
| Considered Good | | |
| Advances Other than Capital Advances | | |
| Advances to Contractors against material and machinery | 62.82 | - |
| Advances to Contractors, Suppliers and Others | 222.12 | 88.22 |
| Interest Accrued on Advances to Contractors, Suppliers & Others | 5.98 | 3.00 |
| Fair Valuation Adjustment | 0.05 | 0.12 |
| Total | 290.97 | 91.34 |

11. Inventories

(₹ in crore)

| Particulars | 31st March, 2024 | 31st March, 2023 |
|--|------------------|------------------|
| Raw Material (Valued at Cost or NRV whichever is lower, unless otherwise stated) | | |
| - In Hand | 19.33 | 17.30 |
| - With Third Parties | 12.02 | 15.61 |
| - In Transit | 10.98 | - |
| Others (Track and Construction Material) | 0.31 | 0.31 |
| Construction Work In Progress (valued at Cost) | 189.73 | 150.37 |
| Total | 232.37 | 183.59 |

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended March 31, 2024

12. Current Assets – Financial Assets

12.1 Current Financial Assets – Investments

(₹ in crore)

| Particulars | 31st March, 2024 | 31st March, 2023 |
|---|------------------|------------------|
| 1. Investment in Bonds (Quoted, at Amortised cost) | | |
| 8.23% Tax Free Indian Railway Finance Corporation Limited (IRFC) Bonds, 5,00,000 units of ₹1,000 each (31st March, 2023 : 5,00,000 units of ₹1,000 each) | - | 50.00 |
| 8.35% Tax Free Indian Railway Finance Corporation Limited (IRFC) Bonds, 500 units of ₹ 10,00,000 each (31st March, 2023 : 500 units of ₹ 10,00,000 each) | - | 49.99 |
| 7.35% Government of India (GOI) Bond 2024 Face Value ₹ 1,50,40,000 (31st March, 2023 : Nil) | 1.51 | - |
| 2. Investment in Mutual Fund (Quoted) at Fair Value Through Profit & Loss (FVTPL) | | |
| Union Liquid Fund, No. of units – 2,27,140.24 (31st March, 2023 : Nil) | 52.89 | - |
| Axis Liquid Fund, No. of units – 2,69,473.15 (31st March, 2023 : Nil) | 72.39 | - |
| Bandhan Liquid Fund, No. of units – 2,27,140.24 (31st March, 2023 : Nil) | 166.10 | - |
| Nippon India Liquid Fund, No. of units – 3,16,143.76 (31st March, 2023 : Nil) | 186.81 | - |
| LIC Mutual Fund, No. of units – 1,91,133.26 (31st March, 2023 : Nil) | 83.81 | - |
| Total | 563.51 | 99.99 |
| Aggregate book value of quoted investments | 563.51 | 99.99 |
| Aggregate Market value of quoted investments | 563.50 | 109.93 |
| Aggregate book value of unquoted investments | - | - |
| Aggregate amount of impairment in value of investments | - | - |

12.2 Current Financial Assets – Trade Receivables

(₹ in crore)

| Particulars | 31st March, 2024 | 31st March, 2023 |
|--|------------------|------------------|
| Secured, considered good | - | - |
| Unsecured, considered good* | 992.26 | 894.80 |
| Trade Receivables which have significant increase in credit risk | - | - |
| Trade Receivables – credit impaired | 7.14 | 7.14 |
| | 999.40 | 901.94 |
| Impairment Allowance (allowance for bad and doubtful debts) | | |
| Unsecured, considered good | (45.80) | (26.07) |
| Trade Receivables which have significant increase in credit Risk | - | - |
| Trade Receivables – credit impaired | (7.14) | (7.14) |
| Total | 946.46 | 868.73 |

* Includes Receivables from related parties ₹ 584.27 crore (As at 31st March, 2023 : ₹ 436.99 crore) and are disclosed in Note : 33 (c) 4.1.

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended March 31, 2024

Trade Receivable Ageing Schedule for the year ended as at 31st March, 2024 and 31st March, 2023 :

| Particulars | | Unbilled | Not Due | Outstanding for the year ended March 31, 2024 from the due date of payment | | | | | Total |
|----------------------|---|----------|---------------|---|-------------------|---------------|--------------|-------------------|---------------|
| | | | | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) | Undisputed Trade receivables - considered good | - | 548.04 | 169.69 | 50.94 | 135.55 | 73.84 | 14.20 | 992.26 |
| (ii) | Undisputed Trade Receivables - which have significant increase in credit risk | - | - | - | - | - | - | - | - |
| (iii) | Undisputed Trade Receivables - credit impaired | - | - | - | - | - | - | - | - |
| (iii) | Disputed Trade Receivables considered good | - | - | - | - | - | - | - | - |
| (iv) | Disputed Trade Receivables - which have significant increase in credit risk | - | - | - | - | - | - | - | - |
| (vi) | Disputed Trade Receivables - credit impaired | - | - | - | - | - | - | 7.14 | 7.14 |
| Total | | - | 548.04 | 169.69 | 50.94 | 135.55 | 73.84 | 21.34 | 999.40 |
| Impairment Allowance | | | | | | | | | (52.94) |
| Total | | | | | | | | | 946.46 |

| Particulars | | Un-billed | Not Due | Outstanding for the year ended March 31, 2023 from the due date of payment | | | | | Total |
|----------------------|---|-----------|---------------|---|-------------------|---------------|-------------|-------------------|---------------|
| | | | | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) | Undisputed Trade receivables - considered good | - | 596.52 | 120.32 | 49.60 | 109.14 | 6.84 | 12.38 | 894.80 |
| (ii) | Undisputed Trade Receivables - which have significant increase in credit risk | - | - | - | - | - | - | - | - |
| (iii) | Undisputed Trade Receivables - credit impaired | - | - | - | - | - | - | - | - |
| (iii) | Disputed Trade Receivables considered good | - | - | - | - | - | - | - | - |
| (iv) | Disputed Trade Receivables - which have significant increase in credit risk | - | - | - | - | - | - | - | - |
| (vi) | Disputed Trade Receivables - credit impaired | - | - | - | - | - | - | 7.14 | 7.14 |
| Total | | - | 596.52 | 120.32 | 49.60 | 109.14 | 6.84 | 19.53 | 901.94 |
| Impairment Allowance | | | | | | | | | (33.21) |
| Total | | | | | | | | | 868.73 |

12.3 Current Financial Assets - Cash and Cash equivalents

(₹ in crore)

| Particulars | Foot Note | 31st March, 2024 | 31st March, 2023 |
|---|------------|------------------|------------------|
| Cash on Hand | | 0.05 | 0.09 |
| Remittance in Transit | | - | 13.61 |
| Balances with Banks: | | | |
| - On Current Accounts | | 567.56 | 380.90 |
| - Flexi Accounts | (i) & (ii) | 376.80 | 173.35 |
| - Deposits with Original Maturity of Less Than 3 Months | (i) & (ii) | 884.47 | 1,600.46 |
| Total | | 1,828.88 | 2,168.41 |

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended March 31, 2024

12.4 Current Financial Assets – Other Bank Balances

(₹ in crore)

| Particulars | Foot Note | 31st March, 2024 | 31st March, 2023 |
|---|------------|------------------|------------------|
| Other Bank Balances | | | |
| Deposits with Original Maturity of More Than 3 Months but Less Than 12 Months | (i) & (ii) | 2,599.61 | 2,616.33 |
| Earmarked Balances: | | | |
| CSR Bank Account | | 0.17 | 0.17 |
| Dividend Distribution Account | | 0.47 | 0.41 |
| Total | | 2,600.25 | 2,616.91 |

Note for 12.3 and 12.4 :

(i) Includes Clients Fund of ₹ 2,898.36 crore (31st March, 2023 : ₹ 3,130.67 crore) on which interest is passed on to them.

(ii) Includes Project Fund against trade payable ₹ 716.24 crore (31st March, 2023: ₹ 811.42 crore)

12.5 Current Financial Assets – Loans

(₹ in crore)

| Particulars | 31st March, 2024 | 31st March, 2023 |
|---------------------------------------|------------------|------------------|
| A. Considered Good : Secured | | |
| Staff Loans and Advances | 0.02 | 0.05 |
| B. Considered Good : Unsecured | | |
| (i) Loans to Related Parties: | | |
| Subsidiaries | | |
| – Itron PB Tollway Limited | 34.92 | 29.32 |
| (ii) Others: | | |
| Staff Loans & Advances | 0.86 | 0.77 |
| Total | 35.80 | 30.14 |

Loan or advances in the nature of Loans granted to related parties:

| Type of Borrower | As at 31st March, 2024 | | As at 31st March, 2023 | |
|-------------------------|--|---|--|---|
| | Amount of loan or advance in the nature of loan outstanding* | % of total Loans and Advances in the nature of loans^ | Amount of loan or advance in the nature of loan outstanding* | % of total Loans and Advances in the nature of loans^ |
| Loan to Promoters | – | – | – | – |
| Loan to Directors | – | – | – | – |
| Loan to KMPs | – | – | – | – |
| Loan to Related parties | 34.92 | 97.54% | 29.32 | 97.28% |
| Total | 34.92 | 97.54% | 29.32 | 97.28% |

* represents loan or advance in the nature of loan

^ represents percentage to the total Loans and Advances in the nature of loans.

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended March 31, 2024

12.6 Current Assets – Other Financial Assets

(₹ in crore)

| Particulars | Foot Note | 31st March, 2024 | 31st March, 2023 |
|--|----------------|------------------|------------------|
| Considered Good | | | |
| Security Deposits | | | |
| – Government Departments | | 5.36 | 1.68 |
| – Others | | 126.18 | 141.50 |
| Earnest Money Deposit | | 0.90 | 0.54 |
| Fixed Deposits with Original Mat.of >12M but Rem. Mat.of <12M | | – | 25.48 |
| Interest Accrued on : | | | |
| – Advance to Staff | (i) | 0.07 | 0.13 |
| – Loans to Related Parties | | 14.55 | 10.87 |
| – Advances to Rail Land Development Authority (RLDA) | | 9.56 | 59.65 |
| Less : Interest Accrued on Loan from Indian Railway Finance Corporation | (iv) | – | (51.89) |
| – Deposits with Banks | | 65.62 | 55.29 |
| – Bonds and Government Securities | | 7.63 | 15.55 |
| Contract Asset : | | | |
| – Billable Revenue / Receivable not due | (ii) (a) & (b) | 268.59 | 361.47 |
| – Construction Work in Progress (At realisable value) | (ii) (b) | 873.48 | 482.03 |
| – Retention Money with Client | (iii) | 133.53 | 173.97 |
| – Money Withheld by Client | (iii) | 276.26 | 229.48 |
| Share Application Money pending Allotment : | | | |
| Indian Railway Stations Development Corporation Limited – 301 equity shares of ₹10 each (31st March, 2023 : 301 Shares) {Refer note no. 8.1} | | – | – |
| Other Recoverable : | | | |
| (a) From Related Parties (Joint Ventures) | | | |
| – International Metro Civil Contractor | | 3.53 | 3.49 |
| – Metro Tunneling Group | | 1.76 | 1.88 |
| – Indian Railway station Development corporation Limited | | – | 0.09 |
| – IRCON – AFCON JV | | 0.42 | 0.60 |
| – Chhattisgarh East Railway Limited | | 0.39 | 0.29 |
| – Bastar Railway Private Limited | | 0.02 | 0.02 |
| – Mahanadi Coal Railway Limited | | 3.35 | 2.93 |
| – Jharkhand Central Railway Limited | | 0.08 | 0.07 |
| – Express Frieght Consortium | | 2.64 | 1.68 |
| (b) From Related Parties (Subsidiaries) | | | |
| – Ircon Shivpuri Guna Tollway Limited | | 0.06 | 0.24 |
| – Ircon Infrastructure & Services Limited | | 6.83 | 4.10 |
| – Ircon PB Tollway Limited | | 0.33 | 0.43 |
| – Ircon Vadodara Kim Expressway Limited | | 0.15 | 0.01 |
| – Davanagere Haveri Highway Limited | | 0.11 | 0.09 |
| – Ircon Gurgaon Rewari Highway Limited | | 0.15 | 0.03 |
| – Ircon Akloli-Shirsad Expressway Limited | | 0.33 | 0.03 |
| – Ircon Ludhiana Roopnagar Highway Limited | | 0.05 | 0.07 |
| – Ircon Bhoj Morbe Highway Limited | | 0.53 | 0.07 |
| – Ircon Haridwar Highway Limited | | 0.03 | 0.07 |
| – Ircon Renewable Energy Limited | | 0.01 | 0.04 |
| (c) Recoverable from Rail Land Development Authority (RLDA) | | 4.64 | 619.95 |
| Less : Loan From Indian Railway Finance Corporation Ltd | (iv) | – | (615.31) |
| (d) Claims Recoverable from Clients | | 20.37 | 59.25 |
| (e) Advance Lease Rent | | 0.14 | 0.12 |

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended March 31, 2024

| Particulars | Foot Note | 31st March, 2024 | 31st March, 2023 |
|---|-----------|------------------|------------------|
| (f) Others | | 9.62 | 17.71 |
| Considered Doubtful | | | |
| Security Deposits | | | |
| – Government Departments | | 0.01 | 0.01 |
| – Others | | 0.13 | 0.13 |
| Earnest Money Deposit | | 0.16 | 0.16 |
| Contract Asset : | | | |
| – Retention Money with Client | | 4.28 | 4.28 |
| – Money Withheld by Client | | 2.67 | 2.67 |
| Recoverable from Itron Soma Tollway Private Limited | | 0.05 | 0.05 |
| Recoverable from Rail Land Development Authority (RLDA) | | 25.81 | 25.81 |
| Claim Recoverable from Client Doubtful | | 2.59 | 2.25 |
| Less : Impairment allowance for doubtful other financial assets | | (35.70) | (35.36) |
| Total | | 1,837.27 | 1,603.70 |

Foot Notes :

- Debts due by officers of the company, firms in which any director is a partner or private company in which any director is a member except JVs and Subsidiaries are Nil (31st March, 2023 : Nil). Further, interest accrued on advance to Director is Nil (Nil).
- (a) Includes Value of work amounting to ₹ 201.20 crore (As at 31st March, 2023 ₹ 184.73 crore) certified by client, but not billed by reporting date.
(b) Includes Receivables from related parties ₹ 266.72 crore (As at 31st March, 2023 : ₹ 271.14 crore) and are disclosed in Note : 33 (c) 4.2 (a)
- Includes Receivables from related parties ₹ 84.81 crore (As at 31st March, 2023 : ₹ 43.76 crore) and are disclosed in Note : 33 (c) 4.2 (b)
- Refer Note 21.1 (i)

13. Current Assets – Current Tax Assets (Net)

(₹ in crore)

| Particulars | 31st March, 2024 | 31st March, 2023 |
|--|------------------|------------------|
| Taxes Paid including TDS & Advance Tax (Net of Provision for Tax) | 50.47 | 154.86 |
| Total | 50.47 | 154.86 |

14. Other Current Assets

(₹ in crore)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|--|------------------------|------------------------|
| Considered Good | | |
| Advances Other than Capital Advances | | |
| Advances to Contractors against material and machinery | 106.00 | 176.53 |
| Advances to Contractors, Suppliers and Others | 971.29 | 1,255.05 |
| Advance Recoverable from: | | |
| – Sales Tax (including TDS) | 320.23 | 321.92 |
| Less : Deposited under Protest | (217.05) | (217.05) |
| – Value Added Tax | 69.53 | 80.47 |
| – Goods & Services Tax | 846.88 | 847.13 |
| – Service Tax input credit | – | 0.01 |
| Security Deposits | 45.08 | 44.28 |
| Deferred Project Mobilisation Cost | 12.39 | 22.85 |

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended March 31, 2024

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|--|------------------------|------------------------|
| Interest Accrued on: | | |
| - Deposits & Advances with Contractors, Suppliers & Others | 66.42 | 79.64 |
| Prepaid Expenses | 9.33 | 10.40 |
| Fair valuation adjustment | 0.03 | - |
| Considered Doubtful | | |
| Advances to Contractors, Suppliers and Others | 16.99 | 16.99 |
| Sales Tax (including TDS) | 30.00 | 30.00 |
| Value Added Tax | 9.87 | 9.88 |
| Less: Impairment allowance for doubtful advances | (56.86) | (56.87) |
| Total | 2,230.13 | 2,621.23 |

15. Assets held for Sale

(₹ in crore)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|--------------------------|------------------------|------------------------|
| Assets held for disposal | - | 0.01 |
| Total | - | 0.01 |

- (i) Property, Plant & Equipment (PPE) beyond economic repair and / or held for disposal (at lower of the realisable value and book value) :

| Block of assets | Description of the assets | Manner and expected time of disposal | Expected (Loss) /Gain on sale of non current assets | Segment | As At 31 March, 2023 | | As At 31 March, 2022 | |
|----------------------------|--------------------------------------|--|---|-------------------------|----------------------|-----------|----------------------|-------------|
| | | | | | Gross Block | Net Block | Gross Block | Net Block |
| Plant and Machinery | | | | | | | | |
| Northern Region | Plant and Machinery (Noida Workshop) | Through e-auction like MSTC with expected time of disposal by end of year 2024 | - | Domestic : PMD Division | - | - | - | - |
| Northern Region | Plant and Machinery (DMRC CE 6) | Through e-auction like MSTC with expected time of disposal by end of year 2024 | - | Domestic | - | - | 0.19 | 0.01 |
| Total | | | | | - | - | 0.19 | 0.01 |

- (i) Property Plant & Equipment classified as Held for Sale during the reporting period was measured at the lower of its carrying amount and fair value less costs to sell at the time of re-classification. Accordingly, impairment loss of Nil (31st March, 2023 : Nil) has been provided for.
- (ii) During the Financial Year 2023-24, two machinery in Northern Region was transferred to Property, Plant & Equipment and in FY 2022-23, a residential building situated at Chennai was transferred to Property, Plant & Equipment upon criteria stated by Ind AS 105 "Non current assets held for sale" are no longer met.

16. Equity Share capital

(₹ in crore)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|---|------------------------|------------------------|
| Authorised Share Capital | | |
| 200,00,00,000 Equity shares of ₹2 each | | |
| 200,00,00,000 Equity shares of ₹2 each as at 31st March, 2023 | 400.00 | 400.00 |
| | 400.00 | 400.00 |
| Issued/Subscribed and Paid up Capital | | |
| 94,05,15,740 Equity shares of ₹2 each-fully paid | | |
| 94,05,15,740 Equity shares of ₹2 each-fully paid as at 31st March, 2023 | 188.10 | 188.10 |
| | 188.10 | 188.10 |

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended March 31, 2024

(a) Details of shareholders holding more than 5% of fully paid up equity shares:

| Name of the shareholder | As at 31st March, 2024 | | As at 31st March, 2023 | |
|---|------------------------|------------------------|------------------------|------------------------|
| | 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 | 61,29,28,392 | 65.17% | 68,83,01,650 | 73.18% |

(b) Details of shares held by promoter's

| Name of the shareholder | As at 31st March, 2024 | | | As at 31st March, 2023 | | |
|---|------------------------|------------------------|--------------------------|------------------------|------------------------|--------------------------|
| | No. of Share | % holding in the class | % Change during the year | No. of Share | % holding in the class | % Change during the year |
| Government of India in the name of the President of India and Government nominees | 61,29,28,392 | 65.17% | 8.01% | 68,83,01,650 | 73.18% | NA |

* During the financial year 2023-24, the promoter has divested their stake through "Offer for Sale" of 7,53,73,258 equity shares in the company which is 8.01% of the issued/subscribed and paid up capital of the Company.

(c) Aggregate no. of equity shares issued as bonus, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date

| Name of the shareholder | As at 31st March, 2024 | As at 31st March, 2023 | As at 31 March 2022 | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2019 |
|--|------------------------|------------------------|---------------------|---------------------|---------------------|---------------------|
| | No. of Share | No. of Share | No. of Share | No. of Share | No. of Share | No. of Share |
| Equity shares allotted other than cash | - | - | - | - | - | - |
| Equity shares issued as bonus shares | - | - | 47,02,57,870 | - | - | - |
| Equity shares Buy Back | - | - | - | - | - | - |
| Total | - | - | 47,02,57,870 | - | - | - |

(d) Terms / Rights attached to Equity Shares :

(i) Voting

The Company has only one class of equity shares having a par value of ₹2 per share. Each holder of equity share is entitled to one vote per share.

(ii) Liquidation

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders

(iii) Dividend

The dividend proposed by the Board of Directors is subject to the approval of the shareholders in ensuing Annual General Meeting

(e) Reconciliation of the number of equity shares and share capital outstanding at the beginning and at the end of the year

| Name of the shareholder | As at 31st March, 2024 | | As at 31st March, 2023 | |
|---|------------------------|------------------------|------------------------|------------------------|
| | No. of Share | % holding in the class | No. of Share | % holding in the class |
| Issued/Subscribed and Paid up equity Capital outstanding at the beginning of the year | 94,05,15,740 | 188.10 | 94,05,15,740 | 188.10 |
| Add: Bonus Shares Issued during the year | - | - | - | - |
| Issued/Subscribed and Paid up equity Capital outstanding at the end of the year | 94,05,15,740 | 188.10 | 94,05,15,740 | 188.10 |

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended March 31, 2024

17. Other Equity

(₹ in crore)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|---|------------------------|------------------------|
| Retained Earnings | 2,224.59 | 1,642.52 |
| General Reserve | 3,333.71 | 3,333.71 |
| Capital Redemption Reserve | 4.93 | 4.93 |
| Other Comprehensive Income | 20.43 | 9.22 |
| Total | 5,583.66 | 4,990.38 |
| (i) Movement as per below: | | |
| (a) Retained Earnings | | |
| Opening Balance | 1,642.52 | 1,094.65 |
| Transfer from surplus in statement of profit and loss | 862.90 | 776.83 |
| Dividend declared and paid during the year | (112.86) | (61.13) |
| Interim Dividend | (169.29) | (169.29) |
| Re-measurement of defined benefit plans (net of tax) | 1.32 | 1.46 |
| Closing Balance | 2,224.59 | 1,642.52 |
| (b) General Reserve | | |
| Opening and Closing Balance | 3,333.71 | 3,333.71 |
| (c) Capital Redemption Reserve | | |
| Opening and Closing Balance | 4.93 | 4.93 |
| (d) Other Comprehensive Income | | |
| Opening Balance | 9.22 | (0.43) |
| Exchange loss reclassified to profit and loss | 13.04 | - |
| Foreign currency translation reserve (net of tax) during the year | (1.83) | 9.65 |
| Closing Balance | 20.43 | 9.22 |
| Grand Total (a+b+c+d) | 5,583.66 | 4,990.38 |

(ii) Nature and Purpose of Other Reserves:

(a) Retained Earnings

Retained Earnings represents the undistributed profits of the Company.

(b) General Reserve

General Reserve represents the statutory reserves, this is in accordance with Corporate Law wherein a portion of profit is apportioned to General Reserve. Under Companies Act, 2013, the transfer of any amount to General Reserve is at the discretion of the Company.

(c) Capital Redemption Reserve

The Company has created Capital Redemption Reserve out of the profits after Buy Back of shares on 26th December 2017.

(d) Items of Other Comprehensive Income

Other Comprehensive Income represents balance arising on account of exchange difference on translation of foreign operations.

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended March 31, 2024

(iii) Dividend Distribution

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|--|---------------------------|---------------------------|
| Cash dividends on equity shares declared / paid: | | |
| Final Dividend of FY 2022-23 paid during 2023-24: INR 1.20 per share (Final Dividend of FY 2021-22 paid during 2022-23: INR 0.65 per share) | 112.86 | 61.13 |
| Interim dividend paid during 2023-24: INR 1.80 per share (FY 2022-23: INR 1.80 per share) | 169.29 | 169.29 |
| Total | 282.15 | 230.42 |

(iv) Dividends not recognised at the end of the reporting year

Final dividend recommended by the Board of Directors, subject to the approval of shareholders in the ensuing Annual General Meeting :

| | | |
|--|---------------|---------------|
| Dividend for 31 March 2024: INR 1.30 per share (31 March, 2023: INR 1.20 per share) | 122.27 | 112.86 |
| Total | 122.27 | 112.86 |

18. Non-Current Liabilities – Financial Liabilities

18.1 Non-Current Financial Liabilities – Lease Liabilities

(₹ in crore)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|-----------------|---------------------------|---------------------------|
| Lease Liability | 2.52 | 0.42 |
| Total | 2.52 | 0.42 |

18.2 Non-Current Financial Liabilities – Trade Payables

(₹ in crore)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|--|---------------------------|---------------------------|
| (A) Micro, Small & Medium Enterprises | - | - |
| (B) Other than Micro, Small & Medium Enterprises | | |
| (i) Contractor & Suppliers | - | - |
| Total | - | - |

Notes :

- Disclosures as required under Companies Act, 2013 / Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) are provided in Note 43.
- Terms and Conditions and other balances with related parties are disclosed in Note 33.

18.3 Non-Current Liabilities – Other Financial Liabilities

(₹ in crore)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|------------------------------|---------------------------|---------------------------|
| Deposits and Retention money | 757.83 | 652.85 |
| Financial Guarantee Contract | 0.46 | 0.15 |
| Total | 758.29 | 653.00 |

19. Provisions

(₹ in crore)

| Particulars | Foot Note | As at 31st March, 2024 | As at 31st March, 2023 |
|---------------------------------|-----------|---------------------------|---------------------------|
| Provision for Employee Benefits | 19.1 | 156.89 | 119.33 |
| Other Provisions | 19.2 | 246.68 | 201.41 |
| Total | | 403.57 | 320.74 |
| Current | | 261.20 | 201.05 |
| Non Current | | 142.37 | 119.69 |

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended March 31, 2024

19.1 Provision for Employee Benefits :

- The provisions are created for the purpose of leave encashment, settlement allowance, post retirement medical benefits, performance related pay and leave travel concession.
- Disclosures as per Ind AS 19 'Employee benefits' are provided in Note.
- Movement in the carrying value of Provisions for Employee Benefits are provided as below:

(₹ in crore)

| Particulars | Leave Salary * | Settlement Allowance on Retirement | Post Retirement Medical Benefits | Performance Related Pay | Leave Travel Concession | Contribution to PF & Other Funds | Total |
|-----------------------------------|----------------|------------------------------------|----------------------------------|-------------------------|-------------------------|----------------------------------|---------------|
| As at 31st March, 2023 | 69.17 | 1.14 | 5.26 | 40.11 | 0.19 | 3.46 | 119.33 |
| Current | 7.79 | 0.15 | 5.26 | 40.11 | 0.02 | 3.46 | 56.79 |
| Non Current | 61.38 | 0.99 | - | - | 0.17 | - | 62.54 |
| Provision made during the year | 15.15 | 0.15 | 5.17 | 38.12 | 0.03 | 25.41 | 84.03 |
| Less: Utilization during the year | (12.18) | (0.03) | (5.26) | (24.06) | (0.01) | (2.57) | (44.11) |
| Less: Write Back during the year | - | - | - | -1.37 | (0.01) | (0.89) | (2.27) |
| Actuarial Gain/Loss | - | (0.13) | - | - | - | - | (0.13) |
| (Exchange Gain) / Loss | 0.04 | - | - | - | - | - | 0.04 |
| As at 31st March, 2024 | 72.18 | 1.13 | 5.17 | 52.80 | 0.20 | 25.41 | 156.89 |
| Current | 8.61 | 0.13 | 5.17 | 52.80 | 0.02 | 25.41 | 92.14 |
| Non Current | 63.57 | 1.00 | - | - | 0.18 | - | 64.75 |

* Includes ₹ 0.46 crore for employees posted on Foreign Projects on which leave salary provision has been made on actual basis.

19.2 Other Provisions :

Disclosures as per Ind AS 37 regarding nature of provisions and movements in provisions are as follows :

a) Demobilisation Provisions

The Company has made provision for demobilisation to meet the expenditure towards demobilisation of manpower and plant & equipment in respect of foreign projects.

b) Maintenance Provisions

- In Cost Plus contract, no provision for maintenance is required to be made where cost is reimbursable.
- Item Rate and Lump Sum turnkey contracts, provision is made for maintenance to cover company's liability during defect liability period keeping into consideration the contractual obligations, obligations of the sub-contractor, operating turnover and other relevant factors

c) Onerous Contracts

The Company has a contract where total contract cost exceeds the total contract revenue. In such situation as per Ind AS 115 and Ind AS 37 the Company has to provide for these losses. The provision is based on the estimate made by the management.

d) Legal Cases

Provision for legal cases represents liabilities that are expected to materialise in respect of matters in courts, arbitrations and appeal.

e) Provisions for Other Expenses

Provision for other expenses represents expected liabilities in respect of indirect taxes and Others

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended March 31, 2024

(₹ in crore)

| Particulars | Demobilisation | Maintenance | Onerous Contracts | Legal Cases | Other Expenses | Total |
|-----------------------------------|----------------|--------------|-------------------|--------------|----------------|---------------|
| As at 31st March, 2023 | 14.73 | 44.91 | 26.81 | 69.22 | 45.74 | 201.41 |
| Current | 12.77 | 16.53 | - | 69.22 | 45.74 | 144.26 |
| Non Current | 1.96 | 28.38 | 26.81 | - | - | 57.15 |
| Provision made during the year | 0.15 | 20.46 | 56.77 | 17.77 | 6.58 | 106.31 |
| Less: Utilization during the year | (0.01) | (0.01) | (2.47) | (14.65) | (0.62) | (17.76) |
| Less: Write Back during the year | - | (1.13) | (12.12) | (12.85) | (13.66) | (44.34) |
| (Exchange Gain) / Loss | 0.11 | 0.65 | - | - | (0.46) | 0.30 |
| Unwinding of discount | 0.04 | 0.72 | - | - | - | 0.76 |
| As at 31st March, 2024 | 15.02 | 65.60 | 68.99 | 59.49 | 37.58 | 246.68 |
| Current | 13.52 | 42.38 | 16.09 | 59.49 | 37.58 | 169.06 |
| Non Current | 1.50 | 23.22 | 52.90 | - | - | 77.62 |

20. Other Non- Current Liabilities

(₹ in crore)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|------------------------------|------------------------|------------------------|
| Contract Liability | | |
| Advance from clients | 930.32 | 746.38 |
| b) Others | | |
| Others | 2.54 | 0.04 |
| Lease Equilisation Liability | 7.62 | 12.82 |
| Total | 940.48 | 759.24 |

NOTE :

Terms and Conditions and other balances with related parties are disclosed in Note 33.

21. Current Liabilities – Financial Liabilities

21.1 Borrowings

(₹ in crore)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|--|------------------------|------------------------|
| Unsecured | | |
| Current Maturities of Long-Term Debt : | | |
| Loan From Indian Railway Finance Corporation | - | 615.31 |
| Less : Recoverable from Rail Land Development Authority (RLDA) (i) | - | (615.31) |
| Total | - | - |

Notes :

(i) (a) Terms and Conditions of the unsecured Loan :

The Company has raised a loan from Indian Railway Finance Corporation ("IRFC") of ₹ 3200 crore as on 28th March 2018 which in turn have been paid to Railway Land Development Authority ("RLDA") in terms of lease agreement. As per the Memorandum of understanding ("MOU") entered between RLDA and the Company, all instalments of principal and interest, as also any default or additional interest, and other costs, expenses and charges associated with the loan (or otherwise payable under or pursuant to the Loan Agreement), shall be paid by RLDA to the Company. The repayment of principal of the Loan Amount shall be made in 5 (five) equal instalments commencing from April 15, 2019. [Refer note 8.3 (Foot note (ii)).Companies Act has been complied with for such transactions and the transactions are not violative of any applicable Act.

(b) Rate of Interest :

(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

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended March 31, 2024

applicable interest tax, service tax and / or any such other taxes / levies / duties). Such taxes / levies / duties, if any, applicable, shall be payable (in the same manner and time as the principal and interest) by the Borrower to the Lender over and above the rates specified above.

(ii) The Applicable Interest Rate shall be fixed for currency of loan term.

(c) Termination of the Memorandum of understanding (MOU) :

Upon the occurrence of certain identified events the MOU would stand terminated, whereupon Ircon would be substituted by such entity as agreed to between IRFC, IRCON, RLDA & Ministry of Railways (MoR). MoR would be entitled to pre pay the entire outstanding under the Loan Agreement on termination of this agreement.

(d) Offsetting the Loan from IRFC and Recoverable from RLDA :

As per para 2.4 of the Memorandum of understanding ("MOU") entered between RLDA and the Company, all instalments of principal and interest, as also any default or additional interest, and other costs, expenses and charges associated with the loan (or otherwise payable under or pursuant to the Loan Agreement), shall be paid by RLDA to the Company.

Company has a legally enforceable right to set off the loan liability regarding IRFC and recoverable from RLDA as per MOU and have the financial arrangement to settle the loan from IRFC with the proceeds realised from RLDA simultaneously. Accordingly, as per provision of IND AS-32 amount recoverable from RLDA and loan from IRFC has been offset and the net amount presented in the balance sheet.

(e) The Company has not defaulted on any loans payable

21.2 Current Financial Liabilities – Lease Liabilities

(₹ in crore)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|-----------------|------------------------|------------------------|
| Lease Liability | 0.72 | 0.09 |
| Total | 0.72 | 0.09 |

21.3 Current Financial Liabilities – Trade Payables

(₹ in crore)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|--|------------------------|------------------------|
| (A) Micro, Small & Medium Enterprises | 3.73 | 9.24 |
| (B) Other than Micro, Small & Medium Enterprises | | |
| (i) Contractor & Suppliers | 845.01 | 798.20 |
| (ii) Related Parties | 5.63 | 3.97 |
| Total | 854.37 | 811.41 |

Notes :

- Disclosures as required under Companies Act, 2013 / Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) are provided in Note 43.
- Terms and Conditions and other balances with related parties are disclosed in Note 33.

Trade payables Ageing Schedule for the year ended as at 31st March, 2024 and 31st March, 2023

(₹ in crore)

| Particulars | Unbilled | Not Due | Outstanding for the year ended as at 31st March, 2024 from the due date of payment | | | | Total |
|--|---------------|--------------|--|-------------|--------------|-------------------|---------------|
| | | | Less than 1 year | 1-2 year | 2-3 years | More than 3 years | |
| Total outstanding dues of micro enterprises and small enterprises | 2.73 | - | 1.00 | 0.01 | - | - | 3.73 |
| Total outstanding dues of Creditors other than micro enterprises and small enterprises | 436.01 | 94.55 | 289.90 | 5.31 | 13.32 | 11.50 | 850.59 |
| Disputed dues of micro enterprises and small enterprises | - | - | - | - | - | - | - |
| Disputed dues of Creditors other than micro enterprises and small enterprises | 0.02 | - | - | - | - | 0.02 | 0.04 |
| Total | 438.76 | 94.55 | 290.89 | 5.32 | 13.32 | 11.53 | 854.37 |

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended March 31, 2024

(₹ in crore)

| Particulars | Unbilled | Not Due | Outstanding for the year ended as at 31st March, 2023 from the due date of payment | | | | Total |
|--|---------------|--------------|--|-------------|-------------|-------------------|---------------|
| | | | Less than 1 year | 1-2 year | 2-3 years | More than 3 years | |
| Total outstanding dues of micro enterprises and small enterprises | 4.57 | 2.90 | 1.77 | - | - | - | 9.24 |
| Total outstanding dues of Creditors other than micro enterprises and small enterprises | 124.31 | 77.11 | 578.44 | 5.80 | 0.85 | 14.84 | 801.35 |
| Disputed dues of micro enterprises and small enterprises | - | - | - | - | - | - | - |
| Disputed dues of Creditors other than micro enterprises and small enterprises | - | - | 0.05 | 0.04 | 0.14 | 0.59 | 0.82 |
| Total | 128.88 | 80.01 | 580.26 | 5.84 | 0.99 | 15.43 | 811.41 |

21.4 Current Liabilities – Other Financial Liabilities

(₹ in crore)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|--|------------------------|------------------------|
| Interest Accrued on Loan from Indian Railway Finance Corporation | - | 51.89 |
| Less : Advances to Rail Land Development Authority (RLDA) (i) | - | (51.89) |
| Gratuity Payable | 3.81 | 7.17 |
| Deposits, Retention money and Money Withheld | 1,677.16 | 1,595.39 |
| Financial Guarantee Contract | 0.47 | 0.02 |
| Amount Payable to Client | 628.23 | 590.03 |
| Dividend Payable to Client | 4.01 | 1.12 |
| Interest Payable on Advance from Client | 337.90 | 329.41 |
| Other Payables (including Staff Payable) | 141.23 | 167.63 |
| Total | 2,792.81 | 2,690.76 |

Note:

(i) Refer Note 21.1 (i)

22. Other Current Liabilities

(₹ in crore)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|--------------------------------|------------------------|------------------------|
| a) Contract Liability | | |
| Advance from clients | 1,943.92 | 2,785.52 |
| - Less: Deposits under protest | (217.05) | (217.05) |
| Advance contract receipts | 391.42 | 216.93 |
| b) Others | | |
| Statutory dues * | 378.16 | 440.80 |
| Lease Equilisation Liability | 4.31 | 7.58 |
| Total | 2,500.76 | 3,233.78 |

Note:

* Statutory dues includes liability for Goods and Service Tax (GST), TDS, Provident Fund and other statutory dues.

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended March 31, 2024

23. Current Tax Liability (Net)

(₹ in crore)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|--|------------------------|------------------------|
| Provision for tax (Net of Advance Tax) | 58.85 | 28.49 |
| Total | 58.85 | 28.49 |

24. Revenue from Operations

(₹ in crore)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|---|------------------------|------------------------|
| Contract Revenue | 11,918.94 | 9,894.87 |
| Company's share of turnover in Integrated Joint Operations (unincorporated) | 0.95 | 0.58 |
| Machinery Hire Charges | 0.20 | 4.55 |
| Other Operating Revenue | 30.31 | 21.20 |
| Total | 11,950.40 | 9,921.20 |

25. Other Income

(₹ in crore)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|--|------------------------|------------------------|
| Interest Income : | | |
| Interest on Tax Free Bonds and Government Securities | 15.28 | 19.53 |
| Interest on Refund of Income-tax | 26.93 | 16.66 |
| Interest on Staff Advances | 0.06 | 0.07 |
| Interest on Loan to Related Parties * | 14.15 | 8.77 |
| Interest on Other Advances/Claims | 83.63 | 78.10 |
| Less:- Other Interest Passed to Clients | <u>(29.17)</u> | <u>(56.02)</u> |
| Interest Income on Unwinding of Financial Instruments ¹ | 16.31 | 18.74 |
| Bank Interest Gross | 267.98 | 230.27 |
| Less:- Bank Interest Passed to Clients | <u>(66.21)</u> | <u>(67.12)</u> |
| Amortisation of Financial Instruments | 0.02 | 0.15 |
| Others : | | |
| Profit on Sale of Assets | 0.52 | 2.49 |
| Profit on Sale of Mutual Funds | 37.14 | 0.32 |
| Less:-Profit on Sale of Mutual Fund Passed to Clients | <u>(9.50)</u> | <u>-</u> |
| Miscellaneous Income ² | 5.59 | 15.75 |
| Exchange Fluctuation Gain | - | 227.49 |
| Less:- Exchange Fluctuation Loss | <u>-</u> | <u>(223.77)</u> |
| Dividend from Subsidiary & Joint Venture Company * | 72.00 | 69.00 |
| Gain/Loss on Changes of Fair Value of Mutual Funds | 2.71 | - |
| Total | 437.45 | 340.43 |

1 Includes ₹ 16.31 crore (31st March, 2023 ₹ 18.73 crore) on account of fair value of loan of Ircon PB Tollway limited.

2 Includes Company shares of other income of JCE ₹ 0.17 crore (31st March, 2023 ₹ 0.13 crore).

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended March 31, 2024

* Interest on Loan and Dividend Income from Related Parties:

Interest on Loan from Related Parties:

(₹ in crore)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|---|------------------------|------------------------|
| - Chhattisgarh East Railway Limited | 0.29 | - |
| - Chhattisgarh East-West Railway Limited | 0.78 | 0.90 |
| - Ircon Davanagere Haveri Highway Limited | 4.15 | 3.68 |
| - Ircon Vadodara Kim Expressway Limited | 5.63 | 4.19 |
| - Mahanadi Coal Railway Limited | 3.30 | - |
| Total | 14.15 | 8.77 |

Dividend Income from Related Parties:

(₹ in crore)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|---|------------------------|------------------------|
| - Ircon Infrastructure & Services Limited | 2.50 | - |
| - Ircon - Soma Tollway Private Limited | 69.50 | 69.00 |
| Total | 72.00 | 69.00 |

26. (i) Materials and Stores consumed

(₹ in crore)

| Particulars | For the year ended 31st March, 2024 | | For the year ended 31st March, 2023 | |
|------------------------------------|--|---------------|--|---------------|
| Opening Balance | 33.22 | | 52.77 | |
| Add: Purchases during the year (i) | 529.98 | | 372.53 | |
| | 563.20 | | 425.30 | |
| Less: Closing Balance | (31.65) | 531.55 | (33.22) | 392.08 |
| Total | | 531.55 | | 392.08 |

(i) Includes Exchange gain/ (loss) of Ind AS for ₹ 0.03 crore (31st March 2023 : ₹ (1.04) crore).

26. (ii) (Increase) / Decrease in WIP

(₹ in crore)

| Particulars | For the year ended 31st March, 2024 | | For the year ended 31st March, 2023 | |
|--|--|----------------|--|--------------|
| Opening Balance | 150.37 | | 199.11 | |
| Add: Adjustments during the year for exchange gain/ (loss) | 0.24 | | 2.63 | |
| | 150.61 | | 201.74 | |
| Less: Closing Balance | (189.73) | (39.12) | (150.37) | 51.37 |
| Total | | (39.12) | | 51.37 |

26. (iii) Project and Other Expenses

(₹ in crore)

| Particulars | Project Expenses | | Other Expenses | |
|---|--|---|--|--|
| | For the year ended 31st March, 2024 | For the year ended 31st March, 2023 | For the year ended 31st March, 2024 | For the year ended 31st March, 2023 |
| Work Expenses | 10,071.17 | 8,326.80 | - | - |
| Design, Drawing, Business Development & Consultancy Charges | 10.94 | 8.95 | - | - |
| Inspection, Geo Technical Investigation & Survey Exp. Etc. | 30.65 | 26.76 | - | - |

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended March 31, 2024

| Particulars | Project Expenses | | Other Expenses | |
|---|--|---|--|--|
| | For the year ended 31st March, 2024 | For the year ended 31st March, 2023 | For the year ended 31st March, 2024 | For the year ended 31st March, 2023 |
| Repairs and Maintenance of Machinery | 7.40 | 13.55 | - | - |
| Hire Charges of Machinery | 14.75 | 17.94 | - | - |
| Exchange Fluctuation Loss | - | - | 221.66 | - |
| Less:- Exchange Fluctuation Gain | - | - | (207.24) | - |
| Net Exchange Fluctuation Loss | - | - | 14.42 | - |
| Reclassification of exchange loss from equity to profit and loss | - | - | 13.04 | - |
| Rent - Non-residential | 5.94 | 5.00 | 0.65 | 0.40 |
| Rates and Taxes | 23.73 | 66.05 | 0.59 | 0.58 |
| Vehicle Operation and Maintenance | 16.74 | 13.85 | 2.30 | 2.18 |
| Repairs and Maintenance | | | | |
| - Building | 0.30 | 0.60 | 0.21 | 0.54 |
| - Office and Others | 5.62 | 5.14 | 9.61 | 7.49 |
| Power, Electricity and Water charges | 6.01 | 4.41 | 2.02 | 1.89 |
| Insurance | 10.43 | 10.72 | 0.38 | 0.51 |
| Travelling & Conveyance | 12.32 | 12.65 | 3.50 | 2.14 |
| Printing & Stationery | 0.99 | 1.43 | 0.38 | 0.68 |
| Postage, Telephone & Telex | 1.09 | 1.24 | 0.38 | 0.31 |
| Bank Charges & Commission | 10.96 | 7.08 | 0.84 | 0.33 |
| Legal & Professional charges | 5.34 | 28.09 | 10.96 | 9.34 |
| Security Services | 2.14 | 1.47 | 0.94 | 0.72 |
| Listing Expenses | - | - | 0.06 | 0.06 |
| Business promotion | 0.38 | 0.30 | 0.58 | 0.77 |
| Write-off of : | | | | |
| - Debts | 0.62 | 0.81 | - | - |
| Loss on sale of Assets / Stores | - | - | 0.15 | 0.04 |
| Director sitting fee | - | - | 0.17 | 0.17 |
| Donation | - | - | - | 0.01 |
| Auditors Remuneration (iii) | - | - | 0.72 | 0.68 |
| Advertisement & Publicity | - | - | 1.55 | 2.25 |
| Training & Recruitment | - | - | 0.46 | 0.31 |
| Corporate Social Responsibility (Refer Note 44) | - | - | 11.65 | 10.12 |
| Miscellaneous expenses | 4.08 | 4.18 | 5.21 | 2.08 |
| Proportionate share of expenses in Integrated Joint operations (unincorporated) | 0.31 | 0.16 | | |
| Provisions (Addition - Write Back) {Refer Note 19 & Foot Note (i)} | 82.68 | 61.04 | - | - |
| Provisions Utilised {Refer Note 19 & Foot note (ii)} | (18.39) | (32.06) | - | - |
| Total | 10,306.20 | 8,586.16 | 80.77 | 43.60 |

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended March 31, 2024

Foot Note :-

(i) Includes ₹ 20.69 crore (FY – 2022–23 ₹ 23.29 crore.) for against Provisions Addition-Write back for Doubtful Advance & Debts.

(ii) Includes ₹ 0.62 crore (FY – 2022–23 ₹ 5.85 crore) against Doubtful Advance & Debts.

(iii) Payment to Statutory Auditors:

(₹ in crore)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|--------------------------------------|------------------------|------------------------|
| (a) Audit Fee – current year | 0.36 | 0.33 |
| (b) Tax Audit Fees – current year | 0.11 | 0.10 |
| (c) Fee for Quarterly Limited Review | 0.19 | 0.19 |
| (d) Certification Fees | 0.05 | 0.03 |
| (e) Out of pocket expenses | 0.01 | 0.03 |
| Total | 0.72 | 0.68 |

27. Employee Benefits Expenses

(₹ in crore)

| Particulars | As at 31st March, 2024 | | | As at 31st March, 2023 | | |
|---|------------------------|----------------|---------------|------------------------|----------------|---------------|
| | Project Expenses | Other Expenses | Total | Project Expenses | Other Expenses | Total |
| Salaries, Wages and Bonus (i) | 160.47 | 70.82 | 231.29 | 153.00 | 60.45 | 213.45 |
| Contribution to Provident and Other Funds | 9.94 | 28.19 | 38.13 | 9.17 | 5.57 | 14.74 |
| Foreign Service Contribution | – | 2.10 | 2.10 | – | 2.09 | 2.09 |
| Retirement Benefits | 20.99 | 12.38 | 33.37 | 18.57 | 13.58 | 32.15 |
| Staff Welfare | 1.78 | 0.42 | 2.20 | 1.92 | 0.35 | 2.27 |
| Total | 193.18 | 113.91 | 307.09 | 182.66 | 82.04 | 264.70 |

Foot Notes:-

(i) Includes income-tax on non-monetary perks ₹ 0.53 crore (31st March, 2023 : ₹ 0.62 crore).

28. Finance Costs

(₹ in crore)

| Particulars | For the year ended 31st March, 2024 | For the year ended 31st March, 2023 |
|---|-------------------------------------|-------------------------------------|
| Interest Expense (i) | 9.59 | 57.51 |
| Less: Interest on Advance to Rail Land Development Authority (RLDA) | <u>(2.07)</u> | <u>(56.03)</u> |
| Other Borrowing Cost | | |
| – Bank Guarantee & Other Charges | 1.05 | 0.88 |
| Interest on Unwinding of Financial Instruments | – | 0.10 |
| Interest Cost on Lease Liability | 0.28 | 0.02 |
| Amortisation of Financial Instruments | – | 0.01 |
| Unwinding of Discount on Provisions | 0.76 | 0.31 |
| Total | 9.61 | 2.80 |

Foot Notes:-

(i) Includes interest on income-tax ₹ 0.02 crore (31st March, 2023 : ₹ 0.01 Crore).

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended March 31, 2024

29. Depreciation, Amortisation and Impairment

(₹ in crore)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|---|------------------------|------------------------|
| Depreciation of Property, Plant and equipment | 20.03 | 24.09 |
| Depreciation of Right to Use – Lease Assets | 1.13 | 0.38 |
| Amortization of Intangible Assets | 3.23 | 0.85 |
| Depreciation of Investment Property | 11.82 | 12.41 |
| Total | 36.21 | 37.73 |

30. Components of Other Comprehensive Income (OCI)

The disaggregation of changes to OCI by each type of reserve in equity is shown below

(₹ in crore)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|--|------------------------|------------------------|
| Remeasurement Gain/(Loss) on Defined Benefit Plans | 1.77 | 1.95 |
| Income tax relating to Items that will not be reclassified to profit or loss | (0.45) | (0.49) |
| Total | 1.32 | 1.46 |

(₹ in crore)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|--|------------------------|------------------------|
| Foreign Exchange Translation Difference | (2.44) | 12.90 |
| Income Tax relating to Items that will be reclassified to profit or loss | 0.61 | (3.25) |
| Total | (1.83) | 9.65 |
| Grand Total | (0.51) | 11.11 |

31 A. Fair Value Measurements

(i) Category wise classification of Financial Instruments

Financial assets and financial liabilities are measured at fair value in these financial statement and are grouped into three levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

a) The carrying values and fair values of financial instruments by categories as at 31 March, 2024 are as follows: *

(₹ in crore)

| Particulars | Fair Value | | | |
|---|-----------------|---------------|----------|-----------------|
| | Carrying Value | Level 1 | Level 2 | Level 3 |
| Financial Assets at Fair Value Through Profit and Loss ('FVTPL') | | | | |
| Investment in Mutual Funds | 562.00 | 562.00 | - | - |
| Total | 562.00 | 562.00 | - | - |
| Financial Assets at Amortized Cost | | | | |
| (i) Investments | | | | |
| Investments in Tax Free Bonds | 125.19 | - | - | 125.19 |
| Investments in Government Securities | 1.51 | - | - | 1.51 |
| (ii) Loans | 314.90 | - | - | 314.90 |
| (iii) Other Financial Assets | 1,876.65 | - | - | 1,876.65 |
| Total | 2,318.25 | - | - | 2,318.25 |

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended March 31, 2024

(₹ in crore)

| Particulars | Fair Value | | | |
|--|-----------------|---------|---------|-----------------|
| | Carrying Value | Level 1 | Level 2 | Level 3 |
| Financial Liabilities at Amortized Cost | | | | |
| (i) Borrowings | - | - | - | - |
| (ii) Lease Liability | 3.24 | | | 3.24 |
| (iii) Other Financial Liabilities | 3,551.10 | - | - | 3,551.10 |
| Total | 3,554.34 | - | - | 3,554.34 |

b) The carrying values and fair values of financial instruments by categories as at 31 March, 2023 are as follows:

(₹ in crore)

| Particulars | Fair Value | | | |
|---|-----------------|---------|---------|-----------------|
| | Carrying Value | Level 1 | Level 2 | Level 3 |
| Financial Assets at Fair Value Through Profit and Loss ('FVTPL') | | | | |
| Investment in Mutual Funds | - | - | - | - |
| Total | - | - | - | - |
| Financial Assets at Amortized Cost | | | | |
| (i) Investments | | | | |
| Investments in Tax Free Bonds | 225.19 | - | - | 225.19 |
| (ii) Loans | 345.98 | - | - | 345.98 |
| (iii) Other Financial Assets | 1,626.52 | - | - | 1,626.52 |
| Total | 2,197.69 | - | - | 2,197.69 |

(₹ in crore)

| Particulars | Fair Value | | | |
|--|-----------------|---------|---------|-----------------|
| | Carrying Value | Level 1 | Level 2 | Level 3 |
| Financial Liabilities at Amortized Cost | | | | |
| (i) Borrowings | - | - | - | - |
| (ii) Lease Liability | 0.51 | - | - | 0.51 |
| (iii) Other Financial Liabilities | 3,343.76 | - | - | 3,343.76 |
| Total | 3,344.27 | - | - | 3,344.27 |

The management assessed that cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties. The following methods and assumptions were used to estimate the fair values:

- The fair value of investments in mutual fund units is based on the Net Asset Value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors
- Investment in subsidiaries and joint ventures are classified as equity investments have been accounted at historical cost. since these are scope out of Ind AS 109 for the purposes of measurement, the same have not been disclosed in the tables above.

* During the financial year 2023-24 and 2022-23, there were no transfer between Level 1, Level 2 and Level 3 fair value measurements.

31 B. Financial Risk Management

The Company's principal financial liabilities comprise borrowings, trade, lease liability and other payables. The Company's principal financial assets include loans to related parties, trade and other receivables, and cash and short-term deposits that derive directly from its operations. The Company also holds investment in mutual funds, tax free bonds and Government securities. The Company's activities expose it to some of the financial risks: market risk, credit risk and liquidity risk.

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended March 31, 2024

a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instruments will fluctuate because of changes in market prices. Market risk comprises Foreign currency risk and Interest rate risk. Financial instruments affected by market risk includes borrowings, trade receivables, trade payable and other non derivative financial instruments.

(i) Foreign Currency Risk

The Company operates internationally and is exposed to insignificant foreign currency risk (since receipts & payments in foreign currency are generally matched) arising from foreign currency transactions, primarily with respect to the USD, EURO, BDT, DZD, LKR, JPY, MMK and ZAR. Significant foreign currency risk of group are naturally hedged.

As of March 31, 2024 and March 31, 2023, every 5% increase or decrease of the respective foreign currency would impact our profit before tax by approximately ₹ 2.45 crore and ₹ 5.67 crore respectively.

The Company's significant exposure to foreign currency risk at the end of reporting period are as follows:

As at 31 March 2024

(₹ in crore)

| Particulars | USD | EURO | DZD | BDT | LKR | MYR | JPY | MMK | ZAR | Total |
|------------------------|---------------|---------------|---------------|-------------|--------------|-------------|---------------|--------------|--------------|-----------------|
| Assets | | | | | | | | | | |
| Trade Receivables | 22.85 | 75.12 | 46.64 | - | - | - | 47.27 | - | - | 191.88 |
| Cash & Bank Balances | 184.32 | 237.44 | 60.99 | 2.07 | 3.95 | 5.09 | 60.17 | 0.34 | 78.56 | 632.93 |
| Advance to Contractors | 0.14 | - | - | 5.16 | - | - | 32.92 | 76.95 | - | 115.17 |
| Other Assets | 7.89 | 5.35 | 68.08 | - | 6.74 | - | 9.92 | - | - | 97.98 |
| Total | 215.20 | 317.91 | 175.71 | 7.23 | 10.69 | 5.09 | 150.28 | 77.29 | 78.56 | 1,037.96 |
| Liabilities | | | | | | | | | | |
| Trade Payables | 3.02 | 30.79 | 11.24 | 2.63 | 23.36 | - | - | 5.97 | - | 77.01 |
| Advance from Client | 55.80 | - | - | - | - | - | 541.55 | - | - | 597.35 |
| Other Liabilities | 25.68 | 8.02 | 261.54 | - | 4.85 | - | 14.27 | 0.19 | - | 314.55 |
| Total | 84.50 | 38.81 | 272.78 | 2.63 | 28.21 | - | 555.82 | 6.16 | - | 988.91 |

As at 31 March 2023

(₹ in crore)

| Particulars | USD | EURO | DZD | BDT | LKR | MYR | JPY | MMK | ZAR | Total |
|------------------------|---------------|---------------|---------------|-------------|--------------|--------------|---------------|--------------|-------------|---------------|
| Assets | | | | | | | | | | |
| Trade Receivables | 42.76 | 40.87 | 46.67 | 0.98 | - | 0.77 | 12.29 | - | - | 144.34 |
| Cash & Bank Balances | 46.08 | 161.30 | 1.44 | 2.80 | 2.37 | 0.91 | 113.97 | 25.88 | 0.01 | 354.76 |
| Advance to Contractors | 34.96 | - | 0.19 | 4.03 | - | - | 32.91 | - | - | 72.09 |
| Other Assets | 4.18 | - | 179.49 | - | 1.65 | 12.36 | - | - | 0.37 | 198.05 |
| Total | 127.98 | 202.17 | 227.79 | 7.81 | 4.02 | 14.04 | 159.17 | 25.88 | 0.38 | 769.24 |
| Liabilities | | | | | | | | | | |
| Trade Payables | 13.56 | 34.46 | 22.80 | 9.59 | 11.34 | - | - | 2.52 | - | 94.27 |
| Advance from Client | 74.48 | - | - | - | - | - | 221.25 | - | - | 295.73 |
| Other Liabilities | 4.82 | 2.67 | 252.23 | - | 2.96 | 0.63 | - | 2.50 | - | 265.81 |
| Total | 92.86 | 37.13 | 275.03 | 9.59 | 14.30 | 0.63 | 221.25 | 5.02 | - | 655.81 |

(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, Govt. Securities 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.

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended March 31, 2024

The Company is exposed to credit risk for guarantees given. The Company's maximum exposure in this respect is the maximum amount the Company may have to pay if the guarantee is called on (see Note 37). Based on expectations at the end of the reporting period, the Company considers that it is more likely that such an amount will not be payable under the arrangement.

Trade and other receivable

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment.

Exposure to Credit Risk

(₹ in crore)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|--|------------------------|------------------------|
| Financial Assets for which allowance is measured using Lifetime Expected Credit Losses (LECL) | | |
| Non Current Investments | 2,275.88 | 2,037.60 |
| Non Current Loans | 279.10 | 315.84 |
| Other Non Current Financial Assets | 24.63 | 19.28 |
| Current Investments | 563.51 | 99.99 |
| Cash and Cash Equivalents | 1,828.88 | 2,168.41 |
| Other Bank Balances | 2,600.25 | 2,616.91 |
| Current Loans | 35.80 | 30.14 |
| Other Current Financial Assets | 314.16 | 385.16 |
| Financial Assets for which allowance is measured using Simplified Approach | | |
| Trade Receivables | 999.40 | 901.94 |
| Contract Assets | 1,573.56 | 1,257.44 |

Summary of change in loss allowances measured using Simplified approach

(₹ in crore)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|-----------------------------|------------------------|------------------------|
| Opening Allowances | 40.17 | 37.52 |
| Provided during the year | 20.35 | 3.46 |
| Utilization during the year | (0.62) | (0.81) |
| Amount written-off | - | - |
| Closing Allowances | 59.90 | 40.17 |

During the year, the Company has recognised loss allowance of ₹ 20.35 crore (31st March, 2023 : ₹ 3.46 crore).

Summary of change in loss allowances measured using Lifetime Expected Credit Losses (LECL) approach

(₹ in crore)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|-----------------------------|------------------------|------------------------|
| Opening Allowances | 28.40 | 8.57 |
| Provided during the year | 0.35 | 20.00 |
| Utilization during the year | (0.01) | (0.17) |
| Amount written-off | - | - |
| (Exchange gain) / loss | (0.01) | - |
| Closing Allowances | 28.74 | 28.40 |

During the year, the Company has recognised loss allowance of ₹ 0.35 crore (31st March, 2023 : ₹ 20 crore).

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended March 31, 2024

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 NHA bonds bear a fixed rate of interest thus they are not affected by the change in bond yield rates and the mutual funds are highly liquid assets which are paid out monthly and re-invested.

The table below provides details regarding the significant financial liabilities as at 31st March, 2024 and 31st March, 2023

(₹ in crore)

| Particulars | As on 31st March, 2024 | | |
|-----------------------------|------------------------|-----------|-------------------|
| | Less than 1 Year | 1-2 years | 2 years and above |
| Borrowings | - | - | - |
| Trade payables | 854.37 | - | - |
| Lease Liability | 0.72 | 0.66 | 1.86 |
| Other financial liabilities | 2,792.81 | 758.29 | - |

| Particulars | As on 31st March, 2023 | | |
|-----------------------------|------------------------|-----------|-------------------|
| | Less than 1 Year | 1-2 years | 2 years and above |
| Borrowings | - | - | - |
| Trade payables | 811.41 | - | - |
| Lease Liability | 0.09 | 0.42 | - |
| Other financial liabilities | 2,690.76 | 653.00 | - |

d) Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

The following table gives details in respect of revenues generated from top five projects.

(₹ in crore)

| Particulars | For the year ended | |
|-----------------------------|------------------------|------------------------|
| | As at 31st March, 2024 | As at 31st March, 2023 |
| Revenue from top 5 Projects | 5,453.28 | 6,107.15 |
| | 5,453.28 | 6,107.15 |

31 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 :-

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For The Year Ended March 31, 2024

(₹ in crore)

| Particulars | As on 31 March, 2024 | |
|---------------|----------------------|-------------------|
| | Less than 1 Year | 2 years and above |
| Dividend Paid | 282.15 | 230.42 |
| Total | 282.15 | 230.42 |

The BoD has recommended a final Dividend of ₹ 1.30 per equity share on face value of ₹2/- for the financial year 2023-24, subject to the approval of the shareholders at the AGM. This is in addition to Interim Dividend paid @ 1.80 per equity share on face value of ₹ 2/-.

Further, the Company manages its capital structure to make adjustments in light of changes in economic conditions and the requirements of the financial covenants.

32. Employee Benefits

Disclosures in compliance with Ind AS 19 "Employee Benefits" are as under:

(a) Defined Contribution Plans – General Description

Pension

The Company has implemented IRCON Defined Contribution Superannuation Pension Scheme, 2009 i.e. April 01, 2009, for all regular employees drawing pay in IDA scale irrespective of their length of service except for those employees who joined before January 01, 2017 but would superannuate/resign after January 01, 2017, before completing 15 years of service, in such case Employer contribution towards pension would be effective from January 01, 2017 only. The scheme was managed by a Separate Trust formed in the year 2015-16 for this purpose and approved by the Income Tax Authorities.

In FY 2023-24, the Board of Directors in its 286th meeting held on 11th May, 2023 has approved for shifting of IRCON Defined Contribution Superannuation Pension Scheme, 2009 maintained with LIC to National Pension Scheme (NPS).

Company's share of contribution amounting to ₹ 9.35 crore (₹ 9.17 crore) has been paid and accounted for during the FY 2023-24 out of which ₹ 4.72 crore for the period from October 1st, 2023 to March 31st, 2024 has been paid to NPS.

(b) Defined Benefit Plans – General Description

Provident fund

The Company pays fixed contribution of Provident Fund at a pre-determined rate to a separate trust (IRCON Contributory Provident Fund Trust), which invests the funds in permitted securities. The trust is required to pay a minimum rate of interest on contribution to the members of the trust. The trust is approved by the Income Tax Authorities. The Company has an obligation to make good the shortfall, if any, between the return from the investment of the trust and the interest payment based on the notified interest rate.

During the period, the Company has contributed ₹ 15.78 crore (₹ 13.64 crore) to the trust towards employer's contribution for provident fund.

Gratuity

The Company has implemented IRCON Employees Group Gratuity Scheme to provide financial assistance to the employees of the Company as a social security measure on the termination of their employment due to superannuation, retirement, resignation, physical incapacitation or death. The scheme is managed by a separate trust formed in the year 2015-16 for this purpose and approved by the Income Tax Authorities. Funds of the Trust are managed by LIC of India. As at March 31, 2024 a liability of ₹ 3.81 crore (₹ 7.17 crore) has been booked in the books of accounts based on the actuarial valuation.

Post Retirement Medical Benefit (PRMB)

The Company had established an irrevocable trust by initial one-time contribution of ₹ 12.00 crore during the year 2000-01 for providing annuity, medical and other benefits to the spouse of employees who die in harness as a voluntary welfare measure for which the Company is not liable for providing such benefit to its employees. Further, the Company provides medical benefits to its employees (and spouse) who superannuate from the Company. The Company has contributed ₹ 5.17 crore (₹ 5.26 crore) based on DPE guidelines on Superannuation Benefits.

Other Retirement Benefits – General Description

Other retirement benefits include settlement at home-town or to the place where he/she or his/her family intends to settle in India including Baggage Allowance. The liability on this account is recognized on the basis of actuarial valuation.

The summarised position of various employee benefits recognised in the statement of profit and loss and balance sheet as on March 31, 2024 is as under:

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended March 31, 2024

i) Changes in the present value of the defined benefit obligation are (₹ in crore)

| Particulars | Provident Fund | | Gratuity | | Post Retirement Medical Benefit Plan | | Other Retirement Benefit | |
|--|------------------------|------------------------|------------------------|------------------------|--------------------------------------|------------------------|--------------------------|------------------------|
| | As at 31st March, 2024 | As at 31st March, 2023 | As at 31st March, 2024 | As at 31st March, 2023 | As at 31st March, 2024 | As at 31st March, 2023 | As at 31st March, 2024 | As at 31st March, 2023 |
| Defined benefit obligation at the beginning of the period | 453.76 | 427.10 | 90.19 | 81.37 | 138.83 | 131.23 | 1.15 | 1.20 |
| Current service cost | 41.21 | 40.54 | 3.75 | 3.65 | 3.90 | 3.43 | 0.07 | 0.06 |
| Past service cost | - | - | 1.18 | 4.97 | - | - | - | - |
| Interest cost | 35.18 | 33.82 | 6.60 | 5.79 | 10.16 | 9.33 | 0.08 | 0.08 |
| Benefits paid | (84.61) | (47.55) | (20.23) | (3.62) | (3.80) | (4.30) | (0.03) | (0.04) |
| Actuarial loss / (gain) on obligations | 3.06 | (0.14) | (2.19) | (1.97) | 6.62 | (0.86) | (0.13) | (0.16) |
| Defined benefit obligation at the end of the period | 448.60 | 453.76 | 79.30 | 90.19 | 155.71 | 138.83 | 1.15 | 1.15 |

ii) Changes in fair value of plan assets (₹ in crore)

| Particulars | Provident Fund | | Gratuity | | Post Retirement Medical Benefit Plan | | Other Retirement Benefit | |
|---|------------------------|------------------------|------------------------|------------------------|--------------------------------------|------------------------|--------------------------|------------------------|
| | As at 31st March, 2024 | As at 31st March, 2023 | As at 31st March, 2024 | As at 31st March, 2023 | As at 31st March, 2024 | As at 31st March, 2023 | As at 31st March, 2024 | As at 31st March, 2023 |
| Fair value of plan assets at the beginning of the period | 450.30 | 424.56 | 83.03 | 76.68 | 117.58 | 110.29 | - | - |
| Contribution by employer & employee | 41.21 | 40.54 | 7.17 | 4.69 | 5.26 | 4.64 | - | - |
| Benefits paid | (84.61) | (47.55) | (20.23) | (3.62) | (3.80) | (4.30) | - | - |
| Interest income | 37.57 | 32.75 | 5.73 | 5.57 | 9.32 | 6.95 | - | - |
| Opening Adjustment as per Balance Sheet | 1.59 | - | - | - | - | - | - | - |
| Short Fall of Interest for FY 22-23 paid by employer | 2.46 | - | - | - | - | - | - | - |
| Provision for Stressed assets | (25.32) | - | - | - | - | - | - | - |
| Return on plan asset excluding interest income | - | - | - | - | - | - | - | - |
| LIC mortality charges | - | - | (0.21) | (0.30) | - | - | - | - |
| Fair value of plan assets at the end of the period | 423.20 | 450.30 | 75.49 | 83.03 | 128.36 | 117.58 | - | - |

iii) Reconciliation of fair value of plan assets and defined benefit obligation: (₹ in crore)

| Particulars | Provident Fund | | Gratuity | | Post Retirement Medical Benefit Plan | | Other Retirement Benefit | |
|---|------------------------|------------------------|------------------------|------------------------|--------------------------------------|------------------------|--------------------------|------------------------|
| | As at 31st March, 2024 | As at 31st March, 2023 | As at 31st March, 2024 | As at 31st March, 2023 | As at 31st March, 2024 | As at 31st March, 2023 | As at 31st March, 2024 | As at 31st March, 2023 |
| Fair value of plan assets | 423.20 | 450.30 | 75.49 | 83.03 | 128.36 | 117.58 | - | - |
| Defined benefit obligation | 448.60 | 453.76 | 79.30 | 90.19 | 155.71 | 138.83 | 1.15 | 1.15 |
| Amount recognised in the Balance Sheet | (25.40) | (3.46) | (3.81) | (7.16) | (27.35) | (21.25) | (1.15) | (1.15) |

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended March 31, 2024

iv) Amount recognised in Statement of profit and loss:

(₹ in crore)

| Particulars | Provident Fund | | Gratuity | | Post Retirement Medical Benefit Plan | | Other Retirement Benefit | |
|--|------------------------|------------------------|------------------------|------------------------|--------------------------------------|------------------------|--------------------------|------------------------|
| | As at 31st March, 2024 | As at 31st March, 2023 | As at 31st March, 2024 | As at 31st March, 2023 | As at 31st March, 2024 | As at 31st March, 2023 | As at 31st March, 2024 | As at 31st March, 2023 |
| Current service cost | 13.19 | 13.67 | 3.75 | 3.65 | 3.90 | 3.43 | 0.07 | 0.06 |
| Past service cost | - | - | 1.18 | 4.97 | - | - | - | - |
| Net interest expense | - | - | 0.52 | 0.33 | 1.56 | 1.49 | 0.08 | 0.08 |
| Amount recognised in statement of Profit and Loss | 13.19 | 13.67 | 5.45 | 8.95 | 5.46** | 4.92 | 0.15 | 0.15 |

v) Amount recognised in Other Comprehensive Income:

(₹ in crore)

| Particulars | Provident Fund | | Gratuity | | Post Retirement Medical Benefit Plan | | Other Retirement Benefit | |
|---|------------------------|------------------------|------------------------|------------------------|--------------------------------------|------------------------|--------------------------|------------------------|
| | As at 31st March, 2024 | As at 31st March, 2023 | As at 31st March, 2024 | As at 31st March, 2023 | As at 31st March, 2024 | As at 31st March, 2023 | As at 31st March, 2024 | As at 31st March, 2023 |
| Actuarial changes arising from changes in demographic assumptions | - | - | - | - | - | - | - | - |
| Actuarial changes arising from changes in financial assumptions | 0.03 | 0.01 | (0.45) | 1.03 | (1.23) | 2.52 | 0.01 | (0.02) |
| Experience adjustments | 3.04 | 0.14 | 2.64 | 0.94 | (5.38) | (1.66) | (0.14) | (0.14) |
| Return on Plan Assets excluding Interest Income | (2.39) | (1.06) | (0.55) | (0.18) | 0.72 | (0.89) | - | - |
| Amount recognised in Other Comprehensive Income | 0.68 | (0.92) | 1.64 | 1.79 | 5.89** | (0.03) | (0.13) | (0.16) |

** The liability towards Post retirement medical benefit has been provided based on DPE guidelines on Superannuation Benefits. Therefore, the liability as per actuarial valuation has not been considered.

vi) The major categories of plan assets of the fair value of the total plan assets are as follows:

| Particulars | Provident Fund | | Gratuity | | Post Retirement Medical Benefit Plan | | Other Retirement Benefit | |
|----------------------------------|------------------------|------------------------|------------------------|------------------------|--------------------------------------|------------------------|--------------------------|------------------------|
| | As at 31st March, 2024 | As at 31st March, 2023 | As at 31st March, 2024 | As at 31st March, 2023 | As at 31st March, 2024 | As at 31st March, 2023 | As at 31st March, 2024 | As at 31st March, 2023 |
| Government of India securities | 59.16% | 59.16% | - | - | 6.74% | 6.74% | - | - |
| State Government securities | - | - | - | - | 43.96% | 43.96% | - | - |
| Central & State Guaranteed Bonds | - | - | - | - | 5.99% | 5.99% | - | - |
| High quality corporate bonds | 37.09% | 37.09% | - | - | 14.30% | 14.30% | - | - |
| PSU Bond | - | - | - | - | 19.53% | 19.53% | - | - |
| PSU Basel III Tier I Bonds | - | - | - | - | 8.51% | 8.51% | - | - |
| Debt Mutual Fund | 0.24% | 0.24% | - | - | 0.29% | 0.29% | - | - |
| ETF/INDEX/Equity Mutual Fund | 3.25% | 3.25% | - | - | 0.67% | 0.67% | - | - |
| Fund Managed by Insurer | - | 0.26% | 100% | 100% | - | - | - | - |
| Bank Balance | 0.26% | - | - | - | - | - | - | - |
| Total | 100% | 100% | 100% | 100% | 100% | 100% | 0% | 0% |

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended March 31, 2024

vii) The principal assumptions used in determining PF/ gratuity/PRMB/Retirement Allowance liability for the Company's plans are shown below:

| Particulars | Provident Fund | | Gratuity | | Post Retirement Medical Benefit Plan | | Retirement Allowance | |
|---|------------------------|------------------------|------------------------|------------------------|--------------------------------------|------------------------|------------------------|------------------------|
| | As at 31st March, 2024 | As at 31st March, 2023 | As at 31st March, 2024 | As at 31st March, 2023 | As at 31st March, 2024 | As at 31st March, 2023 | As at 31st March, 2024 | As at 31st March, 2023 |
| Discount rate | 7.23% | 7.32% | 7.23% | 7.32% | 7.23% | 7.32% | 7.23% | 7.32% |
| Future Salary increase/Expected Statutory Interest Rate | 8.25% | 8.15% | 7.50% | 7.50% | 7.50% | 7.50% | 7.50% | 7.50% |
| Mortality rate | 100% IALM (2012-14) | 100% IALM (2012-14) | 100% IALM (2012-14) | 100% IALM (2012-14) | 100% IALM (2012-14) | 100% IALM (2012-14) | 100% IALM (2012-14) | 100% IALM (2012-14) |

viii) Quantitative sensitivity analysis for significant assumption shown above as at 31 March is as shown below:

(₹ in crore)

| Particulars | PF Plan (Impact on DBO) | | Gratuity Plan (Impact on DBO) | | PRMB (Impact on DBO) | | Retirement Allowance (Impact on DBO) | |
|---|-------------------------|------------------|-------------------------------|------------------|----------------------|------------------|--------------------------------------|------------------|
| | 31st March, 2024 | 31st March, 2023 | 31st March, 2024 | 31st March, 2023 | 31st March, 2024 | 31st March, 2023 | 31st March, 2024 | 31st March, 2023 |
| Present value of obligation at the end of period | 448.60 | 453.76 | 79.30 | 90.19 | 155.71 | 138.83 | 1.15 | 1.15 |
| Discount rate | 7.23% | 7.32% | 7.23% | 7.32% | 7.23% | 7.32% | 7.23% | 7.32% |
| Increase by 0.50% | (0.07) | (0.02) | (2.43) | (2.33) | (5.56) | (5.24) | (0.04) | (0.04) |
| Decrease by 0.50% | 0.07 | 0.02 | 2.62 | 2.51 | 5.66 | 5.33 | 0.05 | 0.05 |
| Future Salary Increases/Expected Statutory Interest Rate | 8.25% | 8.15% | 7.50% | 7.50% | 7.50% | 7.50% | 7.50% | 7.50% |
| Increase by 0.50% | - | - | 1.04 | 1.05 | - | - | 0.05 | 0.05 |
| Decrease by 0.50% | - | - | (1.09) | (1.09) | - | - | (0.04) | (0.04) |

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions shown above occurring at the end of the reporting period.

Sensitivities due to mortality and withdrawals are insignificant and hence ignored.

Sensitivities as to rate of inflation, rate of increase of pensions in payments, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.

ix) Expected contribution for next annual reporting period

The expected contribution to the defined benefit plan for next annual reporting period is ₹ 24.64 crore.

x) Maturity profile of defined benefit obligation is as under

(₹ in crore)

| Duration of defined benefit obligation duration (years) | Provident Fund | Gratuity | Post Retirement Medical Benefit Plan | Retirement Allowance |
|---|----------------|--------------|--------------------------------------|----------------------|
| 1 | 104.64 | 17.20 | 6.27 | 0.14 |
| 2 | 119.29 | 10.01 | 16.38 | 0.17 |
| 3 | | 6.48 | 5.07 | 0.09 |
| 4 | | 6.57 | 4.96 | 0.09 |
| 5 | | 4.91 | 3.59 | 0.06 |
| 6 | 224.67 | 3.77 | 3.20 | 0.06 |
| 6 year onward | | 30.36 | 116.24 | 0.52 |
| Total | 448.60 | 79.30 | 155.71 | 1.13 |

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended March 31, 2024

Risk analysis

Company is exposed to a number of risks in the defined benefit plan. Most significant risks pertaining to defined benefits plan, and management's estimation of the impact of these risks are as follows:

a) Interest risk

A decrease in the interest rate on plan assets will increase the plan liability.

b) Longevity risk/ Life expectancy

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and at the end of the employment. An increase in the life expectancy of the plan participants will increase the plan liability.

c) Salary growth risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

33. Related Party Transactions

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

a) List of Related Parties

(i) Subsidiary Companies

Ircon Infrastructure and Services Limited
 Ircon PB Tollway Limited
 Ircon Shivpuri Guna Tollway Limited
 Ircon Davanagere Haveri Highway Limited
 Ircon Vadodara Kim Expressway Limited
 Ircon Gurgaon Rewari Highway Limited
 Ircon Akloli Shirsad Expressway Limited
 Ircon Ludhiana Rupnagar Highway Limited
 Ircon Bhoj Morbe Expressway Limited
 Ircon Haridwar Bypass Limited
 Ircon Renewable Power Limited

(ii) Joint Venture Companies

Ircon-Soma Tollway Private Limited
 Chhattisgarh East Railway Limited
 Chhattisgarh East-West Railway Limited
 Mahanadi Coal Railway Limited
 Jharkhand Central Railway Limited
 Bastar Railway Private Limited
 Indian Railway Stations Development Corporation Limited

(iii) Unincorporated Joint Ventures (Joint Operations)

Joint Operations in Operation

Express Freight Consortium
 Express Freight Railway Consortium

Completed Joint Operations

International Metro Civil Contractor
 Metro Tunnelling Group
 IRCON-AFCONS

Financially Closed Joint Operations

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

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended March 31, 2024

(iv) Key Management Personnel (KMP)

Whole Time Directors

| Name | Designation |
|---------------------------------------|--|
| Shri Brijesh Kumar Gupta ¹ | CMD & Chief Executive Officer (CEO) (Ceased w.e.f. 29.04.2024) |
| Shri Ashish Bansal ² | CMD & Chief Executive Officer (CEO) |
| Smt. Ragini Advani | Director (Finance) |
| Shri Parag Verma | Director (Works) |
| Shri Anand Kumar Singh ³ | Director (Projects) |

- Shri Yogesh Kumar Misra, Chairman & Managing Director and CEO – IRCON, relinquished the charge of the post of Chairman & Managing Director (CMD) w.e.f. April 29, 2023 hence he ceased to be CMD and CEO of the Company.

Shri Brijesh Kumar Gupta, Additional Member (CE), Railway Board and Government Nominee (Part-Time Official) Director, IRCON has assumed the additional charge of Chairman & Managing Director, IRCON in addition to his own duties on April 29, 2023 until further orders of Ministry of Railways.

Shri Brijesh Kumar Gupta (DIN: 10092756), has relinquished the additional charge of the post of Chairman & Managing Director (CMD) w.e.f. April 29, 2024 hence he ceased to be CMD and CEO of the Company.

- Shri Ashish Bansal, IRSE, PED/Tr. (M&MC), Railway Board [DIN:10328174] has assumed the additional charge of Chairman & Managing Director on the Board of the Company with effect from April 29, 2024 in addition to his own duties, till the appointment of regular incumbent to the post or until further orders, whichever is earlier.
- Shri Sandeep Jain, IRSE, Executive Director Planning (Civil & PSU) – Railway Board, has entrusted with the additional charge of Director (Projects) w.e.f. January 12, 2023 and ceased to be Director (Projects) (additional charge) w.e.f. July 07, 2023, due to relinquishment of charge on appointment of regular incumbent to the post of Director (Projects).

Shri Anand Kumar Singh (DIN: 07918656) has been appointed as Director (Projects) w.e.f. July 07, 2023.

Company Secretary and Chief Financial Officer

| Name | Designation |
|------------------------|--|
| Ms. Ritu Arora | Company Secretary (Ceased w.e.f. 16.11.2023) |
| Shri B. Mugunthan | Chief Financial Officer (CFO) |
| Smt. Pratibha Aggarwal | Company Secretary (Appointed w.e.f. 21.05.2024) |
| Smt. Pooja Gurwala | Company Secretary (Appointed w.e.f. 28.11.2023) (Ceased w.e.f. 21.05.2024) |

Other Directors

Government Nominee Part-Time (Official) Directors

| Name | Designation |
|---------------------------------------|--|
| Shri Dhananjaya Singh | Government Nominee Part-Time (Official) Director |
| Shri Brijesh Kumar Gupta ⁴ | Government Nominee Part-Time (Official) Director |
| Shri Ajay Kumar Chauhan | Independent Part-time (Non-Official) Director |
| Shri Dipendra Kumar Gupta | Independent Part-time (Non-Official) Director |
| Smt. Ranjana Upadhyay | Independent Part-time (Non-Official) Director |
| Dr. Kartik Chandulal Bhadra | Independent Part-time (Non-Official) Director |

- Shri Brijesh Kumar Gupta, Additional Member (CE), Railway Board [DIN:10092756] has been re-designated as Government Nominee (Part-Time Official) Director of the Company w.e.f. April 29, 2024.

(v) Post Employment Benefit Plans

Ircon Gratuity Trust

Ircon Employees Contributory PF Trust

Ircon Medical Trust

Ircon Defined Contribution Superannuation Pension Scheme, 2009 Trust

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended March 31, 2024

(vi) Government Related Entities:

The Company is a Central Public Sector Enterprise (CPSE) under the Ministry of Railways. The Company is controlled by Government of India (GOI), by holding 65.17 % of equity shares in the name of President of India as at 31st March, 2024. Pursuant to Para 25 and 26 of Ind AS 24, entities over which the same government has control or joint control of, or significant influence, then the reporting entity and other entities shall be regarded as related parties. Transactions with these parties are carried out at market terms at arm length basis. The Company has applied the exemption available for government related entities and have made limited disclosures in the financial statements.

The Company has significant transaction with the following government related entities:

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

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

(₹ in crore)

| S.No. | Particulars | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|-------|-------------------------------------|---------------------------------------|---------------------------------------|
| 1 | Short term employment benefits (i) | 2.28 | 2.71 |
| 2 | Post-employment benefits | 0.70 | 1.40 |
| 3 | Other long-term employment benefits | 0.57 | 0.82 |
| 4 | Sitting fees | 0.18 | 0.17 |
| | Total | 3.73 | 5.10 |

Note :

- Figures of FY 2023-24 include PRP of **Rs. 0.31 crore** paid during the year for previous years on provisional basis (For FY 2022-23 include PRP of Rs. 0.22 crore paid during the year for FY 2021-22 on provisional basis).
- Recovery as applicable has been made from Directors who have been provided with Company accommodation and car.

Transactions with other related parties are as follows:

(₹ in crore)

| S. No. | Nature of transaction | Name of related party | Nature of relationship | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|------------|-----------------------------------|---|-------------------------|------------------------------------|------------------------------------|
| 1 | Sale of goods and services | | | | |
| 1.1 | Contract Revenue | Ircon Infrastructure and Services Limited | Subsidiary Companies | 0.23 | 0.23 |
| | | Ircon Shivpuri Guna Tollway Limited | Subsidiary Companies | 45.70 | 27.92 |
| | | Ircon Davanagere Haveri Highway Limited | Subsidiary Companies | 114.55 | (4.61) |
| | | Ircon Vadodara Kim Expressway Limited | Subsidiary Companies | 23.92 | 236.61 |
| | | Ircon Gurgaon Rewari Highway Limited | Subsidiary Companies | 217.29 | 144.12 |
| | | Ircon Akloli-Shirsad Expressway Limited | Subsidiary Companies | 311.86 | 63.45 |
| | | Ircon Ludhiana Rupnagar Highway Limited | Subsidiary Companies | 450.64 | 23.03 |
| | | Ircon Bhoj Morbe Expressway Limited | Subsidiary Companies | 392.08 | 22.81 |
| | | Ircon Haridwar Bypass Limited | Subsidiary Companies | 206.31 | 64.23 |
| | | Chhattisgarh East Railway Limited | Joint Venture Companies | 40.50 | 128.94 |

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended March 31, 2024

| S. No. | Nature of transaction | Name of related party | Nature of relationship | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|------------|---|---|-----------------------------|------------------------------------|------------------------------------|
| | | Chhattisgarh East-West Railway Limited | Joint Venture Companies | 619.56 | 497.18 |
| | | Mahanadi Coal Railway Limited | Joint Venture Companies | 15.62 | 92.14 |
| | | Jharkhand Central Railway Limited | Joint Venture Companies | 333.48 | 144.02 |
| | | Bastar Railway Private Limited | Joint Venture Companies | - | (1.59) |
| | | Ministry of Railways | Government Related Entities | 7,161.46 | 6,891.15 |
| 1.2 | Rent Income | Ircon Infrastructure and Services Limited | Subsidiary Companies | 0.62 | 0.67 |
| | | Ircon PB Tollway Limited | Subsidiary Companies | 0.03 | 0.03 |
| | | Ircon Shivpuri Guna Tollway Limited | Subsidiary Companies | 0.03 | 0.03 |
| | | Ircon Davanagere Haveri Highway Limited | Subsidiary Companies | 0.03 | 0.03 |
| | | Ircon Vadodara Kim Expressway Limited | Subsidiary Companies | 0.03 | 0.03 |
| | | Ircon Gurgaon Rewari Highway Limited | Subsidiary Companies | 0.04 | 0.04 |
| | | Ircon Akloli-Shirsad Expressway Limited | Subsidiary Companies | 0.03 | 0.03 |
| | | Ircon Ludhiana Rupnagar Highway Limited | Subsidiary Companies | 0.03 | 0.03 |
| | | Ircon Bhoj Morbe Expressway Limited | Subsidiary Companies | 0.03 | 0.03 |
| | | Ircon Haridwar Bypass Limited | Subsidiary Companies | 0.03 | 0.03 |
| | | Ircon Renewable Power Limited | Subsidiary Companies | 0.03 | 0.03 |
| | | Ircon-Soma Tollway Private Limited | Joint Venture Companies | 0.04 | 0.04 |
| | | Rail Land Development Authority | Government Related Entities | 0.10 | 0.08 |
| 2 | Purchase of goods and services | Ircon Infrastructure and Services Limited | Subsidiary Companies | 9.39 | 6.85 |
| 3 | Reimbursement of Deputation Staff Expenses, Rent & Other Misc. Expenses (Income) | Ircon Infrastructure and Services Limited | Subsidiary Companies | 2.98 | 3.73 |
| | | Ircon PB Tollway Limited | Subsidiary Companies | 0.30 | 0.62 |
| | | Ircon Shivpuri Guna Tollway Limited | Subsidiary Companies | 0.54 | 0.88 |
| | | Ircon Davanagere Haveri Highway Limited | Subsidiary Companies | 0.39 | 0.30 |
| | | Ircon Vadodara Kim Expressway Limited | Subsidiary Companies | 0.38 | 0.67 |
| | | Ircon Gurgaon Rewari Highway Limited | Subsidiary Companies | 0.50 | 0.53 |
| | | Ircon Akloli-Shirsad Expressway Limited | Subsidiary Companies | 0.21 | 0.10 |
| | | Ircon Ludhiana Rupnagar Highway Limited | Subsidiary Companies | 0.19 | 0.17 |
| | | Ircon Bhoj Morbe Expressway Limited | Subsidiary Companies | 0.43 | 0.09 |
| | | Ircon Haridwar Bypass Limited | Subsidiary Companies | 0.16 | 0.13 |
| | | Ircon Renewable Power Limited | Subsidiary Companies | 0.01 | 0.05 |

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended March 31, 2024

| S. No. | Nature of transaction | Name of related party | Nature of relationship | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|------------|--|---|-----------------------------|------------------------------------|------------------------------------|
| | | Ircon-Soma Tollway Private Limited | Joint Venture Companies | 0.92 | 0.30 |
| | | Chhattisgarh East Railway Limited | Joint Venture Companies | 0.33 | 0.94 |
| | | Chhattisgarh East-West Railway Limited | Joint Venture Companies | 0.64 | - |
| | | Mahanadi Coal Railway Limited | Joint Venture Companies | 0.42 | 1.62 |
| | | Jharkhand Central Railway Limited | Joint Venture Companies | 0.35 | 0.29 |
| | | Indian Railway Stations Development Corporation Limited | Joint Venture Companies | 0.06 | 0.30 |
| 4 | Interest Income | | | | |
| 4.1 | Interest Income on loans | Ircon PB Tollway Limited | Subsidiary Companies | 16.31 | 18.73 |
| | | Ircon Davanagere Haveri Highway Limited | Subsidiary Companies | 4.15 | 3.68 |
| | | Ircon Vadodara Kim Expressway Limited | Subsidiary Companies | 5.63 | 4.19 |
| | | Chhattisgarh East Railway Limited | Joint Venture Companies | 0.29 | - |
| | | Chhattisgarh East-West Railway Limited | Joint Venture Companies | 0.78 | 0.90 |
| 4.2 | Interest Income on Advances | Mahanadi Coal Railway Limited | Joint Venture Companies | 3.30 | - |
| | | Rail Land Development Authority | Government Related Entities | 2.07 | 56.03 |
| 4.3 | Interest Income on Bonds | Indian Railway Finance Corporation | Government Related Entities | 10.85 | 14.57 |
| 4.4 | Dividend Income | Ircon Infrastructure and Services Limited | Subsidiary Companies | 2.50 | - |
| | | Ircon-Soma Tollway Private Limited | Joint Venture Companies | 69.50 | 69.00 |
| 5 | Dividend / Profit on sale of investment | | | | |
| 5.1 | Dividend distribution | Ministry of Railways | Government Related Entities | 206.48 | 168.62 |
| 5.2 | Profit on Sale of Investment Passed on | Ministry of Railways | Government Related Entities | 9.50 | - |
| 6 | Interest Expense | | | | |
| 6.1 | Interest Expense on Advance | Ircon Akloli-Shirsad Expressway Limited | Subsidiary Companies | 4.92 | 0.42 |
| | | Ircon Haridwar Bypass Limited | Subsidiary Companies | 2.45 | 1.04 |
| | | Ircon Gurgaon Rewari Highway Limited | Subsidiary Companies | 0.65 | - |
| 6.2 | Interest Expense Passed on | Ministry of Railways | Government Related Entities | 60.90 | 119.89 |
| | | Mahanadi Coal Railway Limited | Joint Venture Companies | 0.20 | 0.07 |
| 6.3 | Interest Expense on Loan | Indian Railway Finance Corporation | Government Related Entities | 2.07 | 56.03 |
| 7 | Investment in Equity Shares | Ircon Akloli-Shirsad Expressway Limited | Subsidiary Companies | 4.29 | - |
| | | Ircon Ludhiana Rupnagar Highway Limited | Subsidiary Companies | 3.57 | - |
| | | Ircon Bhoj Morbe Expressway Limited | Subsidiary Companies | 5.15 | - |
| | | Chhattisgarh East-West Railway Limited | Joint Venture Companies | - | 36.82 |
| | | Jharkhand Central Railway Limited | Joint Venture Companies | - | 13.26 |

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended March 31, 2024

| S. No. | Nature of transaction | Name of related party | Nature of relationship | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|---|--|---|------------------------------|--------------------------------------|------------------------------------|
| 8 | Interest free Loan/Deemed equity given | Ircon Vadodara Kim Expressway Limited | Subsidiary Companies | - | 26.56 |
| | | Ircon PB Tollway Limited | Subsidiary Companies | (4.87) | (0.17) |
| | | Ircon Gurgaon Rewari Highway Limited | Subsidiary Companies | 17.00 | 53.00 |
| | | Ircon Akloli-Shirsad Expressway Limited | Subsidiary Companies | 0.10 | 51.44 |
| | | Ircon Ludhiana Rupnagar Highway Limited | Subsidiary Companies | 53.53 | 0.89 |
| | | Ircon Bhoj Morbe Expressway Limited | Subsidiary Companies | 44.69 | 6.73 |
| | | Ircon Haridwar Bypass Limited | Subsidiary Companies | 0.20 | 82.17 |
| | | Ircon Renewable Power Limited | Subsidiary Companies | 50.24 | 36.60 |
| | | Chhattisgarh East Railway Limited | Joint Venture Companies | 15.00 | - |
| | | Chhattisgarh East-West Railway Limited | Joint Venture Companies | 16.12 | - |
| | | Mahanadi Coal Railway Limited | Joint Venture Companies | 32.50 | 52.00 |
| | | Jharkhand Central Railway Limited | Joint Venture Companies | - | 64.11 |
| | | 8.1 | Financial Guarantee Contract | Ircon Gurgaon Rewari Highway Limited | Subsidiary Companies |
| Ircon Akloli-Shirsad Expressway Limited | Subsidiary Companies | | | 0.18 | - |
| Ircon Ludhiana Rupnagar Highway Limited | Subsidiary Companies | | | 0.18 | - |
| Ircon Bhoj Morbe Expressway Limited | Subsidiary Companies | | | 0.13 | - |
| Ircon Haridwar Bypass Limited | Subsidiary Companies | | | 0.22 | - |
| 9 | Loans granted | Ircon Davanagere Haveri Highway Limited | Subsidiary Companies | - | 8.37 |
| | | Ircon Vadodara Kim Expressway Limited | Subsidiary Companies | - | 34.48 |
| 10 | Recovery of Loans | Ircon PB Tollway Limited | Subsidiary Companies | 52.24 | 31.00 |
| 11 | Recovery of Advances | Rail Land Development Authority | Government Related Entities | 615.31 | 615.31 |
| 12 | Repayment of Loans | Indian Railway Finance Corporation | Government Related Entities | 615.31 | 615.31 |
| 13 | Advances Received | Ircon Gurgaon Rewari Highway Limited | Subsidiary Companies | 29.34 | 14.06 |
| | | Ircon Akloli-Shirsad Expressway Limited | Subsidiary Companies | - | 50.00 |
| | | Ircon Bhoj Morbe Expressway Limited | Subsidiary Companies | 21.63 | - |
| | | Ircon Haridwar Bypass Limited | Subsidiary Companies | - | 24.78 |

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended March 31, 2024

| S. No. | Nature of transaction | Name of related party | Nature of relationship | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|-------------|--|--|-------------------------------|------------------------------------|------------------------------------|
| | | Ircon Shivpuri Guna Tollway Limited | Subsidiary Companies | 17.50 | - |
| | | Chhattisgarh East Railway Limited | Joint Venture Companies | 0.74 | 0.03 |
| | | Chhattisgarh East-West Railway Limited | Joint Venture Companies | 65.54 | 104.15 |
| | | Mahanadi Coal Railway Limited | Joint Venture Companies | - | 4.63 |
| | | Jharkhand Central Railway Limited | Joint Venture Companies | 405.61 | 74.60 |
| | | Rail Land Development Authority | Government Related Entities | 90.00 | 40.00 |
| | | Ministry of Railways | Government Related Entities | 6,046.42 | 6,634.84 |
| 14 | Repayment of Advances | Ircon Shivpuri Guna Tollway Limited | Subsidiary Companies | - | 10.17 |
| | | Ircon Haridwar Bypass Limited | Subsidiary Companies | 4.16 | - |
| | | Chhattisgarh East Railway Limited | Joint Venture Companies | 0.08 | 22.47 |
| | | Chhattisgarh East-West Railway Limited | Joint Venture Companies | 86.59 | 31.82 |
| | | Mahanadi Coal Railway Limited | Joint Venture Companies | - | 2.41 |
| | | Jharkhand Central Railway Limited | Joint Venture Companies | 403.76 | 54.80 |
| | | Rail Land Development Authority | Government Related Entities | 140.76 | - |
| | | Ministry of Railways | Government Related Entities | 5,643.10 | 6,318.21 |
| 15 | Post Employment Benefit Plans | | | | |
| 15.1 | Contribution made during the year | Ircon Gratuity Trust | Post Employment Benefit Plans | 5.45 | 4.69 |
| | | Ircon Employees Contributory PF Trust | Post Employment Benefit Plans | 42.54 | 41.29 |
| | | Ircon Medical Trust | Post Employment Benefit Plans | 5.17 | 4.64 |
| | | Ircon Defined Contribution Superannuation Pension Scheme, 2009 Trust | Post Employment Benefit Plans | 5.74 | 11.49 |

Note :

- (i) Refer Note 37 for guarantees and other commitments with subsidiary companies, joint venture companies and joint operations.
- (ii) Purchases from Ministry of Railways are heterogeneous in nature, thus immaterial. Hence not disclosed.

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended March 31, 2024

c) Outstanding balances with the related parties are as follows:

(₹ in crore)

| S.No. | Nature of transaction | Name of related party | Nature of relationship | As at 31st March, 2024 | As at 31st March, 2023 | | |
|---|---|---|---|------------------------------------|-----------------------------|--------|--------|
| 1. | Equity Investments (Including Deemed Equity) | Ircon Infrastructure and Services Limited | Subsidiary Companies | 65.00 | 65.00 | | |
| | | Ircon PB Tollway Limited | Subsidiary Companies | 225.74 | 230.62 | | |
| | | Ircon Shivpuri Guna Tollway Limited | Subsidiary Companies | 150.19 | 150.19 | | |
| | | Ircon Davanagere Haveri Highway Limited | Subsidiary Companies | 187.69 | 187.69 | | |
| | | Ircon Vadodara Kim Expressway Limited | Subsidiary Companies | 205.98 | 205.98 | | |
| | | Ircon Gurgaon Rewari Highway Limited | Subsidiary Companies | 88.47 | 71.40 | | |
| | | Ircon Akloli Shirsad Expressway Limited | Subsidiary Companies | 56.05 | 51.49 | | |
| | | Ircon Ludhiana Rupnagar Highway Limited | Subsidiary Companies | 58.21 | 0.94 | | |
| | | Ircon Bhoj Morbe Expressway Limited | Subsidiary Companies | 56.74 | 6.78 | | |
| | | Ircon Haridwar Bypass Limited | Subsidiary Companies | 82.65 | 82.22 | | |
| | | Ircon Renewable Power Limited | Subsidiary Companies | 92.04 | 41.80 | | |
| | | Ircon-Soma Tollway Private Limited | Joint Venture Companies | 64.15 | 64.15 | | |
| | | Chhattisgarh East Railway Limited | Joint Venture Companies | 228.46 | 213.46 | | |
| | | Chhattisgarh East-West Railway Limited | Joint Venture Companies | 210.11 | 193.99 | | |
| | | Mahanadi Coal Railway Limited | Joint Venture Companies | 110.50 | 78.00 | | |
| | | Jharkhand Central Railway Limited | Joint Venture Companies | 140.37 | 140.37 | | |
| | | Bastar Railway Private Limited | Joint Venture Companies | 76.34 | 76.34 | | |
| | | Indian Railway Stations Development Corporation Limited | Joint Venture Companies | 52.00 | 52.00 | | |
| | | 2 | Investment in Bonds | Indian Railway Finance Corporation | Government Related Entities | 55.20 | 155.19 |
| | | 3 | Amount Recoverable towards loans granted | Ircon PB Tollway Limited | Subsidiary Companies | 197.51 | 228.56 |
| Ircon Davanagere Haveri Highway Limited | Subsidiary Companies | | | 47.13 | 47.13 | | |
| Ircon Vadodara Kim Expressway Limited | Subsidiary Companies | | | 68.96 | 68.96 | | |
| 4 | Amount recoverable other than loans | | | | | | |
| 4.1 | Trade Receivables | Ircon Infrastructure and Services Limited | Subsidiary Companies | 0.01 | 0.07 | | |
| | | Ircon PB Tollway Limited | Subsidiary Companies | 15.35 | 15.35 | | |
| | | Ircon Shivpuri Guna Tollway Limited | Subsidiary Companies | 50.85 | 31.87 | | |
| | | Ircon Davanagere Haveri Highway Limited | Subsidiary Companies | 8.53 | - | | |
| | | Ircon Vadodara Kim Expressway Limited | Subsidiary Companies | 4.66 | 32.48 | | |
| | | Ircon Gurgaon Rewari Highway Limited | Subsidiary Companies | 6.14 | 41.31 | | |

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended March 31, 2024

| S.No. | Nature of transaction | Name of related party | Nature of relationship | As at 31st March, 2024 | As at 31st March, 2023 |
|------------|--|---|-----------------------------|------------------------|------------------------|
| | | Ircon Akloli Shirsad Expressway Limited | Subsidiary Companies | 67.22 | 43.12 |
| | | Ircon Ludhiana Rupnagar Highway Limited | Subsidiary Companies | 98.37 | 26.83 |
| | | Ircon Bhoj Morbe Expressway Limited | Subsidiary Companies | 122.24 | 21.76 |
| | | Ircon Haridwar Bypass Limited | Subsidiary Companies | 37.62 | 3.21 |
| | | Ircon-Soma Tollway Private Limited | Joint Venture Companies | - | - |
| | | Chhattisgarh East Railway Limited | Joint Venture Companies | 21.85 | 13.74 |
| | | Chhattisgarh East-West Railway Limited | Joint Venture Companies | 25.43 | 33.81 |
| | | Mahanadi Coal Railway Limited | Joint Venture Companies | 0.77 | 6.83 |
| | | Bastar Railway Private Limited | Joint Venture Companies | 14.09 | - |
| | | Ministry of Railways | Government Related Entities | 111.14 | 166.59 |
| 4.2 | Contract Assets | | | | |
| (a) | Billable Revenue/ Receivable not due and CWIP at Realisable Value | Ircon Shivpuri Guna Tollway Limited | Subsidiary Companies | 17.30 | 0.50 |
| | | Ircon Davanagere Haveri Highway Limited | Subsidiary Companies | 21.38 | - |
| | | Ircon Haridwar Bypass Limited | Subsidiary Companies | 7.16 | 13.23 |
| | | Ircon Vadodara Kim Expressway Limited | Subsidiary Companies | 2.84 | 17.31 |
| | | Ircon Gurgaon Rewari Highway Limited | Subsidiary Companies | 18.58 | - |
| | | Ircon Akloli Shirsad Expressway Limited | Subsidiary Companies | 3.27 | - |
| | | Chhattisgarh East Railway Limited | Joint Venture Companies | 32.76 | 36.67 |
| | | Chhattisgarh East-West Railway Limited | Joint Venture Companies | 25.15 | 18.26 |
| | | Mahanadi Coal Railway Limited | Joint Venture Companies | - | 0.97 |
| | | Bastar Railway Private Limited | Joint Venture Companies | 9.41 | 21.35 |
| | | Jharkhand Central Railway Limited | Joint Venture Companies | 4.23 | - |
| | | Ministry of Railways | Government Related Entities | 124.64 | 162.86 |
| (b) | Retention Money and Money Withheld | Ircon Davanagere Haveri Highway Limited | Subsidiary Companies | 3.38 | 19.54 |
| | | Ircon Shivpuri Guna Tollway Limited | Subsidiary Companies | 3.41 | - |
| | | Ircon Vadodara Kim Expressway Limited | Subsidiary Companies | 2.29 | 1.85 |
| | | Ircon Gurgaon Rewari Highway Limited | Subsidiary Companies | 5.68 | 3.35 |
| | | Ircon Bhoj Morbe Expressway Limited | Subsidiary Companies | 3.30 | 1.76 |
| | | Ircon Ludhiana Rupnagar Highway Limited | Subsidiary Companies | 2.37 | - |

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended March 31, 2024

| S.No. | Nature of transaction | Name of related party | Nature of relationship | As at 31st March, 2024 | As at 31st March, 2023 |
|------------|---------------------------------------|---|-----------------------------|------------------------|------------------------|
| | | Ircon Haridwar Bypass Limited | Subsidiary Companies | 5.97 | - |
| | | Chhattisgarh East Railway Limited | Joint Venture Companies | 3.21 | 0.20 |
| | | Chhattisgarh East-West Railway Limited | Joint Venture Companies | 18.34 | - |
| | | Mahanadi Coal Railway Limited | Joint Venture Companies | 7.59 | 12.33 |
| | | Jharkhand Central Railway Limited | Joint Venture Companies | 1.83 | 1.56 |
| | | Ministry of Railways | Government Related Entities | 27.44 | 3.18 |
| 4.3 | Advance and Claims Recoverable | Ircon Infrastructure and Services Limited | Subsidiary Companies | 6.83 | 4.10 |
| | | Ircon PB Tollway Limited | Subsidiary Companies | 0.33 | 0.43 |
| | | Ircon Shivpuri Guna Tollway Limited | Subsidiary Companies | 0.06 | 0.24 |
| | | Ircon Davanagere Haveri Highway Limited | Subsidiary Companies | 0.11 | 0.09 |
| | | Ircon Vadodara Kim Expressway Limited | Subsidiary Companies | 0.15 | 0.01 |
| | | Ircon Gurgaon Rewari Highway Limited | Subsidiary Companies | 0.15 | 0.03 |
| | | Ircon Akloli-Shirsad Expressway Limited | Subsidiary Companies | 0.33 | 0.03 |
| | | Ircon Bhoj Morbe Expressway Limited | Subsidiary Companies | 0.53 | 0.07 |
| | | Ircon Ludhiana Rupnagar Highway Limited | Subsidiary Companies | 0.05 | 0.07 |
| | | Ircon Haridwar Bypass Limited | Subsidiary Companies | 0.03 | 0.07 |
| | | Ircon Renewable Power Limited | Subsidiary Companies | 0.01 | 0.04 |
| | | Chhattisgarh East Railway Limited | Joint Venture Companies | 0.39 | 0.29 |
| | | Mahanadi Coal Railway Limited | Joint Venture Companies | 3.35 | 2.93 |
| | | Jharkhand Central Railway Limited | Joint Venture Companies | 0.08 | 0.07 |
| | | Bastar Railway Private Limited | Joint Venture Companies | 0.02 | 0.02 |
| | | Indian Railway Stations Development Corporation Limited | Joint Venture Companies | - | 0.09 |
| | | Rail Land Development Authority | Government Related Entities | 19.64 | 634.95 |
| 4.4 | Interest Accrued on loans | Ircon Vadodara Kim Expressway Limited | Subsidiary Companies | 9.02 | 3.96 |
| | | Chhattisgarh East-West Railway Limited | Joint Venture Companies | 11.57 | 10.87 |
| | | Mahanadi Coal Railway Limited | Joint Venture Companies | 2.97 | - |
| 4.5 | Interest Accrued on advances | Rail Land Development Authority | Government Related Entities | 9.56 | 59.56 |
| 4.6 | Interest Accrued on bonds | Indian Railway Finance Corporation | Government Related Entities | 7.63 | 10.63 |

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended March 31, 2024

| S.No. | Nature of transaction | Name of related party | Nature of relationship | As at 31st March, 2024 | As at 31st March, 2023 | |
|-------|---|---|--|-------------------------|------------------------|------|
| 4.7 | Recoverable from Trust | Ircon Gratuity Trust | Post Employment Benefit Plans | 7.16 | 16.32 | |
| 5 | Borrowings | Indian Railway Finance Corporation | Government Related Entities | - | 615.31 | |
| 6 | Amount Payable towards | | | | | |
| 6.1 | Trade Payables | Ircon Infrastructure and Services Limited | Subsidiary Companies | 5.63 | 3.97 | |
| 6.2 | Contract Liabilities (Advances and Advance Contract Receipts) | Ministry of Railways | Government Related Entities | 839.87 | 2,041.03 | |
| | | Ircon Davanagere Haveri Highway Limited | Subsidiary Companies | 0.30 | 30.84 | |
| | | Ircon Shivpuri Guna Tollway Limited | Subsidiary Companies | 20.70 | 3.20 | |
| | | Ircon Gurgaon Rewari Highway Limited | Subsidiary Companies | 28.92 | 9.62 | |
| | | Ircon Akloli Shirsad Expressway Limited | Subsidiary Companies | 40.74 | 50.72 | |
| | | Ircon Ludhiana Rupnagar Highway Limited | Subsidiary Companies | 65.70 | 0.30 | |
| | | Ircon Bhoj Morbe Expressway Limited | Subsidiary Companies | 70.90 | 3.04 | |
| | | Ircon Haridwar Bypass Limited | Subsidiary Companies | 20.62 | 24.78 | |
| | | Chhattisgarh East Railway Limited | Joint Venture Companies | 9.05 | 8.38 | |
| | | Chhattisgarh East-West Railway Limited | Joint Venture Companies | 104.01 | 125.06 | |
| | | Jharkhand Central Railway Limited | Joint Venture Companies | 21.65 | 19.80 | |
| 6.3 | | Other Payable to Client | Chhattisgarh East Railway Limited | Joint Venture Companies | 0.61 | 0.65 |
| | | | Mahanadi Coal Railway Limited | Joint Venture Companies | 2.98 | 9.44 |
| | Ministry of Railways | | Government Related Entities | 593.35 | 571.76 | |
| 6.4 | Interest Payable on Borrowings | Indian Railway Finance Corporation | Government Related Entities | - | 51.89 | |
| 6.5 | Interest Payable on Advances | Ircon Haridwar Bypass Limited | Subsidiary Companies | 0.17 | 0.94 | |
| | | Ircon Akloli-Shirsad Expressway Limited | Subsidiary Companies | 3.99 | 0.38 | |
| | | Chhattisgarh East-West Railway Limited | Joint Venture Companies | - | 0.29 | |
| | | Jharkhand Central Railway Limited | Joint Venture Companies | 1.12 | 0.12 | |
| | | Mahanadi Coal Railway Limited | Joint Venture Companies | 0.62 | 0.42 | |
| 6.6 | Payable to Trust | Ircon Gratuity Trust | Government Related Entities Post Employment Benefit Plans | 284.83 | 280.36 | |
| | | | | 3.81 | 7.17 | |

d) Terms and conditions of transactions with related parties

- Transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.
- Outstanding balances of related parties at the year-end are unsecured and settlement occurs through banking transactions. These balances other than loans and interest bearing advances are interest free.
- The loans to key management personnel are on the same terms and conditions as applicable to all other employees.

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended March 31, 2024

34. Interest in Subsidiaries, Joint Ventures and Joint Operations

A. Disclosures in compliance with Ind AS 27 "Separate Financial Statements" are as under:

Investment in following subsidiary companies, joint venture companies and joint operations is accounted at cost.

Investment in Subsidiary Companies

| S.No. | Name of the Subsidiary Company | Principal Place of Business and Country of Incorporation | As at 31st March, 2024 | | As at 31st March, 2024 | |
|-------|---|--|---|-----------------------------|---|-----------------------------|
| | | | Proportion of direct ownership interest | Proportion of voting rights | Proportion of direct ownership interest | Proportion of voting rights |
| 1 | Ircon Infrastructure and Services Limited | India | 100.00 | 100.00 | 100.00 | 100.00 |
| 2 | Ircon PB Tollway Limited | India | 100.00 | 100.00 | 100.00 | 100.00 |
| 3 | Ircon Shivpuri Guna Tollway Limited | India | 100.00 | 100.00 | 100.00 | 100.00 |
| 4 | Ircon Davanagere Haveri Highway Limited | India | 100.00 | 100.00 | 100.00 | 100.00 |
| 5 | Ircon Vadodara Kim Expressway Limited | India | 100.00 | 100.00 | 100.00 | 100.00 |
| 6 | Ircon Gurgaon Rewari Highway Limited | India | 100.00 | 100.00 | 100.00 | 100.00 |
| 7 | Ircon Renewable Power Limited | India | 76.00 | 76.00 | 76.00 | 76.00 |
| 8 | Ircon Akloli-Shirsad Expressway Limited | India | 100.00 | 100.00 | 100.00 | 100.00 |
| 9 | Ircon Ludhiana Rupnagar Highway Limited | India | 100.00 | 100.00 | 100.00 | 100.00 |
| 10 | Ircon Haridwar Bypass Limited | India | 100.00 | 100.00 | 100.00 | 100.00 |
| 11 | Ircon Bhoj Morbe Expressway Limited | India | 100.00 | 100.00 | 100.00 | 100.00 |

Investment in Joint Venture Companies

| S.No. | Name of the Joint Venture Company | Principal Place of Business and Country of Incorporation | As at 31st March, 2024 | | As at 31st March, 2024 | |
|-------|---|--|---|-----------------------------|---|-----------------------------|
| | | | Proportion of direct ownership interest | Proportion of voting rights | Proportion of direct ownership interest | Proportion of voting rights |
| 1 | Ircon-Soma Tollway Private Limited | Maharashtra, India | 50.00 | 50.00 | 50.00 | 50.00 |
| 2 | Chhattisgarh East Railway Limited | Chhattisgarh, India | 25.31 | 26.00 | 25.31 | 26.00 |
| 3 | Chhattisgarh East-West Railway Limited | Chhattisgarh, India | 26.00 | 26.00 | 26.00 | 26.00 |
| 4 | Mahanadi Coal Railway Limited | Odisha, India | 26.00 | 26.00 | 26.00 | 26.00 |
| 5 | Jharkhand Central Railway Limited | Jharkhand, India | 26.00 | 26.00 | 26.00 | 26.00 |
| 6 | Bastar Railway Private Limited | Chhattisgarh, India | 26.00 | 26.00 | 26.00 | 26.00 |
| 7 | Indian Railway Stations Development Corporation Limited | Delhi NCR, India | 26.00 | 26.00 | 26.00 | 26.00 |

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended March 31, 2024

Investment in Joint Operations

| S. No. | Name of the Joint Operation | Principal Place of Business and Country of Incorporation | As at 31st March, 2024 | | As at 31st March, 2024 | |
|-------------|--|--|---|-----------------------------|---|-----------------------------|
| | | | Proportion of direct ownership interest | Proportion of voting rights | Proportion of direct ownership interest | Proportion of voting rights |
| i) | For projects in operation: | | | | | |
| | Express Freight Consortium | Gujarat and Maharashtra, India | 30.00 | 30.00 | 30.00 | 30.00 |
| | Express Freight Railway Consortium | Maharashtra, India | 30.00 | 30.00 | 30.00 | 30.00 |
| ii) | Completed Joint Operations | | | | | |
| | International Metro Civil Contractor | Delhi NCR, India | 9.50 | 9.50 | 9.50 | 9.50 |
| | Metro Tunnelling Group | Delhi NCR, India | 9.50 | 9.50 | 9.50 | 9.50 |
| | IRCON-AFCONS | Bangladesh | 53.00 | 53.00 | 53.00 | 53.00 |
| iii) | Financially Closed Joint Operations | | | | | |
| | Ircon-COBRA-ELIOP | Delhi NCR, India | 61.22 | 61.22 | 61.22 | 61.22 |
| | Ircon- Sree Bhawani Builders | Chennai, India | 24.21 | 24.21 | 24.21 | 24.21 |
| | Ircon-SMJ Project JV | Tamil Nadu, India | 55.00 | 55.00 | 55.00 | 55.00 |
| | Ircon-GANNON Dunkerly | Uttar Pradesh, India | 55.70 | 55.70 | 55.70 | 55.70 |
| | Ircon-RCS-PFLEIDERER | J&K, India | 65.08 | 65.08 | 65.08 | 65.08 |
| | IRCON-SPSCPL | J&K, India | 50.00 | 50.00 | 50.00 | 50.00 |
| | RICON | Delhi NCR, India | 49.00 | 49.00 | 49.00 | 49.00 |

Interest in Subsidiaries, Joint Ventures and Joint Operations

B. Financial Interest in Joint Operations (to the extent of Company's share)

(₹ in crore)

| S. No. | Particulars | Name of the Joint Operation | | | | | | | | | |
|----------|-----------------------------------|-----------------------------|---------------|----------------------------|-------------|--------------------------------------|-------------|------------------------|-------------|-------------|-------------|
| | | IRCON-AFCONS | | Express Freight Consortium | | International Metro Civil Contractor | | Metro Tunnelling Group | | Total | |
| | | 2023-24 | 2022-23 | 2023-24 | 2022-23 | 2023-24 | 2022-23 | 2023-24 | 2022-23 | 2023-24 | 2022-23 |
| | As at Year End: | | | | | | | | | | |
| 1 | Assets | | | | | | | | | | |
| | PPE | - | - | - | - | - | - | - | - | - | - |
| | Capital Work in Progress | - | - | - | - | - | - | - | - | - | - |
| | Other Assets | 0.42 | 0.60 | - | - | 4.46 | 4.41 | 1.87 | 2.04 | 6.75 | 7.05 |
| 2 | Liabilities | | | | | | | | | | |
| | Provisions | - | - | - | - | 0.02 | 0.02 | 0.08 | 0.11 | 0.10 | 0.13 |
| | Other Liabilities | - | - | - | - | 0.91 | 0.91 | 0.03 | 0.05 | 0.94 | 0.96 |
| | For the year end: | | | | | | | | | | |
| 3 | Total Income | | | 1.65 | 1.37 | 0.07 | 0.05 | 0.10 | 0.07 | 1.82 | 1.50 |
| 4 | Total Expenses | 0.05 | 0.11 | 0.17 | 0.45 | 0.01 | 0.00 | 0.02 | 0.01 | 0.25 | 0.57 |
| 5 | Total Taxes | | | 0.53 | 0.35 | 0.02 | 0.01 | 0.20 | 0.02 | 0.75 | 0.38 |
| 6 | Profit after tax | (0.05) | (0.11) | 0.95 | 0.58 | 0.04 | 0.04 | (0.12) | 0.04 | 0.82 | 0.54 |
| 7 | Other Comprehensive Income | - | - | - | - | - | - | - | - | - | - |
| 8 | Total Comprehensive Income | (0.05) | (0.11) | 0.95 | 0.58 | 0.04 | 0.04 | (0.12) | 0.04 | 0.82 | 0.54 |

Note: Contingent Liabilities relating to Joint Operations are disclosed in Note 37.

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended March 31, 2024

35. Earnings Per Share

Disclosure as per Ind AS 33 'Earnings per share'

Basic EPS is calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the profit for the year attributable to the equity holders after considering the effect of dilution by weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

(i) Basic and diluted earnings per share (in ₹)

| Particulars | Note | For the year ended 31st March, 2024 | For the year ended 31st March, 2023 |
|---|-------|--|--|
| Profit attributable to Equity holders (₹ in crore) | (ii) | 862.90 | 776.83 |
| Weighted average number of equity shares for Basic and Diluted EPS (In Numbers) * | (iii) | 94,05,15,740 | 94,05,15,740 |
| Earnings per share (Basic) | | 9.17 | 8.26 |
| Earnings per share (Diluted) | | 9.17 | 8.26 |
| Face value per share | | 2.00 | 2.00 |

* During the financial year 2023-24, the promoter has divested their stake through "Offer for Sale" of 7,53,73,258 equity shares in the company which is 8.01% of the issued/subscribed and paid up capital of the Company.

(ii) Profit attributable to equity shareholders (used as numerator) (₹ in crore)

| Particulars | For the year ended 31st March, 2024 | For the year ended 31st March, 2023 |
|--|--|--|
| Profit for the year as per Statement of Profit and Loss | 862.90 | 776.83 |
| Profit attributable to Equity holders of the company used for computing EPS: | 862.90 | 776.83 |

(iii) Weighted average number of equity shares (used as denominator) (Nos.) (₹ in crore)

| Particulars | For the year ended 31st March, 2024 | For the year ended 31st March, 2023 |
|--|--|--|
| Opening balance of issued equity shares | 94,05,15,740 | 94,05,15,740 |
| Equity shares issued during the year | - | - |
| Increase in the Number of Share on account of Shares Split | - | - |
| Bonus share issued | - | - |
| Weighted average number of equity shares for computing Basic EPS | 94,05,15,740 | 94,05,15,740 |
| Dilution Effect: | | |
| Add: Weighted average numbers of potential equity shares outstanding during the year | - | - |
| Weighted average number of equity shares for computing Diluted EPS | 94,05,15,740 | 94,05,15,740 |

36. Impairment of Assets

During the year, Company has carried out assessment on impairment of individual assets by working out the recoverable amount based on lower of the net realizable value and carrying cost in terms of Ind AS 36, "Impairment of Assets" notified under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian accounting standards) Amendment Rules 2016. Accordingly, impairment loss of Nil (Nil) has been provided for."

37. Provisions, Contingencies and Commitments

(i) Provisions

The nature of provisions provided and movement in provisions during the year as per Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets' are disclosed in Note 19.

(ii) Contingent Liabilities

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

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended March 31, 2024

(₹ in crore)

| S. No. | Particulars | Foot Note | As at 31st March 2023 | Addition during the year | Claims settled / Paid during the year | As at 31st March 2024 |
|--------|---|---------------|-----------------------|--------------------------|---------------------------------------|-----------------------|
| a) | Claims against the Company not acknowledged as debts : | | | | | |
| | Disputed Direct tax demands | | | | | |
| | (i) in respect of the Company | 1 | 39.93 | 11.30 | (4.46) | 46.77 |
| | Disputed Indirect tax demands | | | | | |
| | (i) in respect of the Company | 2 | 241.16 | 27.96 | (20.61) | 248.51 |
| | (ii) in respect of the Joint Operations | 3 | 3.33 | - | (0.26) | 3.07 |
| | Legal Cases | | | | | |
| | (i) in respect of the Company | 4 | 624.50 | 85.32 | (157.27) | 552.55 |
| | (ii) in respect of the Joint Operations | 5 | 0.02 | - | - | 0.02 |
| | Claims by Employees | 6 | - | - | - | - |
| b) | Guarantees (excluding financial guarantees) issued by the company on behalf of | | | | | |
| | Subsidiaries Companies | 7 (i) (ii) | 1,475.60 | 760.84 | (659.11) | 1,577.33 |
| c) | Other money for which company is contingent liable | | | | | |
| | Liquidated damages pending disposal of application for extension of time by clients | | 9.27 | - | - | 9.27 |
| | Total | | 2,393.81 | 885.42 | (841.71) | 2,437.52 |

Foot Note:

- The Income Tax Authority have raised demands on account of various disallowances pertaining to different assessment years. Many of these matters were adjudicated in favour of Company but are disputed before higher authorities by the concerned departments. The Company is contesting these demands, which are pending at various appellate levels. Based on the advice from the independent tax experts and the developments on the appeals, the management is confident that additional tax so demanded will not be sustained on completion of the appellate proceedings and accordingly, pending the decision by the appellate authorities, no provision has been made in these financial statements.
- There are various disputes pending with authorities of excise, customs, service tax, sales tax, VAT etc. The Company is contesting these demands raised by concerned authorities and are pending at various appellate authorities. Based on the grounds of appeal and advice of the independent legal experts, the management believes that there is reasonable strong likelihood of succeeding before the various authorities. Pending the final decisions on the above, no adjustment has been made in these financial statements. The above disputed indirect tax demands includes ₹ 181.90 crore which is reimbursable from clients.
- In case of International Metro Civil Contractor, a Joint Operation of the Company, there is disputed demand pending with the sales tax authorities amounting to ₹ 3.07 crore (₹ 3.33 crore) on account of disallowance of labour expenses. The joint operation had filed appeals before the appropriate appellate authorities against the demand. The decision is pending before the appellate authorities and therefore, no provision has been made in the financial statements.
- The Company is a party to several legal suits on construction contract terms related disputes, pending before various courts and arbitration proceedings in India and abroad. Some of the contractors have lodged claims on the company seeking enhancement of the contract price, revision of work schedule with price escalation, compensation for the extended period of work, idle charges etc. These claims are being contested by the company as being not admissible in terms of provisions of the respected contracts. Against a total claim of ₹ 613.53 crore (₹ 701.86 crore), provision of ₹ 60.99 crore (₹ 77.35 crore) has been made and balance ₹ 552.54 crore (₹ 624.50 crore) is shown as contingent liability. The Company has also made counter claims on the contractors admissible as per the terms of the contract of ₹ 222.44 crore (₹ 333.31 crore). Interest on claims is not considered, being unascertainable.
- One of the contractor, M/s Sai Engineers has filed suit against International Metro Civil Contractor for an amount of ₹ 0.02 crore (₹ 0.02 crore) for dispute on contract terms. The decision is pending before the appellate authorities and therefore, no provision has been made in the financial statements.
- There are some cases relating to employees/others are pending in the Courts against the Company in respect of which the liability is not ascertainable.

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended March 31, 2024

7. (i) The Company has given letter of comfort on behalf of its subsidiary company, Ircon Infrastructure and Services Limited for an amount of ₹ 2.05 crore (₹ 11.39 crore) for performance guarantee submitted to client.
- (ii) The Company has given corporate guarantee to various Banks on behalf of and in respect of term loan facility for its subsidiary companies for an amount of ₹ 3,841.87 crore (₹ 4,565.99 crore). The term loan availed (net of repayment) by the subsidiary companies as on 31.03.2024 is ₹ 1,575.27 crore (₹ 1,464.21 crore).

(iii) Contingent Assets

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

- (a) Claims raised by company on some of its clients and awarded by arbitrators in favour of company against which clients have gone to court not accounted for as receivables are ₹ 461.40 crore (₹ 461.17 crore) including interest calculated up to 31.03.2024 as per arbitration award.
- (b) Counter Claims raised by company on sub-contractors and awarded by arbitrators in favour of company against which sub-contractors have gone to court, not accounted for as receivables are ₹ 14.16 crore (₹ 22.48 crore).
- (c) Insurance Claim of USD 0.95 Mn (USD 0.93 Mn) and Ethiopian Birr 1.34 Mn (Birr 1.28 Mn) equivalent to ₹ 8.03 crore (₹ 7.79 crore) including interest calculated upto 31.03.2024 awarded by Honourable Supreme Court of Ethiopia in favour of company has not been accounted for, pending execution order by High Court of Ethiopia.

(iv) Commitments

(₹ in crore)

| S. No. | Particulars | Foot Note | As at 31st March 2024 | As at 31st March 2023 |
|--------|--|------------------|-----------------------|-----------------------|
| a) | Capital Commitments | | | |
| | Estimated amount of contracts remaining to be executed on capital account (net of advance) and not provided for: | 1 | 38.71 | 16.19 |
| b) | Other Commitments | | | |
| (i) | Funding committed by way of equity and loans in Subsidiary Companies | 2 | 462.09 | 640.85 |
| (ii) | Funding committed by way of equity and loans in Joint Venture Companies | 3 | 113.98 | 177.60 |
| (iii) | Counter Bank Guarantee for Subsidiary Companies | 4 | 286.88 | 291.58 |
| (iv) | Corporate Guarantee for Subsidiary Companies | 5 | 2,046.33 | 2,807.17 |
| (v) | Sponsor's Support Agreement on behalf of Joint Venture | 6 (i) (ii) (iii) | 1,712.10 | 1,361.36 |
| (vi) | Loan commitment for Subsidiary Companies | 7 | 500.00 | 500.00 |
| | Total | | 5,160.09 | 5,794.75 |

Foot Note:

(₹ in crore)

| 1. S. No. | Capital Commitments | As at 31st March 2024 | As at 31st March 2023 |
|-----------|---|-----------------------|-----------------------|
| 1 | Estimated amount of contracts remaining to be executed on Property, Plant and Equipments | 21.72 | 1.72 |
| 2 | Estimated amount of contracts remaining to be executed on Investment Property | 5.95 | - |
| 3 | Estimated amount of contracts remaining to be executed on Intangible Assets under development | 11.04 | 14.47 |
| | Total | 38.71 | 16.19 |

(₹ in crore)

| 2. S. No. | Name of the Subsidiary | As at 31st March 2024 | | As at 31st March 2023 | |
|-----------|---|-----------------------|---------------|-----------------------|---------------|
| | | Equity | Loans | Equity | Loans |
| 1 | Ircon PB Tollway Limited | - | - | - | - |
| 2 | Ircon Shivpuri Guna Tollway Limited | - | - | - | - |
| 3 | Ircon Davanagere Haveri Highway Limited | 44.05 | 4.33 | 44.05 | 4.33 |
| 4 | Ircon Vadodara Kim Expressway Limited | - | - | - | - |
| 5 | Ircon Gurgaon Rewari Highway Limited | - | 14.83 | - | 31.83 |
| 6 | Ircon Akoli Shirsad Expressway Limited * | 12.82 | 102.89 | 17.11 | 102.99 |
| 7 | Ircon Ludhiana Rupnagar Highway Limited * | 10.65 | 74.01 | 14.22 | 127.54 |
| 8 | Ircon Bhoj Morbe Expressway Limited * | 15.38 | 133.86 | 20.53 | 178.54 |
| 9 | Ircon Haridwar Bypass Limited | - | 29.48 | - | 29.68 |
| 10 | Ircon Renewable Power Limited | - | 19.79 | - | 70.03 |
| | Total | 82.90 | 379.19 | 95.91 | 544.94 |

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended March 31, 2024

* The Company's Board of Directors (BoD) has approved a resolution on 6th April, 2023 to modify the capital structure of three Subsidiary Companies. The modification involved changing the nature of the equity commitment from interest-free loan to purely equity share capital. Accordingly, the changes in the commitment has been disclosed.

(₹ in crore)

| 3. | S. No. | Name of the Joint Venture | As at 31st March 2024 | | As at 31st March 2023 | |
|----|--------|--|-----------------------|---------------|-----------------------|---------------|
| | | | Equity | Loans | Equity | Loans |
| | 1 | Chhattisgarh East Railway Limited * | - | 18.14 | - | 33.14 |
| | 2 | Chhattisgarh East-West Railway Limited * | 0.01 | 48.36 | 0.01 | 64.48 |
| | 3 | Ircon Soma Tollway Pvt Ltd | - | - | - | - |
| | 4 | Mahanadi Coal Railway Limited * | - | 22.13 | - | 54.63 |
| | 5 | Bastar Railway Private Limited | 0.01 | 25.33 | 0.01 | 25.33 |
| | 6 | Jharkhand Central Railway Limited | - | - | - | - |
| | | Total | 0.02 | 113.96 | 0.02 | 177.58 |

* The Company's Board of Directors (BoD) has approved a resolution on 11th May, 2023 to increase the loan commitment in three Joint Venture Companies. Accordingly, the changes in the commitment has been disclosed.

4. Company's Non Fund based limits earmarked for issuance of bank guarantee to subsidiary companies amounts to ₹ 747.95 crore (₹ 738.61 crore). Out of the said limit, bank guarantees to the extent of ₹ 461.07 crore (₹ 447.03 crore) has been utilised as on 31.03.2024. Therefore, the balance limit for issuance of bank guarantee is ₹ 286.88 crore (₹ 291.58 crore).
5. The Company has given corporate guarantee to various Banks on behalf of and in respect of term loan facility for its subsidiary companies for an amount of ₹ 3841.87 crore (₹ 4565.99 crore). The subsidiary companies have availed term loan of ₹ 1,795.54 crore (₹ 1758.82 crore) till 31.03.2024. During the year, the subsidiary companies have repaid an amount of ₹ 220.27 crore (₹ 294.61 crore) against these term loans and the term loan balance as on 31.03.2024 is ₹ 1,575.27 crore (₹ 1464.21 crore).
6. (i) The Company along with SECL (Sponsors) have executed Sponsor's Support Agreement on behalf of its Joint Venture, Chhattisgarh East West Railway Ltd.(CEWRL), wherein it has been stated that in case of termination of the Concession Agreement due to an event of default by the Borrower prior to the achievement of the Commercial Operation Date the Sponsors shall meet any shortfall in the Debt Service obligations of the Borrower, to the satisfaction of the Lenders, without recourse to the Borrower and/or the Project. IRCON's share as per the given amount of Rupee Term Loan is ₹ 1033.76 crore (26% of total loan of ₹ 3976 crore) as on 31st March 2024 (31st March, 2023: ₹ 1033.76 crore).
- (ii) The Company along with CCL (Sponsors) have executed Sponsor's Support Agreement on behalf of its Joint Venture, Jharkhand Central Railway Ltd. (JCRL), wherein it has been stated that in case of termination of the Concession Agreement due to an event of default by the Borrower prior to the achievement of the Commercial Operation Date the Sponsors shall meet any shortfall in the Debt Service obligations of the Borrower, to the satisfaction of the Lenders, without recourse to the Borrower and/or the Project. IRCON's share as per the given amount of Rupee Term Loan is ₹ 327.60 crore (26% of total loan of ₹ 1259.75 crore) as on 31st March 2024 (31st March, 2023: ₹ 327.60 crore)
- (iii) The Company along with SECL and CSIDCL (Sponsors) have executed Sponsor's Support Agreement on behalf of its Joint Venture, Chhattisgarh East Railway Ltd.(CERL), wherein it has been stated that in case of termination of the Concession Agreement due to an event of default by the Borrower prior to the achievement of the Commercial Operation Date the Sponsors shall meet any shortfall in the Debt Service obligations of the Borrower, to the satisfaction of the Lenders, without recourse to the Borrower and/or the Project. IRCON's share as per the given amount of Rupee Term Loan is ₹ 350.74 crore (26% of total loan of ₹ 1,349.00 crore) as on 31st March 2024 (31st March, 2023: ₹ NIL).
7. The Company has committed to grant loan (Unsecured interest free/ Unsecured interest-bearing) upto an aggregate amount of ₹ 500 crore at any time to Special Purpose Vehicles (SPVs) formed as wholly owned subsidiary (WOS) companies in India for executing road/ highway project of NHAI, in addition to limits already approved BoD.
8. There is an outstanding Letter of Credit as on 31st March, 2024 amounting to ₹ 3.42 crore (31st March, 2024 ₹ 74.53 crore).

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended March 31, 2024

9. The Company has executed Sponsor Support Undertaking in favor of the lenders for loan availed by its Subsidiary Companies as under:-

- (i) Ircon Shivpuri Guna Tollway Limited
- (ii) Ircon Davanagere Haveri Highway Limited
- (iii) Ircon Vadodara Kim Expressway Limited
- (iv) Ircon Gurgaon Rewari Highway Limited
- (v) Ircon Akloli-Shirsad Expressway Limited
- (vi) Ircon Ludhiana Rupnagar Highway Limited
- (vii) Ircon Bhoj Morbe Expressway Limited
- (viii) Ircon Haridwar Bypass Limited
- (ix) Ircon Renewable Power Limited

38. Segment Reporting

Disclosure as per Ind AS 108 " Operating Segment" is given as under:

A. General information

Operating segments are defined as components of an enterprise for which discrete financial information is available which is being evaluated regularly by the Chief Operating Decision Maker (CODM) in deciding how to allocate resources and assessing performance. The Board of Directors of the Company is the Chief Operating Decision Maker (CODM). The operating segments have been reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) for review of performance and allocating resources.

The Company has determined reportable operating segments from geographical perspective.

B. Information about reportable segments and reconciliation to amounts reflected in the financial statements:

(₹ in crore)

| Particulars | International | | Domestic | | Total | |
|--|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| | For the year ended 31st March 2024 | For the year ended 31st March 2023 | For the year ended 31st March 2024 | For the year ended 31st March 2023 | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
| Segment Revenue | | | | | | |
| Revenue from external customers | 574.82 | 411.84 | 11,375.58 | 9,509.36 | 11,950.40 | 9,921.20 |
| Total Operating Revenue | 574.82 | 411.84 | 11,375.58 | 9,509.36 | 11,950.40 | 9,921.20 |
| Interest income | 43.11 | 11.81 | 285.88 | 237.34 | 328.99 | 249.15 |
| Other Income | 1.11 | 6.01 | 107.35 | 85.27 | 108.46 | 91.28 |
| Inter - segment | - | - | - | - | - | - |
| Total Revenue | 619.04 | 429.66 | 11,768.81 | 9,831.97 | 12,387.85 | 10,261.63 |
| Segment Result | | | | | | |
| Profit before provision, depreciation, interest and exceptional item and tax | 201.79 | 94.32 | 1,080.44 | 889.14 | 1,282.23 | 983.46 |
| Less: Provisions and write back | (3.11) | 8.41 | (79.57) | (69.45) | (82.68) | (61.04) |
| Less: Depreciation, amortization and impairment | (2.18) | (2.32) | (34.03) | (35.41) | (36.21) | (37.73) |
| Less: Interest | - | - | (7.80) | (1.50) | (7.80) | (1.50) |
| Profit before tax | 196.50 | 100.41 | 959.04 | 782.78 | 1,155.54 | 883.19 |
| Less: Tax expense | (43.06) | (26.57) | (249.58) | (79.79) | (292.64) | (106.36) |
| Profit after tax | 153.44 | 73.84 | 709.46 | 702.99 | 862.90 | 776.83 |

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended March 31, 2024

C. Other Information

(₹ in crore)

| Particulars | International | | Domestic | | Total | |
|---|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| | For the year ended 31st March 2024 | For the year ended 31st March 2023 | For the year ended 31st March 2024 | For the year ended 31st March 2023 | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
| Total Assets | 1,034.39 | 913.71 | 13,049.74 | 12,762.70 | 14,084.13 | 13,676.41 |
| Total Liabilities | 857.38 | 729.76 | 7,454.99 | 7,768.17 | 8,312.37 | 8,497.93 |
| Investment in joint ventures accounted for by equity method | - | - | - | - | - | - |
| Non current asset other than financial instruments, deferred tax assets, net defined benefit assets | 90.10 | 55.45 | 951.20 | 782.53 | 1,041.30 | 837.98 |
| Capital Expenditure for the year ending (Addition to PPE, CWIP, Investment Property, Other Intangible Assets, Intangible assets under development and Right-to-use) | 0.09 | 0.23 | 40.90 | 25.34 | 40.99 | 25.57 |

D. Information about major customer

During the year ended March 31, 2024, Operating Revenue of approximately 62.95% (69.46 %) derived from a single external customer in Domestic Segment.

39. Revenue

A. Disaggregation of Revenue

Set out below is the disaggregation of the Company's revenue from contracts with customers into operating segment and type of product or services:

(₹ in crore)

| Type of Product or Services | For the year ended 31st March 2024 | | | | | | |
|-----------------------------|------------------------------------|---------------|------------------|---|---------------|---------------|--|
| | Revenue as per Ind AS 115 | | | Method for measuring performance obligation | | Other Revenue | Total as per Statement of Profit and Loss /Segment Reporting |
| | Domestic | International | Total | Input Method | Output Method | | |
| Railways | 9,569.36 | 449.09 | 10,018.45 | 10,018.45 | - | | 10,018.45 |
| Highway | 1,763.09 | 125.48 | 1,888.57 | 1,888.57 | - | | 1,888.57 |
| Electrical | - | - | - | - | - | | - |
| Building | - | - | - | - | - | | - |
| Others | 11.91 | - | 11.91 | 11.91 | - | 31.46 | 43.37 |
| Total | 11,344.36 | 574.57 | 11,918.93 | 11,918.93 | - | 31.46 | 11,950.39 |

Out of the total revenue recognised under Ind AS 115 during the year, ₹ **11,950.39 crore** is recognised over a period of time and Nil recognised point in time.

(₹ in crore)

| Type of Product or Services | For the year ended 31st March 2024 | | | | | | |
|-----------------------------|------------------------------------|---------------|-----------------|---|---------------|---------------|--|
| | Revenue as per Ind AS 115 | | | Method for measuring performance obligation | | Other Revenue | Total as per Statement of Profit and Loss /Segment Reporting |
| | Domestic | International | Total | Input Method | Output Method | | |
| Railways | 8,900.72 | 406.91 | 9,307.63 | 9,307.63 | - | 5.84 | 9,313.47 |
| Highway | 583.23 | - | 583.23 | 583.23 | - | - | 583.23 |
| Electrical | - | - | - | - | - | | - |
| Building | - | - | - | - | - | | - |
| Others | 4.01 | - | 4.01 | 4.01 | - | 20.49 | 24.50 |
| Total | 9,487.96 | 406.91 | 9,894.87 | 9,894.87 | - | 26.33 | 9,921.20 |

Out of the total revenue recognised under Ind AS 115 during the year, ₹ **9,894.87 crore** is recognised over a period of time and Nil recognised point in time.

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended March 31, 2024

B. Contract balances

(₹ in crore)

| Particulars | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|---------------------------------------|---------------------------------------|---------------------------------------|
| Trade Receivables (Note 12.2) | 946.46 | 868.73 |
| Contract Assets (Note 8.3 and 12.6) | 1,566.61 | 1,250.49 |
| Contract Liabilities (Note 20 and 22) | 3,048.61 | 3,531.78 |

- (i) Trade receivables are non-interest bearing and the customer profile include Ministry of Railways, Public Sector Enterprises, State Owned Companies in India and abroad. The Company's average project execution cycle is around 24 to 36 months. General payment terms include mobilisation advance, monthly progress payments with a credit period ranging from 45 to 60 days.
- (ii) Contract Assets are recognised over the period in which services are performed to represent the Company's right to consideration in exchange for goods or services transferred to the customer. It includes balances due from customers under construction contracts that arise when the Company receives payments from customers as per terms of the contracts however the revenue is recognised over the period under input method. Any amount previously recognised as a contract asset is reclassified to trade receivables on satisfaction of the condition attached i.e. future service which is necessary to achieve the billing milestone.

Movement in contract balances during the year

(₹ in crore)

| Particulars | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|---|---------------------------------------|---------------------------------------|
| Contract asset at the Beginning of the year | 1,250.49 | 918.04 |
| Contract asset at the end of the year | 1,566.61 | 1,250.49 |
| Net increase/(decrease) | 316.12 | 332.45 |

For the year 2023-24 and 2022 - 23 - There has been a net increase of ₹ 316.12 crore and ₹ 332.45 crore respectively as compared to previous year mainly due to recognition of Revenue based on input method whereas bills for work done are certified based on contract condition.

During the year ended March 31st, 2024, ₹ 903.90 crore and March 31st 2023, ₹ 807.48 crore of contract assets as of April 1st, 2023 and April 1st 2022 respectively has been reclassified to trade receivables upon billing to customers on completion of milestones.

- (iii) Contract liabilities relating to construction contracts are balances due to customers, these arise when a particular milestone payment exceeds the revenue recognised to date under the input method and advance received in long term construction contracts. The amount of Advance received gets adjusted over the construction period as and when invoicing is made to the customer.

(₹ in crore)

| Particulars | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|---|---------------------------------------|---------------------------------------|
| Contract liabilities at the beginning of the year | 3,531.78 | 3,433.18 |
| Contract liabilities at the end of the year | 3,048.61 | 3,531.78 |
| Net increase/(decrease) | (483.17) | 98.60 |

For the year 2023-24 - There has been a net decrease of ₹ 483.17 crore as compared to previous year mainly due to adjustment of advance payment received from client against works executed and previous year there is a net increase of ₹ 98.60 crore mainly due to advance received from the client.

C. Set out below is the amount of revenue recognised from:

(₹ in crore)

| Particulars | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|--|---------------------------------------|---------------------------------------|
| Amount included in contract liabilities at the beginning of the year | 2,912.29 | 2,021.21 |
| Performance obligation satisfied in previous years | - | - |

D. Cost to obtain the contract

Amount recognised as asset as at 31st March, 2024 is Nil (As at 31st March, 2023: Nil)

Amount of amortisation recognised in the statement of profit and loss during the year is Nil (FY 2022-23: Nil)

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended March 31, 2024

E. Cost to fulfil the contract

Amount recognised as asset as at 31st March, 2024 is ₹ 12.39 crore (As at 31st March, 2023: ₹ 22.85 crore)

Amount of amortisation recognised in the statement of profit and loss during the year is ₹ 9.92 crore (FY 2022-23: ₹ 3.89 crore)

F. Performance obligation

Information about the Company's performance obligations are summarised below:

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31st March are, as follows:

(₹ in crore)

| Particulars | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|-------------------------------|---------------------------------------|---------------------------------------|
| Within one year | 10,400 | 9,800 |
| More than one year to 2 years | 9,800 | 10,200 |
| More than 2 years | 7,008 | 15,195 |
| Total | 27,208 | 35,195 |

40. Leases

a) Company as a Lessee

The Company as a lessee has entered into various lease contracts, which includes lease of land, office space, guest house and vehicles.

The Company also has certain leases of offices and guest house with lease terms of 12 months or less. The Company applies the 'short-term lease' recognition exemptions for these leases.

Right of Use Assets

The carrying amounts of right-of-use assets recognised and the movements during the year are disclosed in Note 7.

Lease Liabilities

Set out below are the carrying amounts of lease liabilities recognised and the movements during the year:

(₹ in crore)

| Particulars | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|----------------------------------|---------------------------------------|---------------------------------------|
| Opening Balance at April 1, 2023 | 0.51 | 0.16 |
| Addition in lease liability | 3.32 | 0.34 |
| Accreditation of interest | 0.28 | 0.02 |
| Payments | (0.87) | (0.01) |
| Balance at March 31, 2024 | 3.24 | 0.51 |
| Current | 0.72 | 0.09 |
| Non-current | 2.52 | 0.42 |

The maturity analysis of the lease liability is included in Note - 31 Financial risk management objectives and policies under maturities of financial liabilities.

Amounts recognised in Statement of Profit and Loss

(₹ in crore)

| Particulars | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|---|---------------------------------------|---------------------------------------|
| Depreciation expense of right-of-use assets (Refer Note 29) | 1.13 | 0.38 |
| Interest expense on lease liabilities (Refer Note 28) | 0.28 | 0.02 |
| Expense relating to short-term leases (Refer Note 26 (iii)) | 6.59 | 5.40 |
| Total | 8.00 | 5.80 |

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended March 31, 2024

The Company has several lease contracts that include extension and termination options. These options are negotiated by management and align with the Company's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

Following are the undiscounted potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term:

(₹ in crore)

| Particulars | Within Five Years | More than Five Years | Total |
|--|-------------------|----------------------|----------|
| Extension options expected not to be exercised | - | - | - |
| Termination options expected to be exercised | - | - | - |
| Total | - | - | - |

b) Company as a Lessor

- The Company has given buildings under operating lease. Lease income (rental and service charges) aggregating ₹ 23.21 crore (₹ 14.18 crore) has been recognized in the Statement of Profit and Loss as per lease arrangements.
- The Company has given Machinery under operating lease. Lease income aggregating ₹ 0.20 crore (₹ 4.55 crore) has been recognized in the Statement of Profit and Loss as per lease arrangement.

Future minimum rentals receivable under non-cancellable operating leases is as follows:

(₹ in crore)

| Particulars | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|---|------------------------------------|------------------------------------|
| Within one year | 4.41 | 1.65 |
| After one year but not more than five years | 28.37 | 35.57 |
| More than five years | 34.50 | 30.06 |
| Total | 67.29 | 67.28 |

41. Disclosure as required by Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

'In compliance of Regulation 34(3) of SEBI (LODR) Regulation, 2015, the required information are given as under:

(₹ in crore)

| | Name of the Company | Outstanding balance as at | | Maximum amount outstanding during the year ended | |
|----------|---|------------------------------------|------------------------------------|--|------------------------------------|
| | | For the year ended 31st March 2024 | For the year ended 31st March 2023 | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
| A | Loans and advances in the nature of loans: | | | | |
| | To Subsidiary Companies | | | | |
| | Ircon PB Tollway Limited | 197.51 | 228.56 | 228.56 | 240.66 |
| | Ircon Davanagere Haveri Highway Limited | 47.13 | 47.13 | 47.13 | 47.13 |
| | Ircon Vadodara Kim Expressway Limited | 68.96 | 68.96 | 68.96 | 69.71 |
| | To Joint Venture Companies | - | - | - | - |
| B | Investment by the loanee (as detailed above) in the shares of the Company and its subsidiaries | - | - | - | - |

Foot Note:

- There are no transactions of loans and advances to subsidiaries/joint ventures/associates/firms/others in which Directors are interested other than as disclosed above.

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended March 31, 2024

42. Disclosure pursuant to section 186 of The Companies Act 2013:

(₹ in crore)

| | Name of the Company | Purpose for which the loan/guarantee/security is proposed to be utilised by the recipient | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|-----|--|---|------------------------------------|------------------------------------|
| (A) | Loans and Advances | | | |
| | Subsidiary Company | | | |
| | Ircon PB Tollway Limited | Project funding | 197.51 | 228.56 |
| | Ircon Vadodara Kim Expressway Limited | Project funding | 68.96 | 68.96 |
| | Ircon Davanagere Haveri Highway Limited | Project funding | 47.13 | 47.13 |
| | Total | | 313.60 | 344.65 |
| (B) | Guarantees | | Refer Note 37 | |
| (C) | Investments in fully paid equity shares and deemed equity | | Refer Note 8.1 | |

43. Details of delayed payments to Micro, Small and Medium Enterprises as defined under the MSMED Act, 2006

(₹ in crore)

| S. No. | Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|--------|--|------------------------|------------------------|
| 1 | The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year: Principal amount due to micro and small enterprises Interest due on above | 3.73 – | 9.24 0.10 |
| 2 | The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year* | 9.24 | – |
| 3 | The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006 | – | – |
| 4 | The amount of interest accrued and remaining unpaid at the end of each accounting year | – | – |
| 5 | The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006 | – | – |

* During the year full and final settlement of claims has been made.

44. Corporate Social Responsibility Expenses (CSR)

As per Section 135 of the Companies Act, 2013 read with guidelines issued by Department of Public Enterprises, GOI, the Company is required to spend, in every financial year, at least two per cent of the average net profits of the Company made during the three immediately preceding financial years in accordance with its CSR Policy. The details of CSR expenses for the year are as under:

a) Amount required to be spent on CSR Activities

(₹ in crore)

| Particulars | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|--|------------------------------------|------------------------------------|
| Gross amount required to be spent by the Company during the year | 11.64 | 10.10 |
| Amount approved by the Board to be spent during the year | 11.64 | 10.10 |

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended March 31, 2024

b) Amount spent on CSR Activities

(₹ in crore)

| Particulars | For the year ended 31st March 2024 | | | For the year ended 31st March 2023 | | |
|---|---------------------------------------|----------------|--------------|---------------------------------------|----------------|--------------|
| | Paid in cash | Yet to be paid | Total | Paid in cash | Yet to be paid | Total |
| On Construction/acquisition of any asset* | 3.89 | - | 3.89 | 1.99 | - | 1.99 |
| On purposes other than above | 7.76 | - | 7.76 | 8.13 | - | 8.13 |
| Total | 11.65 | - | 11.65 | 10.12 | - | 10.12 |

*Assets purchased and handed over to respective organisation and are not being held by the Company.

c) Break-up of the CSR expenses under major heads is as under:

(₹ in crore)

| Particulars | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|---|---------------------------------------|---------------------------------------|
| Contribution to Prime Minister CARES Fund for fighting against COVID-19 | 0.67 | 1.53 |
| Eradicating hunger, poverty & malnutrition, promoting preventive healthcare & sanitation & making available safe drinking water | 6.39 | 4.54 |
| Promoting Education, including special education and employment enhancing vocation skills especially among children. | 4.33 | 2.35 |
| Ensuring environmental sustainability | 0.10 | 0.53 |
| Setting up homes and hostels for women and orphans, Setting up old age homes, day care centres and such other facilities for senior citizens. | | - |
| Sports | | - |
| Others (including Other Admin Cost) | 0.16 | 1.17 |
| Total | 11.65 | 10.12 |

d) Details related to unspent obligations:

(₹ in crore)

| Particulars | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|-----------------------------------|---------------------------------------|---------------------------------------|
| Unspent amount in relation to: | | |
| - Ongoing project (#) * | - | - |
| - Other than ongoing project (##) | - | - |

Ongoing Project:

(₹ in crore)

| Opening Balance | | Amount required to be spent during the year | Amount spent during the year | | Closing Balance | |
|-----------------|-----------------------------|---|------------------------------|-------------------------------|-----------------|-----------------------------|
| With Company | In Separate CSR Unspent A/c | | From Company's bank A/c | From Separate CSR Unspent A/c | With Company | In Separate CSR Unspent A/c |
| - | - | | | - | - | |

* There is no shortfall in amount to be spent on CSR for the current year as well as in the previous year. However, there is an amount of ₹ 0.17 crore (₹ 0.17 crore) has been earmarked for specific ongoing project of CSR, which will be utilised in the future.

Other than ongoing project:

(₹ in crore)

| Opening Balance | Amount deposited in Specified Fund of Sch. VII within 6 months | Amount required to be spent during the year | Amount spent during the year | Closing Balance |
|-----------------|--|---|------------------------------|-----------------|
| - | - | - | - | - |

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended March 31, 2024

e) Details related to spent / unspent obligations:

(₹ in crore)

| Particulars | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|---|---------------------------------------|---------------------------------------|
| Opening Balance | - | - |
| Gross amount required to be spent by the Company during the year (as per (a) above) | 11.64 | 10.10 |
| Amount spent by the Company during the year (as per (b) above)* | 11.65 | 10.12 |
| Shortfall/(Excess) amount spent by the company | (0.01) | (0.02) |

* There are no related party transaction in respect to CSR expenditure.

f) Other disclosure:

(₹ in crore)

| Particulars | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|---|---------------------------------------|---------------------------------------|
| Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard (1) | NA | NA |
| Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision | NA | NA |

45. Other Regulatory Disclosure

a) Disclosure of ratios

(₹ in crore)

| Particulars | Numerator | Denominator | March 31, 2024 | March 31, 2023 | % change | Reason for change more than 25% |
|---|--|---|-------------------|-------------------|----------|---------------------------------------|
| Current ratio (In times) | Current Assets | Current Liabilities | 1.60 | 1.49 | 7.45% | |
| Debt-equity ratio (In times) | Total Debt | Shareholder's Equity | 0.00056 | 0.00010 | 470.00% | Refer Comment (i) |
| Debt service coverage ratio (In times) | Earnings for debt service = Net profit after taxes + Non-cash operating expenses | Debt service = Interest & Lease Payments + Principal Repayments | 1.45 | 1.32 | 9.90% | |
| Return on equity ratio | Net Profits after taxes - Preference Dividend | Average Shareholder's Equity | 15.76% | 15.85% | -0.60% | |
| Inventory turnover ratio (In times) | Cost of goods sold | Average Inventory | 51.92 | 37.73 | 37.61% | Refer Comment (ii), (iii) and (iv) |
| Trade receivables turnover ratio (In times) | Net credit sales = Gross credit sales - sales return | Average Trade Receivable | 13.17 | 12.58 | 4.71% | |
| Trade payable turnover ratio (In times) | Net credit purchases = Gross credit purchases - purchase return | Average Trade Payables | 12.37 | 9.43 | 31.27% | Refer Comment (v) and (vi) |
| Net capital turnover ratio (In times) | Net sales = Total sales - sales return | Working capital = Current assets - Current liabilities | 3.10 | 2.93 | 5.64% | |

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended March 31, 2024

| Particulars | Numerator | Denominator | March 31, 2024 | March 31, 2023 | % change | Reason for change more than 25% |
|----------------------------|------------------------------------|---|----------------|----------------|----------|---------------------------------|
| Net profit ratio | Net Profit | Net sales = Total sales – sales return | 6.97% | 7.57% | -7.99% | |
| Return on capital employed | Earnings before interest and taxes | Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability | 15.12% | 15.06% | 0.35% | |
| Return on investment | Interest (Finance Income) | Investment | 7.39% | 8.04% | -8.14% | |

Comments:-

- (i) The ratio is not material due to offsetting of loan from Indian Railway Finance Corporation with amount recoverable from Rail Land Development Authority and low value of lease liability. However, the variation in ratio is high only due to change in lease liability.
- (ii) Average inventory has decreased in comparison to previous year.
- (iii) Increase in operating expenditures due to corresponding increase in operating revenue.
 - (iv) Cost of goods sold includes project expenditures.
 - (v) Increase in project expenses due to corresponding increase in operating revenue.
 - (vi) Average trade payable has decreased in comparison to previous year.
- b) The Company do not have any transactions with companies struck off in current year and previous year.
- c) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period in current year and previous year.
- d) The Company have not traded or invested in crypto currency or virtual currency during the current year and previous year.
- e) The Company have not advanced or loaned or invested funds to any other person(s) or entity(is), including foreign entities (Intermediaries) with the understanding that the Intermediary shall in current year and previous year:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- f) The Company have not received any fund from any person(s) or entity(is), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall in current year and previous year:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- g) The Company does not have any transaction which is not recorded in the books of accounts that has been subsequently surrendered or disclosed as income during the year as part of the on going tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961) in current year and previous year.
- h) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property in current year and previous year.
- i) The Company has not been declared as willful defaulter by any bank or financial institution or government or any government authority in current year and previous year.
- j) The Company has complied with the number of layers prescribed under the Companies Act, 2013 in current year and previous year.

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended March 31, 2024

46. Recent pronouncement

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated March 31, 2023 to amend the following Ind AS which are effective for annual periods beginning on or after April 1, 2023. The Company applied for the first-time these amendments:

(i) Definition of Accounting Estimates – Amendments to Ind AS 8

The amendments clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on the Company's financial statements

(ii) Disclosure of Accounting Policies – Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures..

The amendments have had an impact on the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Company's financial statements.

(iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to Ind AS 12

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases.

As a result of these amendments, the Company has to recognize a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. Since, these balances qualify for offset as per the requirements of paragraph 74 of Ind AS 12, there is no impact in the balance sheet.

47. Other disclosures

- a) (i) The company has been claiming deduction under section 80 IA from AY 2000–01 to AY 2019–20. The deduction under section 80 IA has been allowed by Income Tax appellate Tribunal (ITAT). However, Income Tax Department has filled appeal before High Court against order of ITAT for the AY 2000–01. Upto AY 2019–20 company was offering global income for tax in India after excluding the income in accordance with DTAA agreements where income earned from foreign countries are excluded from global income offered for taxation. The company was allowed exclusion method upto AY 2005–06, thereafter credit against taxes paid in foreign countries have been allowed from taxes computed on global income by department. After paying the due tax the issue has been contested by filing appeals. This issue has been allowed in favour of Ircon by ITAT.
- (ii) The provision for income tax w.r.t earlier years has been written back / income tax expenses has been reversed amounting to. ₹ **NIL** (₹ 78.53 crores) account of favourable orders received from Income tax authorities.
- b) There are certain other matters pending in litigations against the Company before various courts and appellate authorities on account of claims by some contractors in cost plus projects. In such cases, the Company envisages reimbursement from the Clients in full as per the terms of contract and expects no economic outflow of resources. In this respect, a total claim of ₹ **1702.41 crore** (₹ 1,984.19 crore) is under litigation, for which provision of ₹ **NIL** (₹ 6.59 crore) has been made and reimbursed by the client. The Company has also made counter claims on the contractors of ₹ **120.64 crore** (₹ 340.09 crore). Interest on claims is not considered, being unascertainable.
- c) Hon'ble High Court has permitted to release an arbitration award, amounting to ₹ **97.96 Crore** against NHAI for UP-05 ,Orai Highway Project against submission of bank guarantee of equivalent amount. The company has provided liability of equivalent amount till final decision of the Court.
- d) The Company has a system of obtaining periodic confirmation of balances from banks and other parties. So far as trade/other payables and loans and advances are concerned, the balance confirmation letters were sent to the parties. Balances of some of the Trade Receivables, Other Assets, Trade and Other Payables are subject to confirmations/reconciliations and consequential adjustment, if any. Reconciliations are carried out on on-going basis. However, management does not expect to have any material financial impact of such pending confirmations / reconciliations.
- e) Certain reclassifications and recasting have been made to the comparative period's financial statements to enhance comparability with the current year's financial statements. These reclassifications have no effect on the reported results of operations.

- f) Previous year figures are shown under bracket () to differentiate from current year figures.
- g) In the opinion of the management, the value of assets, other than property, plant and equipment and non-current investments, on realisation in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.

As per our Report of even date attached**For Ramesh C Agrawal and Company**

Chartered Accountant
FRN : 001770C

Sd/-

Sanjay Agrawal

Partner
M. No. 072867

Place : New Delhi

Date : 21st May, 2024

For and on behalf of Board of Directors

Sd/-

Ragini Advani

Director (Finance)
DIN-09575213

Sd/-

B. Mugunthan

Chief Financial Officer

Sd/-

Ashish Bansal

Chairman & Managing Director
and CEO
DIN-10328174

Sd/-

Pratibha Aggarwal

Company Secretary
FCS No. 8874

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 2024

The preparation of financial statements of Ircon International Limited for the year ended 31 March 2024 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139 (5) of the Act is responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Revised Audit Report dated 01 July 2024 which supersedes their earlier Audit Report dated 21 May 2024.

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 2024 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.

In view of the revisions made in the Statutory Auditor's report, to give effect to some of my audit observations raised during supplementary audit, I have no further comments to offer upon or supplement to the Statutory Auditors' report under Section 143(6)(b) of the Act.

For and on the behalf of the
Comptroller & Auditor General of India

Sd/-

Dr. Nilotpal Goswami
Director General of Audit
Railway Commercial, New Delhi

Place: New Delhi
Dated: 25th July, 2024

Consolidated Financial Statements 2023-24

FORM AOC – 1

Statement containing salient features of Financial Statements of Subsidiaries/Joint Ventures as at 31.03.2024

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part A "Subsidiaries"

(₹ in crore)

| Sr. No. | Name of the Subsidiary | Ircon Renewable Power Limited (IRPL) | Ircon Akhola Shirsad Expressway Limited (ASEL) | Ircon Ludhiana Rupnagar Highway Limited (ILRHL) | Ircon Bhoj Morbe Expressway Limited (IBMEL) | Ircon Haridwar Bypass Limited (IHBL) |
|---------|--|--------------------------------------|--|---|---|--------------------------------------|
| 1 | Reporting period for the Subsidiary | 31-Mar-24 | 31-Mar-24 | 31-Mar-24 | 31-Mar-24 | 31-Mar-24 |
| 2 | Reporting Currency | ₹ | ₹ | ₹ | ₹ | ₹ |
| 3 | Share Capital(Including share application money pending allotment) | 5.00 | 4.34 | 3.62 | 5.20 | 0.05 |
| 4 | Other Equity/Reserves & Surplus (as applicable) | 121.75 | 58.75 | 55.81 | 62.13 | 85.85 |
| 5 | Liabilities | 761.77 | 228.17 | 303.36 | 281.76 | 159.67 |
| 6 | Total Equity and Liability | 888.52 | 291.26 | 362.79 | 349.09 | 245.57 |
| 7 | Total Assets | 888.52 | 291.26 | 362.79 | 349.09 | 245.57 |
| 8 | Investments | - | - | - | - | - |
| 9 | Turnover | 0.16 | 324.01 | 526.79 | 463.34 | 221.20 |
| 10 | Profit before Taxation | (0.22) | 9.43 | 2.05 | 14.58 | 3.61 |
| 11 | Provision for Taxation | 0.09 | 2.37 | 0.52 | 3.67 | 0.90 |
| 12 | Profit after Taxation | (0.31) | 7.06 | 1.53 | 10.91 | 2.71 |
| 13 | Interim Dividend – Equity | - | - | - | - | - |
| 14 | Interim Dividend – Preference | - | - | - | - | - |
| 15 | Proposed Dividend – Equity | - | - | - | - | - |
| 16 | Proposed Dividend – Preference | - | - | - | - | - |
| 17 | % of share holding | 76% | 100% | 100% | 100% | 100% |

As per our Report of even date attached

For Ramesh C Agrawal and Company

Chartered Accountants
FRN : 001770C

Sd/-

Sanjay Agrawal

Partner
M. No. 072867

Place : New Delhi

Date : 21st May, 2024

For and on behalf of Board of Directors

Sd/-

Ragini Advani

Director (Finance)
DIN-09575213

Sd/-

B. Mugunthan

Chief Financial Officer

Sd/-

Ashish Bansal

Chairman & Managing Director
and CEO
DIN-10328174

Sd/-

Pratibha Aggarwal

Company Secretary
FCS No. 8874

FORM AOC – 1

Statement containing salient features of Financial Statements of Subsidiaries/Joint Ventures as at 31.03.2024

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part A "Subsidiaries"

(₹ in crore)

| Sr. No. | Name of the Subsidiary | Ircon Shivpuri Guna Tollway Limited (ISGTL) | Ircon PB Tollway Limited (IPBTL) | Ircon Davanagere Haveri Highway Limited (IDHHL) | Ircon Infrastructure & Services Limited (IISL) | Ircon Vadodara Kim Expressway Limited (IVKEL) | Ircon Gurgaon Rewari Highway Limited (IGRHL) |
|---------|--|---|----------------------------------|---|--|---|--|
| 1 | Reporting period for the Subsidiary | 31-Mar-24 | 31-Mar-24 | 31-Mar-24 | 31-Mar-24 | 31-Mar-24 | 31-Mar-24 |
| 2 | Reporting Currency | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ |
| 3 | Share Capital(Including share application money pending allotment) | 150.00 | 165.00 | 173.00 | 65.00 | 10.00 | 0.05 |
| 4 | Other Equity/Reserves & Surplus (as applicable) | (109.03) | (25.56) | 74.17 | 111.61 | 326.32 | 96.16 |
| 5 | Liabilities | 638.51 | 282.81 | 364.09 | 183.41 | 706.45 | 254.13 |
| 6 | Total Equity and Liability | 679.48 | 422.25 | 611.26 | 360.02 | 1,042.78 | 350.34 |
| 7 | Total Assets | 679.48 | 422.25 | 611.26 | 360.02 | 1,042.78 | 350.34 |
| 8 | Investments | - | - | - | - | - | - |
| 9 | Turnover | 175.88 | 59.02 | 131.97 | 140.94 | 168.71 | 245.15 |
| 10 | Profit before Taxation | (6.39) | (7.76) | 32.13 | 14.22 | 64.55 | 5.53 |
| 11 | Provision for Taxation | - | - | 8.25 | 5.36 | 16.43 | 1.39 |
| 12 | Profit after Taxation | (6.39) | (7.76) | 23.88 | 8.86 | 48.12 | 4.14 |
| 13 | Interim Dividend – Equity | - | - | - | 2.50 | - | - |
| 14 | Interim Dividend – Preference | - | - | - | - | - | - |
| 15 | Proposed Dividend – Equity | - | - | - | 6.33 | - | - |
| 16 | Proposed Dividend – Preference | - | - | - | - | - | - |
| 17 | % of share holding | 100% | 100% | 100% | 100% | 100% | 100% |

As per our Report of even date attached

For Ramesh C Agrawal and Company

Chartered Accountants
FRN : 001770C

Sd/-

Sanjay Agrawal

Partner

M. No. 072867

Place : New Delhi

Date : 21st May, 2024

For and on behalf of Board of Directors

Sd/-

Ragini Advani

Director (Finance)

DIN-09575213

Sd/-

B. Mugunthan

Chief Financial Officer

Sd/-

Ashish Bansal

Chairman & Managing Director
and CEO

DIN-10328174

Sd/-

Pratibha Aggarwal

Company Secretary

FCS No. 8874

Part "B": Joint Ventures

(₹ in crore)

| Sr. No. | Name of Joint Ventures | Bastar Railway Private Limited | Chhattisgarh East Railway Limited | Chhattisgarh East West Railway Limited | Ircon – Soma Tollway Private Limited | Jharkhand Central Railway Limited | Mahanadi Coal Railway Limited | Indian Railway Stations Development Corporation Ltd |
|---------|---|--------------------------------|-----------------------------------|--|--------------------------------------|-----------------------------------|-------------------------------|---|
| 1 | Latest audited Balance Sheet Date | 31-Mar-24 | 31-Mar-24 | 31-Mar-24 | 31-Mar-24 | 31-Mar-24 | 31-Mar-24 | 31-Mar-24 |
| 2 | Shares of Joint Venture held by the company on the year end % | 26.00% | 26.00% | 26.00% | 50.00% | 26.00% | 26.00% | 26.00% |
| | Number of shares held | 7,63,37,300 | 19,78,55,700 | 19,39,91,200 | 6,38,70,000 | 2,62,56,438 | 2,60,00,000 | 5,19,99,700 |
| | Amount of Investment in Joint Venture (Note 2 Below) (in ₹) | 76,33,73,000 | 1,97,85,57,000 | 1,93,99,12,000 | 63,87,00,000 | 26,25,64,380 | 26,00,00,000 | 51,99,97,000 |
| | Total No of Shares | 29,36,05,000 | 78,15,78,074 | 72,15,13,000 | 12,77,40,000 | 10,09,86,300 | 9,00,05,000 | 19,99,99,400 |
| | Extent of Holding (%) | 26.00% | 25.31% | 26.89% | 50% | 26.00% | 28.89% | 26.00% |
| 3 | Description of how there is significant influence | Refer Note 1 (Below) | | | | | | |
| 4 | Reason why the Joint Venture is not consolidated | NA | NA | NA | NA | NA | NA | NA |
| 5 | Net worth attributable to shareholding as per latest audited balance sheet (₹ in Crore) | 76.42 | 180.60 | 190.49 | 79.78 | 143.67 | 98.69 | 80.79 |
| 6 | Profit/ (loss) for the year (₹ in Crore) | 1.14 | (94.88) | (0.22) | 136.09 | 2.52 | (1.58) | 6.55 |
| | (i) Considered in consolidation (₹ in Crore) | 0.30 | (24.01) | (0.06) | 68.05 | 0.65 | (0.46) | 1.70 |
| | (ii) Not considered in consolidation (₹ in Crore) | 0.84 | (70.87) | (0.16) | 68.05 | 1.87 | (1.12) | 4.85 |

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

As per our Report of even date attached

For Ramesh C Agrawal and Company

Chartered Accountants
FRN : 001770C

Sd/-

Sanjay Agrawal

Partner

M. No. 072867

Place : New Delhi

Date : 21st May, 2024

For and on behalf of Board of Directors

Sd/-

Ragini Advani

Director (Finance)

DIN-09575213

Sd/-

B. Mugunthan

Chief Financial Officer

Sd/-

Ashish Bansal

Chairman & Managing Director

and CEO

DIN-10328174

Sd/-

Pratibha Aggarwal

Company Secretary

FCS No. 8874

REVISED INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying Consolidated Ind AS Financial Statements of IRCON INTERNATIONAL LIMITED (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its jointly controlled entities, which comprise the Consolidated Balance Sheet as at 31st March, 2024, 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 notes to the financial statements including summary of the material accounting policies and other explanatory information (hereinafter referred to as the "Consolidated Ind AS Financial Statements").

We have audited the financial statements of the three (3) foreign branches situated at South Africa, Malaysia and Sri Lanka (Indian part) for the year ended 31st March, 2024. However, we have not visited any foreign branch and the relevant information for the audit purpose was provided to us by the management at corporate office level.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Ind AS Financial Statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its jointly controlled entities as at 31st March, 2024, the consolidated profit, the consolidated total comprehensive income, the consolidated changes in equity and the consolidated cash flows for the year ended on that date.

This report has been revised consequent upon observations of Comptroller of Auditor General of the India during the course of audit u/s 139(5) of the Companies Act, 2013 as amended, for the year ended on 31st March 2024, and this report supersedes our earlier report dated 21st May, 2024 under section 143 of the Companies Act, 2013.

Basis for Opinion

We conducted our audit of the Consolidated Ind AS Financial Statements in accordance with Standards on Auditing ("SAs") specified under section 143 (10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Ind AS Financial Statements section of our report. We are independent of the Group and its jointly controlled entities in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Consolidated Ind AS Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to it "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Ind AS Financial Statements.

Emphasis of Matters

Reference is invited to footnote no. (i) of Note no. 9 of the Consolidated Ind AS Financial Statements wherein it has been stated that financial statements of one of the jointly controlled entities i.e. Indian Railway Stations Development Corporation Ltd. (IRSDC) have been prepared on liquidation basis and that the Group does not foresee any impairment in the value of investments held by it in IRSDC.

Our opinion is not modified in respect of the above matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Ind AS Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Ind AS Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Considering the requirement of Standard on Auditing (SA 600) on 'Using the work of Another Auditor' including materiality, below Key Audit Matters have been reproduced from the Independence Auditors Reports on the audit of Standalone Ind AS Financial Statements of the Holding Company.

REVISED INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED

| Key Audit Matter | How our audit addressed the matter |
|--|--|
| <p>Revenue Recognition in terms of Ind AS 115 "Revenue from Contracts with Customers"</p> <p>Accounting Standard on Revenue which prescribes five steps revenue recognition model.</p> <p>The Holding Company recognizes revenue for a performance obligation satisfied over time after estimating its progress towards complete satisfaction of the performance obligation. The recognition of revenue requires assessments and judgments to be made on changes in work scope, claims (compensation, rebates etc.) and other payments to the extent performance obligation is satisfied. The company measures the performance obligation by applying input method. In the contracts where performance obligation cannot be measured by input method, the output method is applied, which faithfully depict the Company's performance towards complete satisfaction of the performance obligation.</p> <p>During order fulfillment, contractual obligations may need to be reassessed. In addition, change orders or cancelations have to be considered. As a result, total estimated project costs may exceed total contract revenues and therefore require immediate recognition of the expected loss.</p> <p>Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers.</p> <p>The application of the revenue accounting standard involves certain key judgements relating to –</p> <ol style="list-style-type: none"> i. identification of distinct performance obligations; ii. determination of transaction price of the identified performance obligations; iii. the appropriateness of the basis used to measure revenue recognized at a point in time or over time. <p>Additionally, revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date. Revenue recognition from these judgements were identified as a Key Audit Matter and required a higher extent of audit effort.</p> <p>Refer Note No. 43 to the Consolidated Ind AS Financial Statements.</p> | <p>-Our audit procedures included considering the appropriateness of the Company's revenue recognition accounting policies and assessing compliance with the policies in terms of the applicable accounting standards. We evaluated the effectiveness of control over the preparation of information that are design to ensure the completeness and accuracy. We selected a sample of contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and satisfaction of performance obligations. We also examined costs included within WIP balances on a sample basis and tested their recoverability through comparing the net realizable values as per the agreements with estimated cost to complete.</p> <p>- We performed following substantive procedures over revenue recognition with specific focus on whether there is single performance obligation or multiple performance obligations in the contract and whether the performance obligation is being satisfied over the period of time or at a point in time:</p> <ul style="list-style-type: none"> • Read, analyzed and identified the distinct performance obligations in these contracts. • Compared these performance obligations with that identified and recorded by the Company. • Considered the terms of the contracts to verify the transaction price used to allocate to separate performance obligations. • Checked whether the performance obligation is being satisfied over the period of time or at a point in time. • Performed analytical procedures for reasonableness of revenues disclosed |

REVISED INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED

| Key Audit Matter | How our audit addressed the matter |
|--|---|
| <p>Contingent Liabilities</p> <p>There are a number of litigations pending before various forums against the Company and the management's judgement is required for estimating the amount to be disclosed as contingent liability. We identified this as a key audit matter because the estimates on which these amounts are based involve a significant degree of management judgement in interpreting the cases.</p> <p>Refer Note no. 40 of the Consolidated Financial Statements, read with the Accounting Policy No. 2.2.16.</p> | <p>We have obtained an understanding of the Company's procedure in respect of estimation and disclosure of contingent liabilities and adopted the following audit procedure:</p> <ul style="list-style-type: none"> • Reviewing the current status and material developments of legal matters. • Examining recent orders from competent authorities and/or communication received from various authorities, judicial forums and follow-up action thereon. • Review and analysis of evaluation of the contentions of the company through discussions, collection of details of the subject matter under consideration, the likely outcome and consequent potential outflows on those issues. |
| <p>System Environment and internal Controls</p> <p>The Company is having SAP system in place and only FI-CO & Payroll module is Implemented and other system like inventory, MM Module etc. is under the process of implementation Further, the SAP project system module (PS) is required to generate the projects invoices with integration support.</p> <p>The IT system in the company are not fully automated and manual interventions are in place in preparing and reporting of financial statements. This required a high degree of auditor judgement in evaluating the audit evidence and a higher extent of audit effort.</p> | <p>Our procedures included but were not limited to:</p> <ul style="list-style-type: none"> • Discussing with management and IT department on the IT environment and consideration of the key financial processes to understand where IT systems were integral to the financial reporting process. • Testing the design of the key IT controls relating to financial reporting systems of the company. • We also tested the company's controls around system interfaces. • We applied substantive audit procedures to ensure that areas where there are manual controls are operating effectively. • Our audit planning and procedures also includes the various reports which the system generates and without which it is difficult for us to collect the data of the various heads of the Balance sheet. |

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 other information. The other information comprises the information included in the Company's Annual Report but does not include the Consolidated Ind AS Financial Statements, standalone financial statements and our auditor's report thereon.

Our opinion on the Consolidated Ind AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Ind AS Financial Statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with

the Consolidated Ind AS Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for matters stated in section 134(5) of the Act with respect to the preparation and presentation of these Consolidated Ind AS Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated change in equity

REVISED INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED

and consolidated cash flows of the Group and its jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act.

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 Consolidated Ind AS 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 the respective Board of Directors of the companies included in the Group and its jointly controlled entities either intends to liquidate the entities or to cease operations, or have 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 Holding Company, its subsidiaries and 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 and its jointly controlled entities to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Ind AS Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Ind AS Financial Statements, including the disclosures, and whether the Consolidated Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and jointly controlled entities 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 financial

REVISED INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED

statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion'.

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 Consolidated Ind AS 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 Consolidated Ind AS Financial Statements.

We communicate with those charged with governance of the Holding company, its subsidiaries and jointly controlled entities included in the Consolidated Ind AS Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal financial controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Ind AS Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- We did not audit the financial statements / financial information of four (4) foreign branches included in the standalone Ind AS financial statement of the company whose financial statements/financial information reflect total assets of Rs 831.78 Crores (Previous year Rs 709.32 Crores) as at 31st March 2024, total revenue of Rs. 548.44 Crores (Previous Year Rs 401.53 crores) and total PBT of Rs. 112.41 crores (previous year Rs 84.32 crores), for the year ended on that date, as considered in the standalone financial statements. The financial statements/ information of these branches have been audited by the branch auditors whose reports have been

furnished to us, and our opinion in so far as it relates to the amounts and disclosure included in respect of these branches, is based solely on the reports of such branch auditors.

- The financial statements include profit/(loss) of (-) Rs.0.08 Crores (Previous Year Rs.0.08 Crores), the company's share in two (2) integrated joint operations (unincorporated) accounts which have been audited by other firms of chartered Accountants and profit/(loss) of Rs.0.90 Crores (Previous Year Rs. 0.47 Crores) the company's share in two (2) joint operations accounts certified by the management for the year ended March 2024.
- We did not audit the financial statements/financial information of eleven (11) subsidiaries whose financial statements/ financial information reflect Total Assets of Rs. 5603.36 Crores (Previous Year Rs. 3655.31 Crores) as at 31st March 2024, Total Revenues of Rs.2457.13 Crores (Previous Year Rs.1138.40 Crores) and net increase/ (decrease) in cash flows amounting to Rs.172.38 Crores (Previous Year Rs. 118.13 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. 44.22 Crores (Previous Year Rs. 30.81 Crores) profit (net) using equity method in five (5) jointly controlled entities whose financial statements/ financial information have audited by other firm of chartered Accountants, and also included Group's share of Rs. 2.00 Crores (Previous Year Rs. 0.64 Crores) profit (net) using equity method in two (2) jointly controlled entities whose financial statements/ financial information have not been audited by their auditor but certified by the management and included in the consolidated Ind AS financial statements for the year ended 31st March, 2024.
- Reference is invited to Note no. 46 (ii) of the Consolidated Ind AS Financial Statements regarding amendments made in the IndAS-1. As explained by the Management there is no financial impact of such amendments.

These financial statements/ financial information which have been audited by other auditors whose financial statement / financial information have been furnished to us by the management and our opinion on the Consolidated Ind AS Financial Statements in so far as it relates to the amounts and disclosure included in respect of these audited subsidiaries, jointly controlled entities and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries and 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 financial statements, and

REVISED INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED

our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, based on our audit we give in the **"Annexure A"** a statement on the matters specified in paragraph 3(xxii) of the Order.
2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other Auditors on separate financial statements and the other financial information of the subsidiaries and jointly controlled entities mentioned in the 'Others Matters' paragraph, 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 of the aforesaid Consolidated Ind AS Financial Statements.
 - b) In our opinion, proper books of account as required by law mentioned by the Group and the jointly controlled entities including relevant records relating to preparation of the aforesaid Consolidated Ind AS Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c) The reports on the accounts of the branch offices of the Holding Company, its subsidiaries and jointly controlled entities incorporated in India, audited under Section 143(8) of the Act by their auditors have been sent to us and have been properly dealt with in preparing this report.
 - d) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Ind AS Financial Statements.
 - e) In our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Ind AS specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended).
 - f) On the basis of the reports of the statutory auditors of joint ventures incorporated in India, none of the directors of joint ventures incorporated in India is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act. We are informed that the provisions of Section 164(2) of the Act are not applicable to the Holding Company and its subsidiary companies incorporated in India being Government companies in terms of notification no. G.S.R.463(E) dated 5th June 2015 issued by Ministry of Corporate Affairs.
 - g) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in **"Annexure B"**.
 - h) We are informed that the provisions of section 197 read with Schedule V of the Act, relating to managerial remuneration are not applicable to the Holding Company and its subsidiaries incorporated in India, being Government Companies in terms of Ministry of Corporate Affairs Notification no G.S.R. 463(E) dated 5th June, 2015. On the basis of the reports of the statutory auditors of the Joint Ventures incorporated in India, no remuneration has been paid by the Joint Ventures to its directors during the current year.
 - i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Consolidated Ind AS Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group and its jointly controlled entities. Refer Note No. 40 to the Consolidated Ind AS Financial Statements.
 - (ii) The Group and its jointly controlled entities have made provision as required under the applicable law or accounting standards for material foreseeable losses, if any, on long-term contracts. Refer Note No.21.2 to the Consolidated Ind AS Financial Statements. The Group and its jointly controlled entities did not have any long-term derivative contracts.
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and its jointly controlled entities incorporated in India.

REVISED INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED

- (iv) a) The respective Managements of the Holding Company, its subsidiaries and jointly controlled entities which are the companies incorporated in India whose financial statements have been audited under the Act have represented to us and other Auditors of such subsidiaries and jointly controlled entities respectively that, to the best of their knowledge and belief, other than as disclosed in Note no 45 to the accounts, that none of them have advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, its subsidiaries and jointly controlled entities ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- b) The respective Managements of the Holding Company, its subsidiaries and jointly controlled entities which are companies incorporated in India whose financial statements have been audited under the Act, have represented to us and other Auditors of such subsidiaries and jointly controlled entities that, to the best of their knowledge and belief, other than as disclosed in Note no 45 to the accounts, no funds have been received by the Holding Company, its subsidiaries and jointly controlled entities from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company, its subsidiaries and jointly controlled entities incorporated in India whose financial statements have been audited under the Act, shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and those performed by the auditors of the subsidiaries and jointly controlled entities incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditors notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- (v) As stated in Note no 2.2.15 to the Consolidated Ind AS Financial Statements
- a. The final dividend proposed in the previous year, declared and paid by the Holding Company during the year is in accordance with section 123 of the Act to the extent applicable.
- b. The interim dividend declared and paid by the Holding Company during the year and until the date of this report is in accordance with section 123 of the Act.
- c. The Board of Directors of the Holding Company has proposed final dividend for the current year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent applicable.
- (vi) Based on our examination and report of the auditors of subsidiaries and jointly controlled entities, the Group and the jointly controlled entities has used accounting software for maintaining its books of account for the financial year ended 31st March, 2024 which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.
- As proviso to Rule 3(1) of the Companies (Account) Rules 2014 is applicable from 1st April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended 31st March 2024.

REVISED INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED

3. As required by Section 143(5) of the Act and as per directions issued by Comptroller and Auditor General of India, based on our review and report of auditors of subsidiaries and jointly controlled entities we report that:

| S. No | Directions | Auditor's Replies |
|-------|--|--|
| 1. | Whether the Group has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the Integrity of the accounts along with the financial implications, if any, may be stated. | The Group is using SAP S/4 Hana system to process all the accounting transactions. As per the information and explanation provided to us, no accounting transaction has been processed outside the IT system except income billing for which no financial implication were observed. |
| 2. | Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the Group due to the Group's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a government company, then this direction is also applicable for statutory auditor of lender Group company). | No, the Group does not have any case of restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the Group. However, the holding company has given a loan to one of its subsidiaries, Ircon PB Tollway Ltd. (IPBTL). On request of the subsidiary company, the holding company has waived off interest for the current year. However, the holding and subsidiary company have booked interest income and interest expenses respectively in their books of accounts on the basis of fair valuation as per Ind AS amounting to Rs. 16.31 crores. |
| 3. | Whether funds (grants/subsidy etc.) received/receivable for specific schemes from Central/State Government or its agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation | According to the information and explanation given to us and as per examination of records, no funds have been received/ receivable by the Group for any specific scheme from Central/State Government or its agencies during the financial year 2023-24 except in case of Ircon Renewable Power Limited (IRPL) subsidiary company, where Viability Gap Funding (VGF) of Rs 112.35 crore has been received from IREDA on 05.09.2023 and the same has been properly accounted for/ utilized as per its terms and conditions. |

For Ramesh C Agrawal & Company
Chartered Accountants
Firm Registration No: 001770C

Sd/-
Sanjay Agrawal
(Partner)
Membership No:072867
UDIN: 24072867BKHCUF8529

Place: New Delhi
Date: July 01, 2024

REVISED INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED

Annexure A" to the Independent Auditors' Report of even date on the Consolidated Ind AS Financial Statements of IRCON INTERNATIONAL LIMITED

In terms of the information and explanation sought by us and given by the company and to the best of our knowledge and believe, we state that:

3(xxi) In respect of the Companies (Auditor's Report) Order, 2020 (CARO 2020), report of the auditor of the holding company, its subsidiaries and joint ventures included in the consolidated financial statements have given their remarks in the following clauses::

| S. No. | Name of the Company included in the Consolidated financial statements | Corporate Identification No. (CIN) | Holding Company/ subsidiary/ Associate/ Joint Venture. | Clause number of the CARO report of the company which is qualified or adverse. |
|--------|---|------------------------------------|--|--|
| 1. | Ircon Infrastructure and Services Limited | U45400DL2009GOI194792 | Subsidiary | Clause no 3(vii)(a) |
| 2. | Chhattisgarh East Railway Limited | U45203CT2013GOI000729 | Joint Venture | Clause no 3(xvii) |
| 3. | Chhattisgarh East-West Railway Limited | U45203CT2013GOI000768 | Joint Venture | Clause no 3(i)(c) |
| 4. | Ircon International Limited | L45203DL1976GOI008171 | Holding Company | Clause no 3(i)(c) |

The report of the following Two (2) joint venture company included in the consolidated Ind AS financial statements have not been issued by the respective auditor till the date of our audit Report on the Ind AS consolidated financial statements.

| S. No | Name of the Company included in the Consolidated financial statements | Corporate Identification No (CIN) |
|-------|---|-----------------------------------|
| 1. | Indian Railway Stations Development Corporation Limited | U45204DL2012GOI234292 |
| 2. | Bastar Railway Private Limited | U74900CT2016PTC007251 |

For Ramesh C Agrawal & Company
Chartered Accountants
Firm Registration No: 001770C

Sd/-
Sanjay Agrawal
(Partner)
Membership No:072867
UDIN: 24072867BKHCUF8529

Place: New Delhi
Date: July 01, 2024

REVISED INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED

"Annexure B" to the Independent Auditors' Report of even date on the Consolidated Ind AS Financial Statements of IRCON INTERNATIONAL LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of IRCON INTERNATIONAL LIMITED (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its Jointly controlled entities as of March 31, 2024 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.

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 unauthorized acquisition, use, or disposition of

REVISED INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED

the Holding company's assets that could have a material effect on the consolidated Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary companies and jointly controlled entities, which are incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. However, internal control needs further strengthening in respect of the following areas identified as on 31.03.2024 as it appears from our examination of the books and records of the Holding company and the reports

of the other auditors in respect of entities audited by them and representation received from the management for entities audited.

- a) The Holding Company has an integrated ERP system which was not used at its full potential. Some of the jointly controlled entities have used the Tally ERP system for the preparation of financial accounts with manual interventions. Further, the SAP project system module (PS) is required to generate the projects invoices with integration support.
- b) The Inventory records at some units of the holding company are maintained manually and the inventory manual in SAP is under consideration.

Our opinion is not modified in respect of the above matters.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting, insofar as it relates to eleven audited subsidiary companies, seven jointly controlled entities out of which two unaudited jointly controlled companies which are companies incorporated in India, is based on the corresponding reports of their other auditors and management certificate respectively (also refer paragraph on Other Matters of the Independent Auditors' Report on Consolidated Ind AS Financial Statements).

We have considered the identified areas and reported above in determining the nature, timing and extent of audit procedures applied in our audit of the consolidated financial statements of the group for the year ended 31st March, 2024 and these areas do not affect our opinion on the Consolidated Ind AS financial statements of the Company.

For Ramesh C Agrawal & Company
Chartered Accountants
Firm Registration No: 001770C

Sd/-
Sanjay Agrawal
(Partner)

Membership No: 072867
UDIN: 24072867BKHCUF8529

Place: New Delhi
Date: July 01, 2024

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying Consolidated Ind AS Financial Statements of **IRCON INTERNATIONAL LIMITED** (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its jointly controlled entities, which comprise the Consolidated Balance Sheet as at 31st March, 2024, 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 notes to the financial statements including summary of the material accounting policies and other explanatory information (hereinafter referred to as the "Consolidated Ind AS Financial Statements").

We have audited the financial statements of the three (3) foreign branches situated at South Africa, Malaysia and Sri Lanka (Indian part) for the year ended 31st March, 2024. However, we have not visited any foreign branch and the relevant information for the audit purpose was provided to us by the management at corporate office level.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Ind AS Financial Statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its jointly controlled entities as at 31st March, 2024, the consolidated profit, the consolidated total comprehensive income, the consolidated changes in equity and the 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 and its jointly controlled entities in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Consolidated Ind AS Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to it "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Ind AS Financial Statements.

Emphasis of Matters

Reference is invited to footnote no. (i) of Note no. 9 of the Consolidated Ind AS Financial Statements wherein it has been stated that financial statements of one of the jointly controlled entities i.e. Indian Railway Stations Development Corporation Ltd. (IRSDC) have been prepared on liquidation basis and that the Group does not foresee any impairment in the value of investments held by it in IRSDC.

Our opinion is not modified in respect of the above matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Ind AS Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Ind AS Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Considering the requirement of Standard on Auditing (SA 600) on 'Using the work of Another Auditor' including materiality, below Key Audit Matters have been reproduced from the Independence Auditors Reports on the audit of Standalone Ind AS Financial Statements of the Holding Company.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED

| Key Audit Matter | How our audit addressed the matter |
|--|---|
| <p>Revenue Recognition in terms of Ind AS 115 "Revenue from Contracts with Customers"</p> <p>Accounting Standard on Revenue which prescribes five steps revenue recognition model.</p> <p>The Company recognizes revenue for a performance obligation satisfied over time after estimating its progress towards complete satisfaction of the performance obligation. The recognition of revenue requires assessments and judgments to be made on changes in work scope, claims (compensation, rebates etc.) and other payments to the extent performance obligation is satisfied. The company measures the performance obligation by applying input method. In the contracts where performance obligation cannot be measured by input method, the output method is applied, which faithfully depict the Company's performance towards complete satisfaction of the performance obligation.</p> <p>During order fulfillment, contractual obligations may need to be reassessed. In addition, change orders or cancelations have to be considered. As a result, total estimated project costs may exceed total contract revenues and therefore require immediate recognition of the expected loss.</p> <p>Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers.</p> <p>The application of the revenue accounting standard involves certain key judgements relating to –</p> <ol style="list-style-type: none"> i. identification of distinct performance obligations; ii. determination of transaction price of the identified performance obligations; iii. the appropriateness of the basis used to measure revenue recognized at a point in time or over time. <p>Additionally, revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date. Revenue recognition from these judgements were identified as a Key Audit Matter and required a higher extent of audit effort.</p> <p>Refer Note No. 43 to the Consolidated Ind AS Financial Statements.</p> | <ul style="list-style-type: none"> - 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. We evaluated the effectiveness of control over the preparation of information that are design to ensure the completeness and accuracy. We selected a sample of contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and satisfaction of performance obligations. We also examined costs included within WIP balances on a sample basis and tested their recoverability through comparing the net realizable values as per the agreements with estimated cost to complete. - 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: <ul style="list-style-type: none"> • Read, analyzed and identified the distinct performance obligations in these contracts. • Compared these performance obligations with that identified and recorded by the Company. • Considered the terms of the contracts to verify the transaction price used to allocate to separate performance obligations. • Checked whether the performance obligation is being satisfied over the period of time or at a point in time. • Performed analytical procedures for reasonableness of revenues disclosed |

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED

Contingent Liabilities

There are a number of litigations pending before various forums against the Company and the management's judgement is required for estimating the amount to be disclosed as contingent liability. We identified this as a key audit matter because the estimates on which these amounts are based involve a significant degree of management judgement in interpreting the cases.

Refer Note no. 40 of the Consolidated Financial Statements, read with the Accounting Policy No. 2.2.16.

We have obtained an understanding of the Company's procedure in respect of estimation and disclosure of contingent liabilities and adopted the following audit procedure:

- Reviewing the current status and material developments of legal matters.
- Examining recent orders from competent authorities and/or communication received from various authorities, judicial forums and follow-up action thereon.
- Review and analysis of evaluation of the contentions of the company through discussions, collection of details of the subject matter under consideration, the likely outcome and consequent potential outflows on those issues.

System Environment and internal Controls

The Company is having SAP system in place and only FI-CO & Payroll module is Implemented and other system like inventory, MM Module etc. is under the process of implementation Further, the SAP project system module (PS) is required to generate the projects invoices with integration support.

The IT system in the company are not fully automated and manual interventions are in place in preparing and reporting of financial statements. This required a high degree of auditor judgement in evaluating the audit evidence and a higher extent of audit effort.

Our procedures included but were not limited to:

- Discussing with management and IT department on the IT environment and consideration of the key financial processes to understand where IT systems were integral to the financial reporting process.
- Testing the design of the key IT controls relating to financial reporting systems of the company.
- We also tested the company's controls around system interfaces.
- We applied substantive audit procedures to ensure that areas where there are manual controls are operating effectively.
- Our audit planning and procedures also includes the various reports which the system generates and without which it is difficult for us to collect the data of the various heads of the Balance sheet.

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 other information. The other information comprises the information included in the Company's Annual Report but does not include the Consolidated Ind AS Financial Statements, standalone financial statements and our auditor's report thereon.

Our opinion on the Consolidated Ind AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Ind AS Financial Statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the Consolidated Ind AS Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for matters stated in section 134(5) of the Act with respect to the preparation and presentation of these Consolidated Ind AS Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated change in equity and consolidated cash flows of the Group and its jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED

completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Ind AS 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 the respective Board of Directors of the companies included in the Group and its jointly controlled entities either intends to liquidate the entities or to cease operations, or have 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 Holding Company, its subsidiaries and 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 and its jointly controlled entities to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Ind AS Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Ind AS Financial Statements, including the disclosures, and whether the Consolidated Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and jointly controlled entities to express an opinion on 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 Consolidated Ind AS 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 Consolidated Ind AS Financial Statements.

We communicate with those charged with governance of the Holding company, its subsidiaries and jointly controlled entities included in the Consolidated Ind AS Financial Statements regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal financial controls 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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED

Ind AS Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- We did not audit the financial statements / financial information of four (4) foreign branches included in the standalone Ind AS financial statement of the company whose financial statements/financial information reflect total assets of Rs 831.78 Crores (Previous year Rs 709.32 Crores) as at 31st March 2024, total revenue of Rs. 548.44 Crores (Previous Year Rs 401.53 crores) and total PBT of Rs. 112.41 crores (previous year Rs 84.32 crores), for the year ended on that date, as considered in the standalone financial statements. The financial statements/information of these branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosure included in respect of these branches, is based solely on the reports of such branch auditors.
- The financial statements include profit/(loss) of (-) Rs.0.08 Crores (Previous Year Rs.0.08 Crores), the company's share in two (2) integrated joint operations (unincorporated) accounts which have been audited by other firms of chartered Accountants and profit/(loss) of Rs.0.90 Crores (Previous Year Rs. 0.47 Crores) the company's share in two (2) joint operations accounts certified by the management for the year ended March 2024.
- We did not audit the financial statements/financial information of eleven (11) subsidiaries whose financial statements/ financial information reflect Total Assets of Rs. 5603.36 Crores (Previous Year Rs. 3655.31 Crores) as at 31st March 2024, Total Revenues of Rs.2457.13 Crores (Previous Year Rs.1138.40 Crores) and net increase/ (decrease) in cash flows amounting to Rs.172.38 Crores (Previous Year Rs. 118.13 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. 44.22 Crores (Previous Year Rs. 30.81 Crores) profit (net) using equity method in five (5) jointly controlled entities whose financial statements/ financial information have audited by other firm of chartered Accountants, and also included Group's share of Rs. 2.00 Crores (Previous Year Rs. 0.64 Crores) profit (net) using equity method in two (2) jointly controlled entities whose financial statements/ financial information have not been audited by their auditor but certified by the management and included in the consolidated Ind AS financial statements for the year ended 31st March, 2024.
- Reference is invited to Note no. 46 (ii) of the Consolidated Ind AS Financial Statements regarding

amendments made in the IndAS-1. As explained by the Management there is no financial impact of such amendments.

These financial statements/financial information which have been audited by other auditors whose financial statement/financial information have been furnished to us by the management and our opinion on the Consolidated Ind AS Financial Statements in so far as it relates to the amounts and disclosure included in respect of these audited subsidiaries, jointly controlled entities and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries and 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 is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, based on our audit we give in the "**Annexure A**" a statement on the matters specified in paragraph 3(xxi) of the Order.
2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other Auditors on separate financial statements and the other financial information of the subsidiaries and jointly controlled entities mentioned in the 'Others Matters' paragraph, 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 of the aforesaid Consolidated Ind AS Financial Statements.
 - b) In our opinion, proper books of account as required by law mentioned by the Group and the jointly controlled entities including relevant records relating to preparation of the aforesaid Consolidated Ind AS Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c) The reports on the accounts of the branch offices of the Holding Company, its subsidiaries and jointly controlled entities incorporated in India, audited under Section 143(8) of the Act by their auditors have been sent to us and have been properly dealt with in preparing this report.
 - d) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Ind AS Financial Statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED

- e) In our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Ind AS specified under Section 133 of the Act.
- 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 the Central Government.
- g) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in **"Annexure B"**.
- h) Being a government company, provisions of section 197 of the Act are not applicable vide notification no. G.S.R. 463 (E) dated 5th June 2015, issued by the Central Government.
- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Consolidated Ind AS Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group and its jointly controlled entities. Refer Note No. 40 to the Consolidated Ind AS Financial Statements.
- (ii) The Group and its jointly controlled entities have made provision as required under the applicable law or accounting standards for material foreseeable losses, if any, on long-term contracts. Refer Note No.21.2 to the Consolidated Ind AS Financial Statements. The Group and its jointly controlled entities did not have any long-term derivative contracts.
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and its jointly controlled entities incorporated in India.
- (iv) a) The respective Managements of the Holding Company, its subsidiaries and jointly controlled entities which are the companies incorporated in India whose financial statements have been audited under the Act have represented to us and other Auditors of such subsidiaries and jointly controlled entities respectively that, to the best of their knowledge and belief, other than as disclosed in Note no 45 to the accounts, that none of them have advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind offunds)toorinanyotherpersonorentity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, its subsidiaries and jointly controlled entities ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- b) The respective Managements of the Holding Company, its subsidiaries and jointly controlled entities which are companies incorporated in India whose financial statements have been audited under the Act, have represented to us and other Auditors of such subsidiaries and jointly controlled entities that, to the best of their knowledge and belief, other than as disclosed in Note no 45 to the accounts, no funds have been received by the Holding Company, its subsidiaries and jointly controlled entities from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company, its subsidiaries and jointly controlled entities incorporated in India whose financial statements have been audited under the Act, shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and those performed by the auditors of the subsidiaries and jointly controlled entities incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditors notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- (v) As stated in Note no 2.2.15 to the Consolidated Ind AS Financial Statements
- a. The final dividend proposed in the previous year, declared and paid by the Holding Company during the year is in accordance

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED

with section 123 of the Act to the extent applicable.

- b. The interim dividend declared and paid by the Holding Company during the year and until the date of this report is in accordance with section 123 of the Act.
- c. The Board of Directors of the Holding Company has proposed final dividend for the current year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent applicable.
- (vi) Based on our examination and report of the auditors of subsidiaries and jointly controlled entities, the Group and the jointly controlled entities has used accounting software for maintaining its books of account for the financial year ended 31st March,

2024 which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tempered with.

As proviso to Rule 3(1) of the Companies (Account) Rules 2014 is applicable from 1st April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended 31st March 2024.

3. As required by Section 143(5) of the Act and as per directions issued by Comptroller and Auditor General of India, based on our review and report of auditors of subsidiaries and jointly controlled entities we report that:

| S. No | Directions | Auditor's Replies |
|-------|--|--|
| 1. | Whether the Group has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the Integrity of the accounts along with the financial implications, if any, may be stated. | The Group is using SAP S/4 Hana system to process all the accounting transactions. As per the information and explanation provided to us , no accounting transaction has been processed outside the IT system except income billing for which no financial implication were observed. |
| 2. | Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the Group due to the Group's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a government company, then this direction is also applicable for statutory auditor of lender Group company). | No, the Group does not have any case of restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the Group. However, the holding company has given a loan to one of its subsidiaries, Ircon PB Tollway Ltd. (IPBTL). On request of the subsidiary company, the holding company has waived off interest for the current year. However, the holding and subsidiary company have booked interest income and interest expenses respectively in their books of accounts on the basis of fair valuation as per Ind AS amounting to Rs. 16.31 crores. |
| 3. | Whether funds (grants/subsidy etc.) received/receivable for specific schemes from Central/State Government or its agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation | According to the information and explanation given to us and as per examination of records, no funds have been received/ receivable by the Group for any specific scheme from central/state agencies during the financial year 2023-24. |

For Ramesh C Agrawal & Company
Chartered Accountants
Firm Registration No: 001770C

Sd/-
Sanjay Agrawal
(Partner)
Membership No:072867
UDIN: 24072867BKHCUF7558

Place: New Delhi
Date: May 21, 2024

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED

"Annexure A" to the Independent Auditors' Report of even date on the Consolidated Ind AS Financial Statements of IRCON INTERNATIONAL LIMITED

In terms of the information and explanation sought by us and given by the company and to the best of our knowledge and believe, we state that:

3(xxi) In respect of the Companies (Auditor's Report) Order, 2020 (CARO 2020), report of the auditor of the holding company, its subsidiaries and joint ventures included in the consolidated financial statements have given their remarks in the following clauses:

| Sr. No. | Name of the Company included in the Consolidated financial statements | Corporate Identification No. (CIN) | Holding Company /subsidiary/ Associate/Joint Venture. | Clause number of the CARO report of the company which is qualified or adverse. |
|---------|---|------------------------------------|---|--|
| 1. | Ircon Infrastructure and Services Limited | U45400DL2009GOI194792 | Subsidiary | Clause no 3(vii)(a) |
| 2. | Chhattisgarh East Railway Limited | U45203CT2013GOI000729 | Joint Venture | Clause no 3(xvii) |
| 3. | Chhattisgarh East-West Railway Limited | U45203CT2013GOI000768 | Joint Venture | Clause no 3(i)(c) |
| 4. | Ircon International Limited | L45203DL1976GOI008171 | Holding Company | Clause no 3(i)(c) |

The report of the following one (1) joint venture company included in the consolidated Ind AS financial statements have not been issued by the respective auditor till the date of our audit Report on the Ind AS consolidated financial statements.

| Sr. No. | Name of the Company included in the Consolidated financial statements | Corporate Identification No (CIN) |
|---------|---|-----------------------------------|
| 1. | Indian Railway Stations Development Corporation Limited | U45204DL2012GOI234292 |
| 2. | Bastar Railway Private Limited | U74900CT2016PTC007251 |

For Ramesh C Agrawal & Company
Chartered Accountants
Firm Registration No: 001770C

Sd/-
Sanjay Agrawal
(Partner)

Membership No:072867
UDIN: 24072867BKHCUF7558

Place: New Delhi
Date: May 21, 2024

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED

"Annexure B" to the Independent Auditors' Report of even date on the Consolidated Ind AS Financial Statements of IRCON INTERNATIONAL LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of IRCON INTERNATIONAL LIMITED (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its Jointly controlled entities as of March 31, 2024 in conjunction with our audit of the consolidated Ind AS financial statements of the Group and its jointly controlled entities for the year ended on that date. We did not audit the internal financial controls over financial reporting of its Eleven subsidiary companies and seven jointly controlled entities, out of which two jointly controlled entities are unaudited as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company's and its subsidiary company and jointly controlled company which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company and its Subsidiary Company and jointly controlled company which are companies incorporating in India considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective Group's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Group's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their report, is sufficient and appropriate to provide a basis for our audit opinion on the Group's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Holding company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Holding company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Holding company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of un-authorized acquisition, use, or 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary companies and jointly controlled entities, which are incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. However, internal control needs further strengthening in respect of the following areas identified as on 31.03.2024 as it appears from our examination of the books and records of the Holding company and the reports of the other auditors in respect of entities audited by them and representation received from the management for entities audited.

- a) The Holding Company has an integrated ERP system which was not used at its full potential. Some of the jointly controlled entities have used the Tally ERP system for the preparation of financial accounts with manual interventions. Further, the SAP project system module (PS) is required to generate the projects invoices with integration support.
- b) The Inventory records at some units of the holding company are maintained manually and the inventory manual in SAP is under consideration.

Our opinion is not modified in respect of the above matters.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting, insofar as it relates to eleven audited subsidiary companies, seven jointly controlled entities out of which two unaudited jointly controlled companies which are companies incorporated in India, is based on the corresponding reports of their other auditors and management certificate respectively (also refer paragraph on Other Matters of the Independent Auditors' Report on Consolidated Ind AS Financial Statements).

We have considered the identified areas and reported above in determining the nature, timing and extent of audit procedures applied in our audit of the consolidated financial statements of the group for the year ended 31st March, 2024 and these areas do not affect our opinion on the Consolidated Ind AS financial statements of the Company.

For Ramesh C Agrawal & Company
Chartered Accountants
Firm Registration No: 001770C

Sd/-
Sanjay Agrawal
(Partner)

Membership No:072867
UDIN: 24072867BKHCUF7558

Place: New Delhi
Date: May 21, 2024

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2024

(₹ in crore)

| Particulars | Note No. | As at 31st March 2024 | As at 31st March 2023 |
|---|----------|--------------------------|--------------------------|
| I. ASSETS | | | |
| 1 Non-Current Assets | | | |
| (a) Property, Plant and Equipment | 3 | 209.01 | 201.00 |
| (b) Capital Work-in-Progress | 4 | 548.91 | 8.47 |
| (c) Investment Property | 5 | 543.07 | 552.31 |
| (d) Intangible Assets | 6 | 977.53 | 1,067.42 |
| (e) Intangible Assets under Development | 7 | - | 10.40 |
| (f) Right-of-use Assets | 8 | 6.59 | 4.40 |
| (g) Investments accounted for using the equity method | 9 | 864.50 | 824.17 |
| (h) Financial Assets | 10 | | |
| (i) Investments | 10.1 | 125.19 | 125.20 |
| (ii) Loans | 10.2 | 0.44 | 0.52 |
| (iii) Others | 10.3 | 1,444.81 | 1,355.60 |
| (i) Deferred Tax Assets (Net) | 11 | 119.52 | 109.40 |
| (j) Other Non-Current Assets | 12 | 606.57 | 133.43 |
| Total Non-Current Assets | | 5,446.14 | 4,392.32 |
| 2 Current Assets | | | |
| (a) Inventories | 13 | 237.44 | 188.98 |
| (b) Financial Assets | 14 | | |
| (i) Investments | 14.1 | 563.51 | 99.99 |
| (ii) Trade Receivables | 14.2 | 803.33 | 863.83 |
| (iii) Cash and Cash Equivalents | 14.3 | 2,179.78 | 2,338.11 |
| (iv) Other Bank Balances | 14.4 | 2,804.55 | 2,784.45 |
| (v) Loans | 14.5 | 0.93 | 0.84 |
| (vi) Others | 14.6 | 2,813.63 | 1,896.16 |
| (c) Current Tax Assets (Net) | 15 | 72.54 | 164.87 |
| (d) Other Current Assets | 16 | 2,523.10 | 2,807.12 |
| | | 11,998.81 | 11,144.35 |
| Assets held for sale | 17 | - | 0.71 |
| Total Current Assets | | 11,998.81 | 11,145.06 |
| Total Assets | | 17,444.95 | 15,537.38 |
| II. EQUITY AND LIABILITIES | | | |
| 1 Equity | | | |
| (a) Equity Share Capital | 18 | 188.10 | 188.10 |
| (b) Other Equity | 19 | 5,682.82 | 5,023.39 |
| Equity attributable to Owners of the parent | | 5,870.92 | 5,211.49 |
| Non Controlling Interest | 19A | 35.18 | 13.13 |
| Total Equity | | 5,906.10 | 5,224.62 |

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2024

(₹ in crore)

| Particulars | Note No. | As at 31st March 2024 | As at 31st March 2023 |
|--|----------|--------------------------|--------------------------|
| 2 Liabilities | | | |
| (i) Non-Current Liabilities | | | |
| (a) Financial Liabilities | 20 | | |
| (i) Borrowings | 20.1 | 2,456.68 | 1,440.33 |
| (ii) Lease Liabilities | 20.2 | 2.52 | 0.42 |
| (iii) Trade Payables | 20.3 | | |
| - Total outstanding dues of Micro Enterprises and Small Enterprises | | - | - |
| - Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises | | - | - |
| (iv) Other Financial Liabilities | 20.4 | 777.42 | 681.10 |
| (b) Provisions | 21 | 221.96 | 148.57 |
| (c) Other Non-Current Liabilities | 22 | 957.31 | 776.95 |
| Total Non-Current Liabilities | | 4,415.89 | 3,047.37 |
| (ii) Current Liabilities | | | |
| (a) Financial Liabilities | 23 | | |
| (i) Borrowings | 23.1 | 110.48 | 63.88 |
| (ii) Lease Liabilities | 23.2 | 0.72 | 0.09 |
| (iii) Trade Payables | 23.3 | | |
| - Total outstanding dues of Micro Enterprises and Small Enterprises | | 6.36 | 13.18 |
| - Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises | | 881.05 | 842.21 |
| (iv) Other Financial Liabilities | 23.4 | 3,094.25 | 2,722.31 |
| (b) Other current liabilities | 24 | 2,654.82 | 3,287.58 |
| (c) Provisions | 21 | 308.72 | 299.19 |
| (d) Current Tax liability (Net) | 25 | 66.56 | 36.95 |
| Total Current Liabilities | | 7,122.96 | 7,265.39 |
| Total Equity and Liabilities | | 17,444.95 | 15,537.38 |
| III. Summary of Material Accounting Policies | 2 | | |
| IV. Notes Forming Part of Financial Statements | 1 – 48 | | |

As per our Report of even date attached

For Ramesh C Agrawal and Company
Chartered Accountants
FRN : 001770C

Sd/-
Sanjay Agrawal
Partner
M. No. 072867

Place : New Delhi
Date : May 21, 2024

For and on behalf of Board of Directors

Sd/-
Ragini Advani
Director (Finance)
DIN-09575213

Sd/-
B. Mugunthan
Chief Financial Officer

Sd/-
Ashish Bansal
Chairman & Managing Director
and CEO
DIN-10328174

Sd/-
Pratibha Aggarwal
Company Secretary
FCS No. 8874

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2024

(₹ in crore)

| Particulars | | Note No. | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|--------------|---|-----------|------------------------------------|------------------------------------|
| I. | Revenue : | | | |
| | Revenue from operations | 26 | 12,330.91 | 10,367.93 |
| II. | Other income | 27 | 539.61 | 381.96 |
| III. | Total Income (I + II) | | 12,870.52 | 10,749.89 |
| IV. | Expenses: | | | |
| | Materials and Stores Consumed | 28 (i) | 533.61 | 392.29 |
| | (Increase) / Decrease in WIP | 28 (ii) | (39.12) | 51.37 |
| | Project Expenses | 28 (iii) | 10,490.11 | 8,887.18 |
| | Employee Benefits Expenses | 29 | 326.80 | 284.12 |
| | Finance Costs | 30 | 148.40 | 118.08 |
| | Depreciation, Amortisation and Impairment | 31 | 100.43 | 107.46 |
| | Other Expenses | 28 (iii) | 95.38 | 49.83 |
| | Total Expenses (IV) | | 11,655.61 | 9,890.33 |
| V. | Profit before exceptional items and tax (III - IV) | | 1,214.91 | 859.56 |
| VI. | Exceptional items | | - | - |
| VII. | Share in Profit/(Loss) of Joint Ventures accounted for using equity method | | 46.22 | 31.44 |
| VIII. | Profit before tax (V + VI + VII) | | 1,261.13 | 891.00 |
| IX | Tax expenses: | | | |
| | (1) Current tax | 11 | | |
| | - For the Period | | 339.19 | 241.28 |
| | - For earlier years (net) | | 2.55 | (78.64) |
| | (2) Deferred tax (net) | | (10.12) | (36.87) |
| | Total Tax Expense | | 331.62 | 125.77 |
| X | Profit for the year from continuing operation (VIII - IX) | | 929.51 | 765.23 |
| XI | Other Comprehensive Income | 32 | | |
| | A. Items that will not be reclassified to profit or loss | | | |
| | (i) Net actuarial gains/(losses) on remeasurements of defined benefit plans | | 1.75 | 1.92 |
| | Income Tax relating to net actuarial gains/(losses) on remeasurements of defined benefit plans | | (0.44) | (0.48) |
| | (ii) Share of other comprehensive income/(expense) of joint ventures accounted for using the equity method (net of tax) | | (0.01) | (0.03) |
| | B. Items that will be reclassified to profit or loss | | | |
| | (i) Exchange differences in translating the financial statements of foreign operations | | (2.44) | 12.90 |
| | Income Tax relating to exchange differences in translating the financial statements of foreign operations | | 0.61 | (3.25) |
| | Other Comprehensive Income/(Expense) for the year, net of income tax | | (0.53) | 11.06 |

(₹ in crore)

| Particulars | Note No. | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|--|----------|------------------------------------|------------------------------------|
| XII Total Comprehensive Income for the year (X +XI) (Comprising Profit and Other Comprehensive Income for the year) | | 928.98 | 776.29 |
| XIII Profit attributable to: | | | |
| Owners of the Parent | | 929.57 | 765.23 |
| Non Controlling Interest | | (0.06) | - |
| XIV Other Comprehensive Income attributable to: | | | |
| Owners of the Parent | | (0.53) | 11.06 |
| Non Controlling Interest | | - | - |
| XV Total Comprehensive Income attributable to | | | |
| Owners of the Parent | | 929.04 | 776.29 |
| Non Controlling Interest | | (0.06) | - |
| XVI Earnings Per Equity Share attributable to owners of the parent: | | | |
| (For Continuing Operation) | | | |
| (1) Basic (in ₹) | 38 | 9.88 | 8.14 |
| (2) Diluted (in ₹) | | 9.88 | 8.14 |
| Face Value Per Equity Share (in ₹) | | 2.00 | 2.00 |
| XVII Summary of Material Accounting Policies | 2 | | |
| XVIII Notes Forming Part of Financial Statements | 1 – 48 | | |

As per our Report of even date attached**For Ramesh C Agrawal and Company**Chartered Accountants
FRN : 001770C

Sd/-

Sanjay Agrawal

Partner

M. No. 072867

Place : New Delhi

Date : May 21, 2024

For and on behalf of Board of Directors

Sd/-

Ragini Advani

Director (Finance)

DIN-09575213

Sd/-

B. Mugunthan

Chief Financial Officer

Sd/-

Ashish Bansal

Chairman & Managing Director

and CEO

DIN-10328174

Sd/-

Pratibha Aggarwal

Company Secretary

FCS No. 8874

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31st MARCH 2024

(₹ in crore)

| Particulars | | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|--|------------------|---------------------------------------|---------------------------------------|
| CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Net Profit before taxation | | 1,261.13 | 891.00 |
| Adjustment for : | | | |
| Interest on unwinding of financial instruments (Net) | | - | 0.09 |
| Amortisation of financial instruments (Net) | | - | 0.01 |
| Finance Cost | | 145.09 | 112.67 |
| Depreciation, amortization and impairment | | 100.43 | 107.46 |
| Profit on Sale of Assets (net) | | (0.33) | (2.44) |
| Profit on Sale of Mutual Funds | | (27.64) | (0.32) |
| Share in Profit/(Loss) of Joint Ventures | | (46.22) | (31.44) |
| Interest Income | | (422.46) | (318.41) |
| Gain on Changes of Fair Value of Mutual Funds | | (2.71) | - |
| Reclassification of Exchange Gain/Loss to Profit and Loss | | 13.04 | - |
| Effect of Exchange differences on translation of Foreign Currency Cash & Cash Equivalents | | 14.39 | (3.74) |
| Operating Profit before working capital changes | (1) | 1,034.72 | 754.88 |
| Adjustment for : | | | |
| Decrease / (Increase) in Trade Receivables | | 60.50 | (168.64) |
| Decrease / (Increase) in Inventories | | (48.47) | 70.53 |
| Decrease / (Increase) in Loans, Other Financial Assets & Other Assets | | (926.06) | (1,101.15) |
| (Decrease) / Increase in Trade Payables | | 32.02 | (171.83) |
| (Decrease) / Increase in Other Liabilities, Financial Liabilities & Provisions | | (144.62) | 412.29 |
| | (2) | (1,026.63) | (958.80) |
| Cash generated from operation | (1+2) | 8.09 | (203.92) |
| Income Tax Paid | | (86.64) | (74.00) |
| NET CASH FROM OPERATING ACTIVITIES | (A) | (78.55) | (277.92) |
| CASH FLOW FROM INVESTING ACTIVITIES | | | |
| Purchase of Property, Plant and Equipment including CWIP | | (844.59) | (64.79) |
| Viability Gap Funding Received | | 112.35 | - |
| Acquisition of Intangible Assets and Intangible Assets under Development | | (3.71) | (34.97) |
| Purchase / Proceeds of Investment Property | | (2.58) | (9.54) |
| Sale of Property, Plant and Equipment & Intangible Assets | | 40.07 | 2.05 |
| Sale of Mutual Funds | | 7,975.66 | 81.56 |
| Purchase of Mutual Fund | | (8,507.31) | (81.24) |
| Purchase of Govt. Securities | | (1.51) | - |
| Interest Received | | 418.17 | 282.27 |
| Dividend Received from Joint Venture Companies | | 69.50 | 69.00 |
| Investment in Joint Venture Companies | | (63.62) | (166.19) |
| Redemption of Bonds | | 100.00 | 50.00 |
| Bank Balance Other than Cash and Cash Equivalents | | 2.08 | 1,449.80 |
| NET CASH FROM INVESTING ACTIVITIES | (B) | (705.49) | 1,577.95 |
| CASH FLOW FROM FINANCING ACTIVITIES | | | |
| Payment (to)/from non-controlling interest (net) | | 22.11 | 12.00 |
| Proceeds From Non Current Borrowings | | 1,132.06 | 165.32 |
| Repayment of Non Current Borrowings | | (69.09) | (60.12) |
| Payment of Lease Liabilities | | (0.87) | (0.01) |
| Final Dividend paid | | (112.86) | (61.13) |
| Interim Dividend paid | | (169.29) | (169.29) |
| Finance Cost paid | | (161.45) | (110.20) |
| Payment of Fee for increase in Authorised Capital | | (0.51) | - |
| NET CASH FROM FINANCING ACTIVITIES | (C) | 640.10 | (223.43) |
| Effect of Exchange differences on translation of Foreign Currency Cash & Cash Equivalents | (D) | (14.39) | 3.74 |
| NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS | (A+B+C+D) | (158.33) | 1,080.34 |

(₹ in crore)

| Particulars | | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|--|---------|---------------------------------------|---------------------------------------|
| CASH AND CASH EQUIVALENTS (OPENING) (Refer Note 2, 4, 5 below) | (E) | 2,338.11 | 1,257.77 |
| CASH AND CASH EQUIVALENTS (CLOSING) (Refer Note 2, 4, 5 below) | (F) | 2,179.78 | 2,338.11 |
| NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS | (F - E) | (158.33) | 1,080.34 |

Notes:

- The above Consolidated Statement of Cash Flows has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS) - 7 on Statement of Cash Flows.
- Reconciliation of Cash and Cash Equivalents and Components of Cash and Cash Equivalents included in the above Consolidated Statement of Cash Flows :

(₹ in crore)

| Particulars | As at 31st March 2024 | As at 31st March 2023 |
|--|--------------------------|--------------------------|
| Cash in hand | 0.05 | 0.09 |
| Remittance in Transit | - | 13.61 |
| Balances with banks: | | |
| - On current accounts | 619.78 | 417.51 |
| - Flexi Accounts | 526.44 | 282.84 |
| - Deposits with original maturity of less than 3 months | 1,033.51 | 1,624.06 |
| Total Cash and Cash Equivalents as per Balance Sheet and Consolidated Statement of Cash Flows | 2,179.78 | 2,338.11 |

- Reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities:

(₹ in crore)

| Particulars | Borrowings* | Lease Liabilities |
|---|-----------------|-------------------|
| As at 1 April 2022 | 1,399.11 | 0.16 |
| (a) Cash Flows during the year | 105.20 | (0.01) |
| (b) Non Cash Changes due to : | | |
| Addition to Lease Liabilities | - | 0.34 |
| Interest cost on Lease Liabilities | - | 0.02 |
| Interest accrued on borrowings (net of interest paid) | 0.05 | - |
| As at 31 March 2023 | 1,504.36 | 0.51 |
| (a) Cash Flows during the year | 1,062.97 | (0.87) |
| (b) Non Cash Changes due to : | | |
| Addition to Lease Liabilities | - | 3.32 |
| Interest cost on Lease Liabilities | - | 0.28 |
| Interest accrued on borrowings (net of interest paid) | 0.08 | - |
| As at 31 March 2024 | 2,567.41 | 3.24 |

* Includes current maturities of non-current borrowings and interest accrued thereon, refer Note 20.1, Note 23.1 and Note 23.4

- Previous year's figures have been regrouped/reclassified and restated wherever applicable.
- Earmarked and restricted balances are mentioned in Note 14.4 and 14.3.
- Figures in brackets represent outflow of cash.

As per our Report of even date attached**For Ramesh C Agrawal and Company**

Chartered Accountants
FRN : 001770C

Sd/-

Sanjay Agrawal

Partner

M. No. 072867

Place : New Delhi

Date : May 21, 2024

For and on behalf of Board of Directors

Sd/-

Ragini Advani

Director (Finance)

DIN-09575213

Sd/-

B. Mugunthan

Chief Financial Officer

Sd/-

Ashish Bansal

Chairman & Managing Director

and CEO

DIN-10328174

Sd/-

Pratibha Aggarwal

Company Secretary

FCS No. 8874

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2024

A. Equity Share Capital

(₹ in crore)

| Particulars | Amount |
|---|--------|
| Balance as at 01 April, 2022 | 188.10 |
| Changes in equity share capital during the year | - |
| Balance as at 31 March, 2023 | 188.10 |
| Changes in equity share capital during the year | - |
| Balance as at 31 March, 2024 | 188.10 |

B. Other Equity

For the year ended 31st March, 2023

(₹ in crore)

| Particulars | Reserves & Surplus | | | Other Comprehensive Income | Total |
|--|--------------------|-------------------|----------------------------|--|---------------|
| | General Reserves | Retained Earnings | Capital Redemption Reserve | Exchange differences on translating the financial statement of a foreign operation | |
| Balance as at 1 April, 2022 | 3,284.64 | 1,188.40 | 4.93 | (0.45) | 4,477.52 |
| Profit for the year | - | 765.23 | - | - | 765.23 |
| Other Comprehensive Income | | | | | |
| Remeasurement of Defined Benefit Plans | - | 1.44 | - | - | 1.44 |
| Share of other comprehensive income/ (expense) of joint ventures accounted for using the equity method | - | (0.03) | - | - | (0.03) |
| Foreign Exchange translation difference | - | - | - | 9.65 | 9.65 |
| Total Comprehensive Income for the year | - | 766.64 | - | 9.65 | 776.29 |
| Dividends Paid | - | (230.42) | - | - | (230.42) |
| Balance as at March 31, 2023 | 3,284.64 | 1,724.62 | 4.93 | 9.20 | 5,023.39 |

For the year ended 31st March, 2024

(₹ in crore)

| Particulars | Reserves & Surplus | | | Other Comprehensive Income | Total |
|--|--------------------|-------------------|----------------------------|--|---------------|
| | General Reserves | Retained Earnings | Capital Redemption Reserve | Exchange differences on translating the financial statement of a foreign operation | |
| Balance as at 1 April, 2023 | 3,284.64 | 1,724.62 | 4.93 | 9.20 | 5,023.39 |
| Profit for the year | - | 929.57 | - | - | 929.57 |
| Other Comprehensive Income | | | | | |
| Remeasurement of Defined Benefit Plans | - | 1.31 | - | - | 1.31 |
| Share of other comprehensive income/ (expense) of joint ventures accounted for using the equity method | - | (0.01) | - | - | (0.01) |
| Foreign Exchange translation difference | - | - | - | (1.82) | (1.82) |
| Exchange loss reclassified to profit and loss | - | - | - | 13.04 | 13.04 |
| Total Comprehensive Income for the year | - | 930.87 | - | 11.22 | 942.09 |
| Payment of Fee for increase in Authorised Capital | - | (0.51) | - | - | (0.51) |
| Dividends Paid | - | (282.15) | - | - | (282.15) |
| Balance as at March 31, 2024 | 3,284.64 | 2,372.83 | 4.93 | 20.42 | 5,682.82 |

As per our Report of even date attached

For Ramesh C Agrawal and Company
Chartered Accountants
FRN : 001770C

Sd/-
Sanjay Agrawal
Partner
M. No. 072867
Place : New Delhi
Date : May 21, 2024

For and on behalf of Board of Directors

Sd/-
Ragini Advani
Director (Finance)
DIN-09575213

Sd/-
B. Mugunthan
Chief Financial Officer

Sd/-
Ashish Bansal
Chairman & Managing Director
and CEO
DIN-10328174
Sd/-
Pratibha Aggarwal
Company Secretary
FCS No. 8874

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2024

1. Group Information

The Consolidated financial statements comprise financial statements of Ircon International Limited ("the Company" or "Holding Company") and its subsidiaries & Joint Ventures (collectively referred to as "the Group") for the year ended 31 March 2024. The Holding Company is a public sector construction company, with emphasis on infrastructure projects, domiciled in India (CIN: L45203DL 1976 GOI008171) and is incorporated under the provision of companies Act, with specialization in execution of Railway projects on turnkey basis and otherwise. After commencing business as a Railway construction group, it diversified progressively along with its subsidiaries and Joint Ventures ("the Group") to roads, buildings, electrical substation and distribution, airport construction, commercial complexes, as well as metro rail works. The Group caters to both domestic and international markets. The Holding Company is an ISO certified company for Quality, Environment and Occupational Health and Safety Management systems; a Schedule 'A' public sector company and a Nav Ratna company. The registered office of the Holding Company is located at Plot No. C - 4, District Centre, Saket, New Delhi -110017 India and the shares of the Holding Company are listed on National Stock Exchange and BSE.

The presentation and functional currency of the Group is Indian Rupees (INR). Figures in financial statements are presented in crore, by rounding off up to two decimals except for per share data and as otherwise stated.

The Consolidated financial statements are approved for issue by the Holding Company's Board of Directors in their meeting held on 21st May, 2024.

2. Material Accounting Policies

2.1 Basis of preparation

(i) Statement of compliance

The Consolidated Financial Statements of the Group have been prepared on going concern basis following accrual system of accounting and in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the Consolidated financial statements.

(ii) Basis of measurement

The Consolidated Financial Statements have been prepared under the historical cost convention, except for the following assets and liabilities which have been measured at fair value:

- Provisions, where the effect of time value of money is material are measured at present value
- Certain financial assets and liabilities measured at fair value

- Defined benefit plans and other long-term employee benefits

Basis of Consolidation

- a) The Consolidated financial statements comprise the financial statements of the Group as at 31 March 2024. Control is achieved when the Group has:
 - Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
 - Exposure, or rights, to variable returns from its involvement with the investee, and
 - The ability to use its power over the investee to affect its returns
- b) Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a subsidiary of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies
- c) The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Holding Company, i.e., year ended on 31 March.
- d) Consolidated procedure for:
 - i) **Subsidiaries**
 - Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the Consolidated financial statements at the acquisition date.
 - Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
 - Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the Consolidated financial statements.
 - Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2024

their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

ii) Joint arrangement

Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Holding Company has both joint operations and joint ventures.

- Joint operations: Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the standalone financial statements under the appropriate headings.
- Joint ventures: Interests in joint ventures are accounted for using the equity method after initially being recognised at cost in the Consolidated statement of financial position.

e) 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. If the investee subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profit equals the share of losses not recognised.

The carrying amount of equity accounted investments is tested for impairment in accordance with the policy of impairment.

2.2 Summary of material accounting policies

A summary of the material accounting policies applied in the preparation of the financial statements are as given below. These accounting policies have been applied consistently to all periods presented in the financial statements.

2.2.1 Current vs Non-current classification

Based on the time involved between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has determined twelve months as its operating cycle for the purpose of classification of its assets and liabilities as current and non-current in the balance sheet.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.2.2 Property, plant and equipment

Property, plant and equipment are initially stated at their cost.

The cost of an item of property, plant and equipment includes:

- a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates;
- b) Cost directly attributable to the acquisition of the asset which is incurred in bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- c) Incidental expenditure during the construction period is capitalised as part of the indirect construction cost to the extent the expenditure is directly related to construction or is incidental there to.
- d) Present value of the estimated costs of dismantling & removing the items & restoring the site to the original condition on which it is located if recognition criteria are met.

Freehold land is carried at historical cost.

Property, plant and equipment are subsequently measured at cost net of accumulated depreciation and accumulated impairment losses, if any. Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Cost of replacement, major inspection, repair of significant parts for long-term construction projects are capitalised if the recognition criteria are met.

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values and is charged to the Statement of Profit and Loss. Depreciation on property, plant and equipment, excluding freehold land and leasehold land acquired on perpetual lease is provided on straight line basis over the estimated useful lives of the assets as specified under part C of schedule II of the Companies act, 2013. However, in case of certain class of assets, the Group uses different useful life than those prescribed in Schedule II of the Companies Act, 2013. The useful life has been

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assessed based on technical evaluation, taking into account the nature of those classes of assets, the estimated usage of the asset on the basis of the management's best estimation of getting economic benefits from the asset. The estimated useful life as per the technical evaluation viz-a-viz Schedule II of the Companies Act, 2013 has been disclosed in the notes to accounts. The residual values is not more than 5% of the original cost of assets.

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.

Property plant and equipment acquired during the period, individually costing up to ₹5000/- are fully depreciated, by keeping Re. 1 as token value for identification. However, Mobile phones provided to employees are charged to statement of profit and loss irrespective of its value.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in statement of profit and loss within other gains/(losses).

2.2.3 Capital work in progress

Property, plant and equipment that are not yet ready for their intended use on the reporting date are disclosed as "capital work in progress". Capital work in progress is carried at cost less accumulated impairment loss, if any. The cost comprises of direct cost and related incidental expenses.

2.2.4 Investment properties

Investment property comprises of completed property, property under construction and property held under a lease. Investment properties are measured initially at cost, including transaction costs. Subsequently investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Subsequent cost is added if recognition criteria is met.

The Group depreciates building component of investment property on straight line basis over 60 years from the date of original purchase/ completion of construction. Leasehold land acquired on perpetual lease is not amortised. Depreciation methods and useful lives are reviewed at each financial year end.

Though the Group measures investment property using cost-based measurement, the fair value of investment property is disclosed in the notes. Fair value determined based on an annual evaluation performed by an accredited external independent valuer applying valuation model acceptable internationally.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in statement of profit and loss within other gains/(losses).

2.2.5 Intangible assets

Intangible assets are initially measured at cost. Intangible assets not ready for the intended use on the date of the Balance Sheet are disclosed as "Intangible assets underdevelopment".

Subsequently, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Software cost up to ₹1 Lakhs in each case is fully amortised in the period of purchase, by keeping ₹1 as token value for identification.

The cost of capitalised software is amortised over a period 36 months from the date of its acquisition. The residual values is not more than 5% of the original cost of assets.

Amortisation methods and useful lives are reviewed at each financial year end.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in statement of profit and loss within other gains/(losses).

Toll Collection Right (Toll Road Service Concession Arrangement)

Toll collection rights obtained in consideration for rendering construction or upgradation services in a service concession arrangement (SCA), represent the right to collect toll revenue during the concession period in respect of Build-Operate-Transfer ("BOT") project undertaken by the Group.

Toll collection rights on initial recognition are measured at cost (which is the fair value of the consideration received for the construction services delivered) net of Viability GAP Funding(VGF).

Toll collection rights are capitalised as intangible assets upon completion of the project in all respects and when the Group receives the completion certificate (Provisional or Final) from the authority as specified in the Concession Agreement at the cumulative construction costs. Till the completion of the project, the same is recognised under intangible assets under development.

Subsequently, the toll collection rights are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

The estimated useful life of an intangible asset in a service concession arrangement is the period from where the Group is able to charge the public for use of infrastructure to the end of the concession period.

Toll collection rights are amortised using straight line method on pro-rata basis from the date of

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addition or from the date when the right brought in to service to the expiry of concession period.

Amortisation methods and useful lives are reviewed at each financial year end.

The carrying value of intangible asset is reviewed for impairment annually or more often by external valuers if events or changes in circumstances indicate that the carrying value may not be recoverable.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in statement of profit or loss within other gains/(losses).

2.2.6 Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

If such assets are considered to be impaired, the impairment to be recognised in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset.

2.2.7 Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined on First in First out (FIFO) basis.

Construction costs incurred for future contract activities are recognised as assets if it is probable that they will be recovered during the contract period and classified as construction work-in-progress under inventories.

Loose tools are expensed in the period of purchase.

2.2.8 Revenue recognition

The Group operates in construction industry and it earns revenue primarily from the Engineering, Procurement and Construction ('EPC') business. The contracts with the customers are of construction of railways, construction of roads & highways, construction of commercial and residential buildings, electrification work and others. The type of work in these contracts involve geotechnical investigations, topographical surveys, resource-planning, preparation of DPR, construction, engineering, designing, supply of materials, redevelopment of system, installation, project management, operations and management etc. ("together called as construction related services"). The Group provides these construction services on a fixed-sum turnkey basis as well as on cost plus basis.

Revenue from contract with customers is recognised when control of the goods or services ("performance obligation") are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services ("transaction price").

a) Revenue from construction related services

The Group's contracts with the Customers for the construction related services are accounted for as a single performance obligation as contract is negotiated as a package with a single commercial objective and involves complex integration of construction and maintenance services.

Revenue is recognised over the time using input method (i.e. percentage-of-completion method) which is consistent with the transfer of control to the customer because there is a direct relationship between the Group's effort (i.e., cost incurred) and the transfer of service to the customer. Under input method, contract revenue is recognised as revenue by reference to the stage of completion as at the reporting date. The stage of completion is measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation. However, where the Group is not be able to reasonably measure the outcome of a performance obligation, but the Group expects to recover the costs incurred in satisfying the performance obligation, the Group recognise revenue only to the extent of the costs incurred until such time that it can reasonably measure the outcome of the performance obligation. A cumulative catch-up adjustment would be recognized in the period in which the Group is able to reasonably measure its progress. Changes to total estimated contract costs, if any, are recognised in the period in which they are determined as assessed at the contract level. In cases where the input method does not reliably depicts the progress towards completion of performance obligation, then output method is used to recognise revenue.

Any expected losses on contracts in progress are charged to statement to profit & Loss, in total, in the period the losses are identified.

Revenue is measured at the transaction price that is allocated to the performance obligation and is adjusted for variable considerations. Variability in the transaction price arises primarily due to liquidated damages, price variation clauses, incentives, if any. The Group recognises revenue for variable consideration when it is probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The Group estimates the amount of revenue to be recognised on variable consideration using most likely amount method. Consequently, amounts allocated to a satisfied performance obligation are recognised as revenue, or as a reduction of revenue, in the period in which the transaction price changes.

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The Group recognises asset from the costs incurred to fulfill the contract such as initial contract expenses on new projects for mobilisation which will be used in satisfying the contract and are expected to be recovered. The asset is amortised over the contract tenure on a systematic basis that is consistent with the transfer of control to the customer of the goods or services to which the asset relates i.e., stage of completion of the contract as at the end of reporting period. Site mobilisation expenditure to the extent not written off valued at cost.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to the existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch-up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if additional services are priced at the standalone selling price, or as a termination of existing contract and creation of a new contract if not priced at the standalone selling price.

b) Service concession arrangement

Financial asset under service concession arrangements (Appendix C to Ind AS 115 – Revenue from Contracts with Customers)

The Group recognise a financial asset to the extent that it has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor ("NHAI") for the construction services and Operation & Maintenance services). Such financial assets are initially measured at fair value and subsequently at amortised cost using the Effective Interest Rate (EIR) method. Group combine the two or more contracts entered into at or near the same time with the same customer and account for the contracts as a single contract if contracts are negotiated as a package with a single commercial objective or amount of consideration to be paid in one contract depends on the price or performance of the other contract or goods or services promised in the contracts are single performance obligation.

Intangible asset under service concession arrangements (Appendix C to Ind AS 115 – Revenue from Contracts with Customers)

In respect of Public to Private Arrangements (PPA), on a Built-Operate-Transfer (BOT) basis, Intangible Assets i.e. Right to collect toll/tariff are recognised when the Group has been granted rights to charge a toll/tariff from the users of such public services.

Toll collection is recognized in the period of collection of toll / user fee which coincides with the usage of the infrastructure (Road) i.e. at point of time.

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work

to the extent that it is probable that they will result in revenue and can be measured reliably. The Group has a fixed contract with third party for collecting toll on behalf of the Group. Any recovery charged from the third party due to shortfall identified while comparing with average monthly agreed remittance is considered as variable consideration over and above fixed part and are recognized as revenue when it is highly probable that it will result in revenue.

c) Contract balances

Contract assets: If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. The portion of the payments retained by the customer until final contract settlement is not considered a significant financing component since it is usually intended to provide customer with a form of security for Group's remaining performance as specified under the contract, which is consistent with the industry practice.

Trade receivables: A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The Group hold the trade receivable with the objective of collecting the contractual cash flows and therefore measure them subsequently at amortised cost using the effective interest rate method less loss allowance, if any.

Contract liabilities: If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

d) Other operating income

- The Rental income of the Group mainly arises from leasing of machinery, unutilised office space and investment properties. These rental incomes are accounted for on straight-line basis over the lease terms.
- Other operating income represents income earned from the activities incidental to business and is recognised when performance obligation is satisfied and right to receive the income is established as per terms of contract.

e) Other income

- Dividend income is recognised when the right to receive payment is established.
- Interest income is recognised using Effective Interest rate method

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- Miscellaneous income is recognised when performance obligation is satisfied and right to receive the income is established as per terms of contract.

2.2.9 Government grant

Grant from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. The carrying amount of the asset is adjusted for the amount of the government grant recognised.

2.2.10 Borrowing cost

Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds and are charged to statement of profit and loss in the period in which they are incurred except when it meets the criteria for capitalisation as part of qualifying assets as per Ind AS 23.

2.2.11 Taxes

Tax expense comprises current tax and deferred income tax.

a) Current income Tax

Current tax is determined as the tax payable in respect of taxable income for the period and is computed in accordance with relevant tax regulations. Current income tax is recognised in statement of profit and loss except to the extent it relates to items recognised outside profit or loss in which case it is recognised either in other comprehensive income or in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate

Current tax assets and tax liabilities are offset where the group has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

b) Deferred Tax

Deferred tax is provided for temporary taxable/deductible difference arising on the difference of tax base and accounting base of assets/liabilities using the liability method and are measured at the enacted tax rates or substantively enacted tax rates at reporting date.

Deferred tax is recognised in statement of profit and loss except to the extent it relates to items recognised outside profit or loss, in which case it is recognised (either in other comprehensive income or in equity).

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow

all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

2.2.12 Foreign currencies

Functional and presentation currency

The functional currency and presentation currency of the Group is Indian Rupees.

Transactions and balances

Foreign currency transactions are recorded on initial recognition in the functional currency, by applying the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Foreign currency monetary items outstanding at the reporting date are reported in the functional currency using the closing rate (Closing selling rates for liabilities and closing buying rate for assets). Non-monetary items denominated in a foreign currency which are carried at historical cost are not retranslated and are reported using the exchange rate at the date of the transaction.

Exchange differences on monetary items are recognised in Statement of Profit and Loss in the period in which they arise and are presented on net basis.

Foreign Operations

Financial statements of foreign operations whose functional currency is different from Indian Rupees are translated into Indian Rupees as follows:

- assets and liabilities (both monetary and non-monetary) are translated at the closing rate at the date of Balance Sheet;
- income and expenses are translated at average exchange rate for the reporting period, unless exchange rate fluctuate significantly during the period, in which case, the exchange rates at the dates of transaction are used; and
- all resulting exchange differences are recognised in other comprehensive income and accumulated in equity as foreign currency translation reserve for subsequent reclassification to statement of profit and loss on disposal of such foreign operations.

2.2.13 Employee benefit

a) Short-term employee benefits

Employee benefits such as wages and salaries, short term compensated absences, and Performance Related Pay (PRP) falling due wholly within twelve

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months of rendering the service are classified as short-term employee benefits and undiscounted amount of such benefits are expensed in the statement of profit and loss in the period in which the employee renders the related services.

b) Post-employment benefits

Defined Contribution Plan: The Group has a defined contribution employee pension scheme. Initially this scheme was administered through a separate trust i.e., Irrcon Defined Contribution Superannuation Pension Scheme 2009, Trust and subsequently transferred to National Pension Scheme. The Contributions towards the scheme are recognised in the statement of profit and loss of the period when the contributions are due.

Defined Benefit Plan: The Group's liability towards gratuity, provident fund and post-retirement medical benefit are in the nature of defined benefit plans.

The gratuity is funded by the Group and is managed by a separate trust (Irrcon Employees Group Gratuity Trust). The contributions to the gratuity trust for the period are recognised as expense and are charged to statement of profit and loss. The Group pays fixed contribution to the recognised provident fund at predetermined rates to a separate trust (Irrcon Contributory Provident Fund Trust), which invests the funds in permitted securities. The contributions to the fund for the period are recognised as expense and are charged to statement of profit and loss. The obligation of the Group is to make such fixed contributions and to ensure a minimum rate of return to the members as specified by the Government of India. The Group has Post-Retirement Medical Facility (PRMF) which is also funded by the Group and is managed by a separate trust (Irrcon Medical Trust). The contributions to the medical trust for the period are recognised as expense and are charged to statement of profit and loss.

The Group's net obligation in respect of defined benefit plans is measured separately for each plan at the present value of the estimated future cash flows using a discount rate based on the market yield on government securities of a maturity period equivalent to the weighted average maturity profile of the defined benefit obligations at each reporting date. The fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognise the obligation on a net basis.

The calculation is performed by an independent actuary using the projected unit credit method and provided for if the circumstances indicate that the Trusts may not be able to generate adequate returns to cover the interest rates notified by the Government.

Re-measurement, comprising actuarial gains and losses, the return on plan assets (excluding amounts included in net interest on the net defined benefit liability or asset) is recognised in

other comprehensive income and is reflected in retained earnings and the same is not eligible to be reclassified to statement of profit and loss.

c) Other long-term employee benefits

The Group treats leave encashment expected to be carried forward beyond twelve months and leave travel concession as long-term employee benefit for measurement purposes. The obligation recognised in respect of these long-term benefits is measured at present value of the obligation based on actuarial valuation using the projected unit credit method.

Long term employee benefit costs comprising current service cost, interest cost and gains or losses on curtailments and settlements, re-measurements including actuarial gains and losses are recognised in the statement of profit and loss as employee benefit expenses.

2.2.14 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes unrestricted cash and short-term deposits with original maturities of three months and less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

2.2.15 Dividend

Annual Dividend distribution to the Group's equity shareholders is recognised as liability in the period in which dividend is approved by the shareholders. Any interim dividend is recognised as liability on approval by the Board of Directors. Dividend payable is recognised directly in equity.

2.2.16 Provisions, contingent assets and contingent liabilities

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions recognised by the Group include provisions for Maintenance, Demobilisation, Legal Cases, Corporate Social Responsibility (CSR), Onerous Contracts and others.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

These provisions are reviewed at each reporting date and adjusted to reflect the current best estimates.

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Onerous contracts

If the Group has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Group recognises any impairment loss that has occurred on assets dedicated to that contract.

These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Contingent liabilities

Contingent liabilities are disclosed when there is a possible obligation or present obligations that may but probably will not, require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent assets

Contingent assets are not recognised though are disclosed, where an inflow of economic benefits is probable.

2.2.15 Leases

If the contract conveys the right to control the use of an identified asset for a period in exchange for consideration, it is treated as lease.

a) Group as a Lessee

The Group recognises a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases for low value underlying assets.

i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment.

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in financial liabilities.

iii) Short term lease and leases of low value assets

The Group applies the short-term lease recognition exemption to its short-term leases contracts including lease of residential premises and offices (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

b) Group as a Lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

2.2.18 Financial instruments

The Group recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument.

a) Financial Assets

Initial recognition and measurement

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All financial assets (excluding trade receivables which do not contain a significant financing component, being measured at transaction price) are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition of financial asset. Transaction costs directly attributable to the acquisition of financial assets carried at fair value through profit or loss (FVTPL) are expensed in statement of profit and loss.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in below categories based on the Group's business model and the cash flow characteristics of the asset:

- **Financial assets at amortised cost**

After initial measurement, the financial assets that are held for collection of contractual cash flows where those cash flow represent solely payments of principal and interest (SPPI) on the principal amount outstanding are measured at amortised cost using the effective interest rate (EIR) method. Interest income from these financial assets is included in other income.

- **Financial assets at fair value through other comprehensive income (FVTOCI):**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cashflows that are solely payments of principal and interest on the principal amount outstanding.

- **Financial assets at fair value through profit or loss (FVTPL):**

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at fair value through profit or loss (FVTPL). Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

Impairment of financial assets

The Group applies the expected credit loss (ECL) model for recognising impairment loss on financial assets measured at amortised cost or financial assets measured at FVTOCI.

The Group follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 116

Under simplified approach, impairment loss allowance is recognised based on lifetime ECLs at each reporting date.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the statement of profit and loss.

The balance sheet presentation of impairment for various financial instruments is described below:

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance. The impairment allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.
- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e., as a liability.
- Debt instruments measured at FVTOCI: For debt instruments measured at FVTOCI, the expected credit losses do not reduce the carrying amount in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance is recognised in other comprehensive income as the 'accumulated impairment amount'.

Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109.

The difference between the carrying amount and the amount of consideration received / receivable is recognised in the statement of profit and loss.

b) Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities includes trade payables, borrowings and other financial liabilities etc.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

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- **Financial liabilities at fair value through profit or loss.** The Group has not designated any financial liabilities at FVTPL.
- **Financial liabilities at amortised cost**

Borrowings, trade payables and other financial liabilities

After initial recognition, borrowings, trade payables and other financial liabilities are subsequently measured at amortised cost using the EIR method.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition of financial liabilities

A financial liability (or a part of a financial liability) is derecognised from the Group's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

c) **Financial guarantee contracts**

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

d) **Offsetting of financial instruments**

Financial assets and financial liabilities are offset, and the net amount is reported in the balance sheet if there is a currently enforceable contractual legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.2.19 **Fair value measurement**

The Group measures financial instruments at fair value at each reporting period.

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.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy and are disclosed accordingly in the financial statements.

External valuers are involved for valuation of significant assets and liabilities, if any. At each reporting date, the Group analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies.

2.2.20 **Earnings 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. The Group does not have any dilutive potential equity shares.

2.2.21 **Non - current asset held for sale**

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. The sale is considered highly probable only when the asset or disposal group is available for immediate sale in its present condition, it is unlikely that the sale will be withdrawn, and sale is expected within one year from the date of the classification. Disposal groups classified as held for sale are stated at the lower of carrying amount and fair value less costs to sell. Property, plant and equipment, investment property and intangible assets are not depreciated or amortised 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 recognised had that asset not been classified as held for sale, and (ii) its recoverable amount at the date when the disposal group ceases to be classified as held for sale. The depreciation reversal adjustment related property, plant and equipment, investment property and intangible assets is charged to statement of profit and loss in the period when non-current assets held for sale criteria are no longer met.

2.2.22 **Prior Period Adjustment**

Errors/omissions discovered in the current year relating to prior periods are treated as immaterial and adjusted during the current year, if all such errors and omissions in aggregate does not exceed 0.50% of total operating revenue as per last audited financial statement of the Group.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2024

2.2.23 Significant accounting estimates and judgments

The preparation of Consolidated Financial Statements requires the management to make judgements, accounting estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the Grouping disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

This policy provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

Significant areas of estimation and judgements as stated in the respective accounting policies that have the most significant effect on the financial statements are as follows:

Allowances for uncollected trade receivables

Trade receivables do not carry interest and are stated at their nominal values as reduced by appropriate allowances for estimated irrecoverable amount are based on ageing of the receivables balances and historical experiences. Individual trade receivables are written off when management deems not be collectible.

Defined benefit plans

The costs of post-retirement benefit obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Group. There are certain obligations which managements have concluded based on all available facts and circumstances are not probable of payment or difficult to quantify reliably and such obligations are treated as contingent liabilities and disclosed in notes.

Impairment of financial assets

The impairment provision for financial assets is based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the

Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the nature of business differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the group companies.

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. Determining the recoverable amount of the assets is judgmental and involves the use of significant estimates and assumptions. The estimates are based upon assumptions believed to be reasonable, but which are inherently uncertain and unpredictable and do not reflect unanticipated events and circumstances that may occur.

Non-current asset held for sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. The sale is considered highly probable only when the asset or disposal group is available for immediate sale in its present condition, it is unlikely that the sale will be withdrawn, and sale is expected within one year from the date of the classification.

Leases - Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2024

term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

Revenue recognition

The Group's revenue recognition policy is central to how the Group values the work it has carried out in

each financial year.

These policies require forecasts to be made of the outcomes of Contracts, which require, assessments and judgements to be made on changes in scope of work and claims and variations.

There are several long term and complex projects where the Group has incorporated significant judgements over contractual entitlements. The range of potential outcomes could result in a materially positive or negative change to underlying profitability and cash flow.

Estimates are also required with respect to the below mentioned aspects of the contract:

- Determination of stage of completion
- Estimation of project completion date
- Provisions for foreseeable losses
- Estimated total revenues and estimated total costs to completion, including claims and variations.

These are reviewed at each reporting date and adjust to reflect the current best estimates.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2024

3. Property, Plant and Equipment

(₹ in crore)

| Particulars | Freehold Land | Freehold Buildings/ Flats- Residential | Freehold Buildings/ Flats-Non- Residential | Plant & Machinery | Survey Instruments | Computers | Office Equipments | Furniture & Fixtures | Caravans, Camps and Temporary Sheds | Vehicles | Total |
|--|---------------|--|--|----------------------|--------------------|-----------|-------------------|-------------------------|--|----------|--------|
| Foot Notes | | | | | | | (i) | (ii) | | | |
| Gross Carrying Amount (At Cost) | | | | | | | | | | | |
| As at 1 April 2022 | 42.69 | 6.36 | 43.81 | 193.94 | 2.78 | 7.70 | 5.18 | 6.06 | 3.02 | 3.64 | 315.18 |
| Additions | - | - | 0.29 | 17.15 | 0.18 | 1.27 | 0.75 | 0.82 | 0.06 | 0.32 | 20.84 |
| Disposals/Adjustments | - | - | - | 1.50 | - | (0.46) | (0.15) | (0.10) | - | (0.01) | 0.78 |
| Transfer from Assets held for sale (Refer Note-iv) | - | 0.19 | - | - | - | - | - | - | - | - | 0.19 |
| Exchange Gain / (Loss) (Refer Note-iii) | - | - | - | 4.01 | 0.05 | 0.03 | 0.08 | 0.06 | 0.05 | 0.24 | 4.52 |
| As at 31 March 2023 | 42.69 | 6.55 | 44.10 | 216.60 | 3.01 | 8.54 | 5.86 | 6.84 | 3.13 | 4.19 | 341.51 |
| Additions | 1.46 | - | - | 26.10 | 0.97 | 1.08 | 0.40 | 1.09 | 0.31 | 0.09 | 31.50 |
| Disposals/Adjustments | - | - | - | (2.18) | (0.02) | (0.46) | (0.09) | (0.06) | - | 0.01 | (2.80) |
| Transfer from Assets held for sale (Refer Note-v) | - | - | - | - | - | - | - | - | - | - | - |
| Exchange Gain / (Loss) (Refer Note-iii) | - | - | (0.49) | (0.23) | 0.01 | - | 0.01 | - | 0.01 | 0.03 | (0.66) |
| As at 31 March 2024 | 44.15 | 6.55 | 43.61 | 240.29 | 3.97 | 9.16 | 6.18 | 7.87 | 3.45 | 4.32 | 369.55 |
| Depreciation and Impairment | | | | | | | | | | | |
| As at 1 April 2022 | - | 3.74 | 19.92 | 69.71 | 0.81 | 5.59 | 3.41 | 2.24 | 2.67 | 2.08 | 110.17 |
| Depreciation charge for the year | - | 0.77 | 1.97 | 20.57 | 0.25 | 1.05 | 0.54 | 0.61 | 0.10 | 0.36 | 26.22 |
| Impairment | - | - | - | - | - | - | - | - | - | - | - |
| Disposals/Adjustments | - | - | - | 1.50 | - | (0.37) | (0.14) | (0.05) | - | - | 0.94 |
| Transfer from Assets held for sale (Refer Note-iv) | - | 0.05 | - | - | - | - | - | - | - | - | 0.05 |
| Exchange Gain / (Loss) (Refer Note-iii) | - | - | 0.15 | 2.63 | 0.02 | 0.03 | 0.06 | 0.04 | 0.04 | 0.16 | 3.13 |
| As at 31 March 2023 | - | 4.56 | 22.04 | 94.41 | 1.08 | 6.30 | 3.87 | 2.84 | 2.81 | 2.60 | 140.51 |
| Depreciation charge for the year | - | 0.06 | 1.49 | 18.09 | 0.28 | 1.11 | 0.52 | 0.63 | 0.12 | 0.41 | 22.71 |
| Impairment | - | - | - | - | - | - | - | - | - | - | - |
| Disposals/Adjustments | - | - | - | (1.79) | (0.01) | (0.37) | (0.08) | (0.06) | (0.01) | - | (2.32) |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2024

(₹ in crore)

| Particulars | Freehold Land | Lease hold Land | Lease hold Buildings | Freehold Buildings/ Flats- Residential | Freehold Buildings/ Flats-Non- Residential | Plant & Machinery | Survey Instruments | Computers | Office Equipments | Furniture & Fixtures | Caravans, Camps and Temporary Sheds | Vehicles | Total |
|---|---------------|-----------------|----------------------|--|--|-------------------|--------------------|-------------|-------------------|----------------------|-------------------------------------|-------------|---------------|
| Transfer from Assets held for sale (Refer Note-v) | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Exchange Gain / (Loss) (Refer Note-iii) | - | - | - | (0.26) | (0.15) | - | - | - | 0.01 | 0.01 | 0.01 | 0.02 | (0.36) |
| As at 31 March 2024 | - | - | - | 4.62 | 23.27 | 110.56 | 1.35 | 7.04 | 4.32 | 3.42 | 2.93 | 3.03 | 160.54 |
| Net Book Value | | | | | | | | | | | | | |
| At 31 March 2024 | 44.15 | - | - | 1.93 | 20.34 | 129.73 | 2.62 | 2.12 | 1.86 | 4.45 | 0.52 | 1.29 | 209.01 |
| At 31 March 2023 | 42.69 | - | - | 1.99 | 22.06 | 122.19 | 1.93 | 2.24 | 1.99 | 4.00 | 0.32 | 1.59 | 201.00 |

Foot Notes:-

- i) Office Equipment includes Electrical Appliances and Air Conditioners.
 - ii) Furniture & Fixtures includes Furnishings.
 - iii) Carrying amount include Foreign Exchange Gain/(Loss) on account of Property, Plant & Equipment (PPE) translation from functional currency to presentation currency.
 - (iv) Freehold Building – Residential at Chennai transferred from Assets held for sale to Property, Plant & Equipment (PPE).
 - (v) Plant & Machinery – at Northern Region transferred from Assets held for sale to Property, Plant & Equipment (PPE).
 - (vi) Depreciation is provided based on useful life supported by the technical evaluation considering business specific usage, the consumption pattern of the assets and the past performance of similar assets.
- Estimated useful life of assets are as follows:

| Class of Assets | Useful lives as per Schedule II (in Years) | Useful life adopted based on technical evaluation (in years) |
|--|--|--|
| Building/flats residential/non residential * | 60 | 8-60 |
| Plant and Machinery * | 8-15 | 1-15 |
| Survey instruments | 10 | 10 |
| Computers | 3-6 | 3-6 |
| Office Equipment's | 5-10 | 5-10 |
| Furniture and fixtures | 10 | 10 |
| Caravans, Camps and temporary shed | 3-5 | 3-5 |
| Vehicles | 8-10 | 8-10 |

* Each significant component of the asset has been considered for determination of useful life of the assets as per the technical evaluation.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2024

4. Capital Work in Progress

(₹ in crore)

| Particulars | Amount |
|------------------------------------|---------------|
| As at 1 April 2022 | 6.02 |
| Additions (subsequent expenditure) | 2.45 |
| Adjustments | - |
| Impairment | - |
| Capitalised during the year | - |
| As at 31 March 2023 | 8.47 |
| Additions (subsequent expenditure) | 540.48 |
| Adjustments | (0.04) |
| Impairment | - |
| Capitalised during the year | - |
| As at 31 March 2024 | 548.91 |
| Net Book Value | |
| at 31 March 2024 | 548.91 |
| at 31 March 2023 | 8.47 |

Foot Notes:

(i) Ageing of Capital Work in Progress

The Ageing Schedule of Capital Work in Progress for the year ended as at 31st March 2024 and 31st March 2023 is as follows:

(₹ in crore)

| Particulars | Amount in Capital Work in Progress for a period of | | | | |
|--------------------------------------|--|-------------|----------|-------------------|---------------|
| | Less than 1 year | 1-2 year | 2-3 year | More than 3 years | Total |
| As at March 31, 2024 | | | | | |
| Projects in progress (Refer note iv) | 540.41 | 8.50 | - | - | 548.91 |
| Projects temporarily suspended | - | - | - | - | - |
| | 540.41 | 8.50 | - | - | 548.91 |
| As at March 31, 2023 | | | | | |
| Projects in progress (Refer note iv) | 2.45 | 6.02 | - | - | 8.47 |
| Projects temporarily suspended | - | - | - | - | - |
| | 2.45 | 6.02 | - | - | 8.47 |

(ii) There are no projects where activity has been suspended.

(iii) In Case of below project, completion is overdue, total cost approved is ₹ 7.30 crore and the project is expected to be completed as below :

| Capital Work in Progress | To be completed in | | | |
|--|--------------------|-----------|-----------|-------------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years |
| As at March 31, 2024 | | | | |
| Projects in progress | | | | |
| Renovation of Corporate Office Building – False Ceiling & HVAC | 1.68 | - | - | - |
| As at March 31, 2023 | | | | |
| Projects in progress | | | | |
| Renovation of Corporate Office Building – False Ceiling & HVAC | - | - | - | - |

(iv) Includes 500 MW Solar Plant under construction which is expected to be completed by 30th September 2024 by Itron Renewable Power Limited, a Subsidiary Company. The carrying amount of the solar power plant (capital-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2024

work-in-progress) facility at 31 March 2024 was ₹ **542.35 crore** (31 March 2023: ₹ 8.47 crore). The amount of borrowing cost added to Capital Work in progress during the year 31st March 2024 was ₹ **4.33 crore** (31st March 2023: NIL). The rate used to determine the amount of borrowing costs eligible for Capital work in progress was 7.78 %, which is the effective interest rate of the specific borrowings. During the year interest earned amounting to ₹ 0.76 crore on temporary investments on Government Grants is adjusted against CWIP.

5. Investment Property

(₹ in crore)

| Particulars | Noida | | | Gurugram | | | Bangalore | Total |
|------------------------------------|---------------|--------------------------|---------------|-------------|--------------------------|--------------|-------------|---------------|
| | Land | Capital work in progress | Building | Land | Capital work in progress | Building | Building | |
| As at 1 April 2022 | 327.20 | 0.57 | 146.21 | 2.23 | - | 96.38 | 3.04 | 575.63 |
| Additions (subsequent expenditure) | - | - | 10.56 | - | - | - | - | 10.56 |
| Derecognised during the year | - | - | - | - | - | (1.02) | - | (1.02) |
| Capitalised during the year | - | - | - | - | - | - | - | - |
| As at 31 March 2023 | 327.20 | 0.57 | 156.77 | 2.23 | - | 95.36 | 3.04 | 585.17 |
| Additions (subsequent expenditure) | - | 0.57 | 0.85 | - | 1.48 | - | - | 2.90 |
| Derecognised during the year | - | - | - | - | - | (0.32) | - | (0.32) |
| Capitalised during the year | - | - | - | - | - | - | - | - |
| As at 31 March 2024 | 327.20 | 1.14 | 157.62 | 2.23 | 1.48 | 95.04 | 3.04 | 587.75 |
| Depreciation and Impairment | | | | | | | | |
| As at 1 April 2022 | - | - | 16.81 | - | - | 3.28 | 0.36 | 20.45 |
| Depreciation during the year | - | - | 7.92 | - | - | 3.55 | 0.94 | 12.41 |
| As at 31 March 2023 | - | - | 24.73 | - | - | 6.83 | 1.30 | 32.86 |
| Depreciation during the year | - | - | 8.12 | - | - | 3.61 | 0.09 | 11.82 |
| As at 31 March 2024 | - | - | 32.85 | - | - | 10.44 | 1.39 | 44.68 |
| Net Block | | | | | | | | |
| at 31 March 2024 | 327.20 | 1.14 | 124.77 | 2.23 | 1.48 | 84.60 | 1.65 | 543.07 |
| at 31 March 2023 | 327.20 | 0.57 | 132.04 | 2.23 | - | 88.53 | 1.74 | 552.31 |

Information regarding income and expenditure of Investment property

(₹ in crore)

| Particulars | 31 March 2024 | 31 March 2023 |
|--|---------------|---------------|
| Rental income derived from investment properties* | 16.28 | 6.65 |
| Direct operating expenses (including repairs and maintenance) arising from investment property that generated rental income during the year | 2.32 | 4.21 |
| Direct operating expenses (including repairs and maintenance) arising from investment property that did not generate rental income during the year | - | - |
| Profit arising from investment properties before depreciation and indirect expenses | 13.96 | 2.44 |
| Less: Depreciation during the year | (11.82) | (8.86) |
| Profit arising from investment properties before indirect expenses | 2.14 | (6.42) |

* Includes maintenance income from properties

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2024

Reconciliation of fair value

(₹ in crore)

| Particulars | Noida | | | Gurugram | | | Bangalore | Total |
|--------------------------------------|---------------|--------------------------|---------------|---------------|--------------------------|--------------|--------------|---------------|
| | Land | Capital work in progress | Building | Land | Capital work in progress | Building | Building | |
| As at 1 April 2022 | 248.23 | - | 136.70 | 121.82 | - | 90.13 | 9.36 | 606.24 |
| Addition during the year | - | - | - | - | - | - | - | - |
| Derecognised during the year | - | - | - | - | - | - | - | - |
| Capitalised during the year | - | - | - | - | - | - | - | - |
| Fair value difference for the year | 14.20 | - | (15.26) | 3.34 | - | (4.91) | 0.21 | (2.42) |
| As at 31 March 2023 | 262.43 | - | 121.44 | 125.16 | - | 85.22 | 9.57 | 603.82 |
| Addition during the year | - | - | - | - | - | - | - | - |
| Derecognised during the year | - | - | - | - | - | - | - | - |
| Capitalised during the year | - | - | - | - | - | - | - | - |
| Fair value difference for the year | 67.60 | - | 7.48 | (50.66) | - | 1.18 | 0.94 | 26.55 |
| As at 31 March 2024 | 330.03 | - | 128.92 | 74.50 | - | 86.40 | 10.51 | 630.37 |
| Note:- | | | | | | | | |
| Investment Property acquired | - | - | - | - | - | - | - | - |
| Investment Property self constructed | 330.03 | - | 128.92 | 74.50 | - | 86.40 | 10.51 | 630.37 |
| | 330.03 | - | 128.92 | 74.50 | - | 86.40 | 10.51 | 630.37 |

- (i) These valuations are based on valuations performed by a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017 applying valuation model acceptable internationally. Fair Values are based on income/cost/market value approach. As per the assumption made by the valuer, the one-time lease payment of ₹ 66.89 crore for the Noida land has not been considered in FY 2022-23.
- (ii) The fair value measurement is categorised in Level 3 of fair value hierarchy.
- (iii) Investment property in Noida is at three locations having lease term of 90 years, Properties in Gurugram and Bangalore are at one location only which are freehold.
- (iv) Other provisions amounting to ₹ 0.57 crore has been created towards capital work in progress for the Sector 125, Noida property due to pending resolution of the dispute with the Noida Authority.

6. Intangible Assets

(₹ in crore)

| Particulars | Intangibles (Software/ Lease Rights/Toll Road) | | | |
|------------------------------------|--|--------------|-----------------|-----------------|
| | Software | Lease Rights | Toll Road | Total |
| Gross Block | | | | |
| As at 1 April 2022 | 2.56 | 72.34 | 1,248.98 | 1,323.88 |
| Addition during the year | 9.09 | - | 45.96 | 55.05 |
| Sales / adjustment during the year | - | - | - | - |
| As at 31 March 2023 | 11.65 | 72.34 | 1,294.94 | 1,378.93 |
| Addition during the year | 3.44 | - | 10.67 | 14.11 |
| Sales / adjustment during the year | (0.24) | - | (39.24) | (39.47) |
| As at 31 March 2024 | 14.85 | 72.34 | 1,266.37 | 1,353.57 |
| Amortisation and Impairment | | | | |
| As at 1 April 2022 | 2.11 | 10.59 | 230.78 | 243.48 |
| Amortisation during the year | 0.85 | 1.64 | 65.54 | 68.03 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2024

(₹ in crore)

| Particulars | Intangibles (Software/ Lease Rights/Toll Road) | | | |
|------------------------------------|--|--------------|---------------|-----------------|
| | Software | Lease Rights | Toll Road | Total |
| Sales / adjustment during the year | - | - | - | - |
| As at 31 March 2023 | 2.96 | 12.23 | 296.32 | 311.51 |
| Amortisation during the year | 3.23 | 1.64 | 59.89 | 64.77 |
| Sales / adjustment during the year | (0.24) | - | - | (0.24) |
| As at 31 March 2024 | 5.95 | 13.87 | 356.21 | 376.04 |
| Net book value | | | | |
| At 31 March 2024 | 8.90 | 58.47 | 910.16 | 977.53 |
| At 31 March 2023 | 8.69 | 60.11 | 998.62 | 1,067.42 |

Foot Notes:

Software : Software includes capital expenditure made for acquiring SAP S4 / HANA ERP software.

Lease Rights :- Ircon Infrastructure and Services Limited has entered into an agreement with RLDA (Rail Land Development Authority) to build Multi Functional Complexes (MFCs) at various railway stations. The Land belongs to Railways and the company has construct the buildings on the same and having lease rights (commercial Rights) of 45 years from the date of commencement of MFC. The Lease Rights has been amortised over the lease period from the date in which the concerned project comes into commercial operations on prorata basis. The amount amortised during the year amounts to ₹ **1.64 crore** (F.Y. 2022-23 ₹ 1.64 crore)

Toll Road :- Toll Road also includes value of IT Infrastructure Software along with some small movable assets essential for the toll road and bundled with the EPC works of the Toll Road. The same is not separately quantifiable and is an integral part of the Asset.

7. Intangible Assets under Development

(₹ in crore)

| Particulars | Intangible assets under development | | |
|------------------------------------|-------------------------------------|--------------|----------------|
| | Software | Toll Road | Total |
| Gross Block | | | |
| As at 1 April 2022 | 9.79 | 20.69 | 30.48 |
| Addition during the year | 1.89 | 33.08 | 34.97 |
| Capitalisation during the year | (9.09) | (45.96) | (55.05) |
| Sales / adjustment during the year | - | - | - |
| As at 31 March 2023 | 2.59 | 7.81 | 10.40 |
| Addition during the year | 0.84 | 2.86 | 3.70 |
| Capitalisation during the year | (3.43) | (10.67) | (14.10) |
| Sales / adjustment during the year | - | - | - |
| As at 31 March 2024 | - | - | - |
| Amortisation and Impairment | | | |
| As at 1 April 2022 | - | - | - |
| Amortisation during the year | - | - | - |
| Impairment | - | - | - |
| Sales / adjustment during the year | - | - | - |
| As at 31 March 2023 | - | - | - |
| Amortisation during the year | - | - | - |
| Impairment | - | - | - |
| Sales / adjustment during the year | - | - | - |
| As at 31 March 2024 | - | - | - |
| Net book value | | | |
| At 31 March 2024 | - | - | - |
| As at 31 March 2023 | 2.59 | 7.81 | 10.40 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2024

Foot Notes:

- (i) Intangible assets under development represents capital expenditure made for acquiring the SAP S4/HANA ERP software and Toll Road.
- (ii) The Ageing Schedule of Intangible Assets under Development for the year ended as at 31st March 2024 and March 2023 is as follows.

(₹ in crore)

| Particulars | Amount in Intangible Assets under Development for a period of | | | | |
|---------------------------------------|---|----------|----------|-------------------|--------------|
| | Less than 1 year | 1-2 year | 2-3 year | More than 3 years | Total |
| As at March 31, 2024 | | | | | |
| Projects in progress | | | | | |
| SAP S-4 HANA SAP/ERP | - | - | - | - | - |
| Toll Road | - | - | - | - | - |
| Projects temporarily suspended | - | - | - | - | - |
| | - | - | - | - | - |
| As at March 31, 2023 | | | | | |
| Projects in progress | | | | | |
| SAP S-4 HANA SAP/ERP | 1.89 | - | - | 0.70 | 2.59 |
| Toll Road | 7.81 | - | - | - | 7.81 |
| Projects temporarily suspended | - | - | - | - | - |
| | 9.70 | - | - | 0.70 | 10.40 |

- (iii) In Case of below project, completion is overdue, the total cost approved is ₹ **23.56 crore** for the project expected to be completed as of 31st March, 2024, and ₹ **26.16 crore** for the project expected to be completed as of 31st March, 2023, as detailed below:

(₹ in crore)

| Particulars | Amount in Intangible Assets under Development for a period of | | | | |
|--------------------------------|---|-------------|-------------|-------------------|--------------|
| | Less than 1 year | 1-2 year | 2-3 year | More than 3 years | Total |
| As at March 31, 2024 | | | | | |
| Projects in progress | | | | | |
| SAP S-4 HANA SAP/ERP | 7.25 | 3.79 | - | - | 11.04 |
| Projects temporarily suspended | - | - | - | - | - |
| | 7.25 | 3.79 | - | - | 11.04 |
| As at March 31, 2023 | | | | | |
| Projects in progress | | | | | |
| SAP S-4 HANA SAP/ERP | 3.50 | 5.26 | 5.70 | - | 14.47 |
| Projects temporarily suspended | - | - | - | - | - |
| | 3.50 | 5.26 | 5.70 | - | 14.47 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2024

8. Right-of-use Assets

(₹ in crore)

| Particulars | Land (ii) | Building (i) | Vehicles | Total |
|--|-------------|--------------|-------------|---------------|
| Gross Block | | | | |
| As at 1 April 2022 | 1.25 | 5.21 | 0.04 | 6.50 |
| Addition during the year | 0.35 | - | - | 0.35 |
| Disposals / adjustment during the year | - | (0.01) | - | (0.01) |
| As at 31 March 2023 | 1.60 | 5.20 | 0.04 | 6.84 |
| Addition during the year | 0.29 | 3.03 | - | 3.32 |
| Disposals / adjustment during the year | - | - | - | - |
| As at 31 March 2024 | 1.89 | 8.23 | 0.04 | 10.16 |
| Depreciation and Impairment | | | | |
| As at 1 April 2022 | 0.16 | 1.87 | 0.04 | 2.07 |
| Depreciation during the year | 0.06 | 0.32 | - | 0.38 |
| Impairment during the year | - | - | - | - |
| Disposals / adjustment during the year | - | (0.01) | - | (0.01) |
| As at 31 March 2023 | 0.22 | 2.18 | 0.04 | 2.44 |
| Depreciation during the year | 0.24 | 0.89 | - | 1.13 |
| Impairment during the year | - | - | - | - |
| Disposals / adjustment during the year | - | - | - | - |
| As at 31 March 2024 | 0.46 | 3.07 | 0.04 | 3.57 |
| Net Book Value | | | | |
| At 31 March 2024 | 1.43 | 5.16 | - | 6.59 |
| At 31 March 2023 | 1.38 | 3.02 | - | 4.40 |

Foot Notes:

- Includes lease hold building on Railways land for 30 years lease at San Martin Marg, New Delhi & Pali Hill, Mumbai & Metro Railway Service Building, Kolkata for which agreement is yet to be finalised.
- Lease hold land includes land at Greater Noida Industrial Development Authority (GNIDA) for construction of proposed Central Inspection Cell (CIC) by the holding company (Gross value ₹ 0.76 crore). The request for time extension for construction of Building has been submitted to the appropriate authority.
- Title deeds of immovable properties not held in name of the holding company :

| Relevant line item in the Balance sheet | Description of item of property | Gross carrying value | Title deeds held in the name of | Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director | Property held since which date | Reason for not being held in the name of the company (also indicate if in dispute) |
|---|---------------------------------------|----------------------|---------------------------------|---|--------------------------------|---|
| Right-of-use Assets | Pali Hill, Bandra Flat No. 401 Mumbai | 0.21 | WESTERN RAILWAY | NA | 14th August, 2002 | Flats are constructed on Railway Land and has been leased to holding company by respective Zonal Railway for a period of 30 years based on instruction issued in this regard. |
| Right-of-use Assets | Flats at St. Martin, New Delhi | 2.26 | NORTHERN RAILWAY | NA | 16th Sep, 2004 | |
| Right-of-use Assets | Metro Rail Service Building, Kolkata | 0.75 | METRO RAIL, KOLKATA | NA | 3rd March, 2000 | |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2024

9. Investments accounted for using the equity method

(₹ in crore)

| Particulars | As at 31st March 2024 | As at 31st March 2023 |
|---|--------------------------|--------------------------|
| Investments in Equity Instruments (fully paid-up, unquoted, using Equity Method) | | |
| Joint Venture Companies | | |
| Ircon-Soma Tollway Private Limited 6,38,70,000 equity shares of Rs. 10 each (31 March 2023 : 6,38,70,000) | 79.78 | 81.23 |
| Indian Railway Stations Development Corporation Limited 5,19,99,699 equity shares of Rs.10 each (31 March 2023 : 5,19,99,699) (Refer foot note (i)) | 59.89 | 58.19 |
| Bastar Railway Private Limited 7,63,37,300 equity shares of Rs. 10 each (31 March 2023 : 7,63,37,300) (Refer foot note (vi)) | 76.42 | 76.12 |
| Jharkhand Central Railway Limited 2,62,56,438 equity shares of Rs. 10 each (31 March 2023 : 2,62,56,438) (Refer foot note (ii)) | 143.14 | 142.49 |
| Mahanadi Coal Railway Limited 2,60,00,000 equity shares of Rs. 10 each (31 March 2023 : 2,60,00,000) (Refer foot note (iii)) | 109.73 | 77.64 |
| Chhattisgarh East Railway Limited 19,78,55,700 equity shares of Rs. 10 each (31 March 2023 : 19,78,55,700) (Refer foot note (iv)) | 185.87 | 194.90 |
| Chhattisgarh East-West Railway Limited 19,39,91,200 equity shares of Rs. 10 each (31 March 2023 : 19,39,91,200) (Refer foot note (v)) | 209.67 | 193.60 |
| Total | 864.50 | 824.17 |
| Aggregate Book Value of Unquoted Investments | 864.50 | 824.17 |
| Aggregate amount of Impairment in Value of Investments | - | - |

Foot Notes:-

- (i) "Ministry of Railways" (MoR) vide its letter No. 2011/LMB/22/1/39 dated 18.10.2021 had communicated 'in-principle' decision for closure of Indian Railway Station Development Corporation Limited (IRSDC) (a Joint Venture Company) and transfer/handover of its business to RLDA/MoR. Accordingly, as part of the closure activities, all assets and liabilities (except investments in SITCO and GARUD) are to be transferred to RLDA/MoR on slump sale basis for a consideration not less than the book value as on the cutoff date to be mutually agreed upon as approved in the 59th BoD meeting held on 07.11.2022 of IRSDC. Closure related activities initiated in FY 2021-22 are yet to be completed. The Liquidation process shall commence on completion of these activities and handing over of assets and liabilities to RLDA/MoR. Financial statements of IRSDC has been prepared on liquidation basis. The Group does not foresee any impairment in the value of investment at this stage.
- (ii) The Board of Directors of Ircon International Limited have approved Interest Free Advance, of ₹ **114.11 crore** (31 March 2023: ₹ 114.11 crore) in favour of Jharkhand Central Railway Limited. The loan will repaid only on winding up of the Project or end of concession period which ever is later.
- (iii) The Board of Directors of Ircon International Limited have approved Interest Free Advance, of ₹ **84.50 crore** (31 March 2023: ₹ 52 crore) in favour of Mahanadi Coal Railway Limited (a Joint Venture Company). The loan will repaid only on winding up of the Project or end of concession period which ever is later. Further, it has been decided to handover Phase- I (Angul - Balram, 14 KM already operational) and Phase- II (Balram-Putgadia-Tentuloi, 54 KM under construction) of MCRL Project to Ministry of Railways (MoR). The legal formalities, pricing and related modalities are in process and the Group does not foresee any impairment in the value of investment at this stage.
- (iv) The Board of Directors of Ircon International Limited have approved Interest Free Advance, of ₹ **30.60 crore** (31 March 2023: ₹ 15.60 crore) in favour of Chhattisgarh East Railway Limited (CERL). The loan will repaid only on winding up of the Project or end of concession period which ever is later.
- (v) The Board of Directors of Ircon International Limited have approved Interest Free Advance, of ₹ **16.12 crore** (31 March 2023: Nil) in favour of Chhattisgarh East-West Railway Limited (CEWRL). The loan will repaid only on winding up of the Project or end of concession period which ever is later.
- (vi) Ministry of Railway (MoR) has granted in-principle approval for closure of Bastar Railway Private Limited, a joint venture company and transfer of its assets and liabilities to MoR. The legal formalities, pricing and related modalities are in process and the Group does not foresee any impairment in the value of investment at this stage.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2024

10. Non-Current Assets – Non-Current Financial Assets

10.1 Non-Current Financial Assets – Investments

(₹ in crore)

| Particulars | As at 31st March 2024 | As at 31st March 2023 |
|---|--------------------------|--------------------------|
| Investment in Bonds (Quoted, at Amortised cost) | | |
| 7.15% Tax Free Indian Railway Finance Corporation Limited (IRFC) Bonds, 250 units of ₹ 10,00,000 each (31 March 2023 : 250 units) | 24.99 | 25.00 |
| 7.07% Tax Free Indian Railway Finance Corporation Limited (IRFC) Bonds, 3,02,000 units of ₹ 1,000 each (31 March 2023 : 3,02,000 units) | 30.20 | 30.20 |
| 7.14% NHAJ Tax Free Bonds, 1,99,989 units of ₹ 1,000 each (31 March 2023 : 1,99,989 units) | 20.00 | 20.00 |
| 7.02% NHAJ Tax Free Bonds, 500 units of ₹ 10,00,000 each (31 March 2023 : 500 units) | 50.00 | 50.00 |
| Total | 125.19 | 125.20 |
| Aggregate Book Value of Quoted Investments | 125.19 | 125.20 |
| Aggregate Market Value of Quoted Investments | 130.43 | 130.41 |
| Aggregate Book Value of Unquoted Investments | - | - |
| Aggregate amount of Impairment in Value of Investments | - | - |

10.2 Non-Current Financial Assets – Loans

(₹ in crore)

| Particulars | As at 31st March 2024 | As at 31st March 2023 |
|---------------------------------------|--------------------------|--------------------------|
| A. Considered Good : Secured | | |
| Staff Loans and Advances | 0.02 | 0.03 |
| B. Considered Good : Unsecured | | |
| (i) Loans to Related Parties: | - | - |
| (ii) Others: | | |
| Staff Loans & Advances | 0.42 | 0.49 |
| Total | 0.44 | 0.52 |

Foot Note:

(i)

(₹ in crore)

| Particulars | As at 31st March 2024 | | As at 31st March 2023 | |
|-------------------------|--|---|--|---|
| | Amount of loan or advance in the nature of loan outstanding* | % of total Loans and Advances in the nature of loans [^] | Amount of loan or advance in the nature of loan outstanding* | % of total Loans and Advances in the nature of loans [^] |
| Loan to Promoters | - | - | - | - |
| Loan to Directors | - | - | - | - |
| Loan to KMPs | - | - | - | - |
| Loan to Related parties | - | - | - | - |
| Total | - | - | - | - |

* represents loan or advance in the nature of loan

[^] represents percentage to the total Loans and Advances in the nature of loans

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2024

10.3 Non-Current Assets – Other Financial Assets

(₹ in crore)

| Particulars | As at 31st March 2024 | As at 31st March 2023 |
|--|-----------------------|-----------------------|
| Considered Good : | | |
| Security Deposits | | |
| – Government Departments | 0.64 | 0.01 |
| – Others | 0.60 | 0.53 |
| Contract Asset: | | |
| – Retention Money with Client | 14.75 | 3.54 |
| – Construction cost incurred in terms of SCA {Refer foot note (i)} | 1,413.49 | 1,332.97 |
| Fixed Deposits having remaining maturity of more than 12 months {Refer foot note (ii)} | 0.01 | 0.01 |
| Fixed deposits having remaining maturity of more than 12 months (Bank Guarantee) {Refer foot note (iii)} | 0.04 | 3.27 |
| Interest Accrued on Advances to Staff {Refer foot note (iv)} | 0.28 | 0.27 |
| Recoverable from Rail Land Development Authority (RLDA) | 15.00 | 15.00 |
| Total | 1,444.81 | 1,355.60 |

Foot Notes:-

- Construction Cost pertains to the Highway being made by the group under Hybrid Annuity Model (HAM).
- Includes FDRs under Lien for ₹ **0.01 crore** (31st March 2023 : ₹ 0.01 crore)
- ₹ **0.04 Crore** as on 31st March 2024 (31st March 2023: ₹ 3.27 crore) represents fixed deposit pledged to Statutory Authorities/Other parties against ongoing projects in case of Ircon Infrastructure & Services Limited.
- Details of amount due from Directors:

(₹ in crore)

| Particulars | As at 31st March 2024 | As at 31st March 2023 |
|--|-----------------------|-----------------------|
| Amount due from directors included in interest accrued on staff loans and advances | - | - |
| Total | - | - |

11. Deferred Tax Assets and Income Tax

Disclosure pursuant to Ind AS 12 "Income Taxes"

- (a) The major components of income tax expense for the year ended 31 March 2024 and 31 March 2023 are :

(₹ in crore)

| S. No. | Particulars | For the Year ended | |
|----------|---|--------------------|-----------------|
| | | 31st March 2024 | 31st March 2023 |
| 1 | Profit and Loss Section | | |
| | Current income tax : | | |
| | Current income tax charge | 339.19 | 241.28 |
| | Adjustment in respect of current tax of previous year | 2.55 | (78.64) |
| | Deferred tax : | | |
| | Relating to origination and reversal of temporary differences | (10.12) | (36.87) |
| | Income tax expense reported in the Profit and Loss section | 331.62 | 125.77 |
| 2 | Other Comprehensive Income (OCI) Section | | |
| | Income tax related to items recognised in OCI during the year: | | |
| | Net loss/(gain) on remeasurements of defined benefit plans | 0.45 | 0.50 |
| | Net loss/(gain) on foreign operation translation | (0.61) | 3.25 |
| | Income tax expense reported in the OCI section | (0.16) | 3.75 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2024

(b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2024 and 31 March 2023:

(₹ in crore)

| S. No. | Particulars | For the Year ended | |
|----------|--|--------------------|-----------------|
| | | 31st March 2024 | 31st March 2023 |
| 1 | Accounting profit before income tax | 1260.44 | 905.82 |
| 2 | Tax on Accounting profit | 328.11 | 242.10 |
| 3 | Effect of Tax Adjustments: | | |
| (i) | Adjustments in respect of current income tax of previous years | 2.55 | (78.64) |
| (ii) | Utilisation of previously unrecognised tax losses | (37.46) | (37.38) |
| (iii) | Impact of Rate Difference | - | 0.03 |
| (iv) | Tax on Income exempt from tax | - | - |
| (v) | Non-deductible expenses for tax purposes: | | |
| | -Other country additional tax | 14.77 | 17.11 |
| | -Other non-deductible expenses | 6.87 | 7.02 |
| (vi) | Tax effect of various other items | 16.62 | (20.72) |
| 4 | Income tax expense reported in the Statement of Profit and Loss | 331.46 | 129.52 |
| 5 | Effective Tax Rate | 26.30% | 14.30% |

(c) Components of deferred tax assets and (liabilities) recognised in the Balance Sheet and Statement of Profit or Loss

(₹ in crore)

| S. No. | Particulars | Balance sheet | | Statement of Profit and Loss | |
|--------|---|-----------------|-----------------|------------------------------|-----------------|
| | | 31st March 2024 | 31st March 2023 | 31st March 2024 | 31st March 2023 |
| 1 | Property, Plant & Equipment (including intangible): Difference in book depreciation and income tax depreciation | (200.86) | (193.98) | 6.88 | 14.57 |
| 2 | Provisions | 139.75 | 117.14 | (22.61) | (28.36) |
| 3 | Items disallowed u/s 43B of Income Tax Act, 1961 | 0.05 | 0.07 | 0.02 | 0.05 |
| 4 | Impact of expenditure charged to the statement of profit and loss in the current year and earlier years but allowable for tax purposes on payment basis | 46.01 | 52.53 | 6.52 | (23.45) |
| 5 | Business Losses | 131.71 | 130.96 | (0.75) | (1.20) |
| 6 | Preliminary Expenses and Others | 2.86 | 2.68 | (0.18) | 1.52 |
| | Net deferred tax assets/(liabilities) | 119.52 | 109.40 | (10.12) | (36.87) |

(d) Reflected in the balance sheet as follows:

(₹ in crore)

| S. No. | Particulars | 31st March 2024 | 31st March 2023 |
|--------|---|-----------------|-----------------|
| 1 | Deferred tax assets | 320.38 | 303.38 |
| 2 | Deferred tax liability | (200.86) | (193.98) |
| | Deferred Tax Asset/(Liabilities) (Net) | 119.52 | 109.40 |

Note: Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing laws.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2024

(e) Reconciliation of deferred tax (liabilities)/assets:

As at 31 March 2024

(₹ in crore)

| S. No. | Particulars | Balance As at 1st April 2023 (Net) | Recognised in Statement of Profit and Loss | Recognised in OCI | Balance As at 31st March, 2024 (Net) |
|--------|---|------------------------------------|--|-------------------|--------------------------------------|
| 1 | Property, Plant & Equipment (including intangible): Difference in book depreciation and income tax depreciation | (193.98) | (6.88) | - | (200.86) |
| 2 | Provisions | 117.14 | 22.61 | - | 139.75 |
| 3 | Items disallowed u/s 43B of Income Tax Act, 1961 | 0.07 | (0.02) | - | 0.05 |
| 4 | Impact of expenditure charged to the statement of profit and loss in the current year and earlier years but allowable for tax purposes on payment basis | 52.53 | (6.52) | - | 46.01 |
| 5 | Business Losses | 130.96 | 0.75 | - | 131.71 |
| 6 | Preliminary Expenses and Others | 2.68 | 0.18 | - | 2.86 |
| | Net deferred tax assets/(liabilities) | 109.40 | 10.12 | - | 119.52 |

As at 31 March 2023

(₹ in crore)

| S. No. | Particulars | Balance As at 1st April 2022 (Net) | Recognised in Statement of Profit and Loss | Recognised in OCI | Balance As at 31st March, 2023 (Net) |
|--------|---|------------------------------------|--|-------------------|--------------------------------------|
| 1 | Property, Plant & Equipment (including intangible): Difference in book depreciation and income tax depreciation | (179.41) | (14.57) | - | (193.98) |
| 2 | Provisions | 88.78 | 28.36 | - | 117.14 |
| 3 | Items disallowed u/s 43B of Income Tax Act, 1961 | 0.12 | (0.05) | - | 0.07 |
| 4 | Impact of expenditure charged to the statement of profit and loss in the current year and earlier years but allowable for tax purposes on payment basis | 29.08 | 23.45 | - | 52.53 |
| 5 | Business Losses | 129.76 | 1.20 | - | 130.96 |
| 6 | Preliminary Expenses and Others | 4.20 | (1.52) | - | 2.68 |
| | Net deferred tax assets/(liabilities) | 72.53 | 36.87 | - | 109.40 |

12. Other Non-Current Assets

(₹ in crore)

| Particulars | As at 31st March 2024 | As at 31st March 2023 |
|--|-----------------------|-----------------------|
| Considered Good | | |
| a) Capital Advances | | |
| Capital Advance to Contractor | 315.41 | 41.49 |
| b) Advances Other than Capital Advances | | |
| Advances to Contractors against Material and Machinery | 62.82 | 88.22 |
| Advances to Contractors, Suppliers and Others | 222.13 | 0.60 |
| Interest Accrued on : | | |
| - Advances to Contractors, Suppliers & Others | 5.98 | 3.00 |
| Prepaid Expenses | 0.18 | - |
| Fair valuation adjustment | 0.05 | 0.12 |
| Total | 606.57 | 133.43 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2024

13. Inventories

(₹ in crore)

| Particulars | As at 31st March 2024 | As at 31st March 2023 |
|--|--------------------------|--------------------------|
| Raw Material (Valued at Cost or NRV whichever is lower, unless otherwise stated) | | |
| - In Hand | 24.41 | 22.69 |
| - With Third Parties | 12.02 | 15.61 |
| - In Transit | 10.98 | - |
| Others (Track and Construction Material) | 0.30 | 0.31 |
| Construction Work In progress (at Cost) | 189.73 | 150.37 |
| Total | 237.44 | 188.98 |

14. Current Assets – Current Financial Assets

14.1 Current Financial Assets – Investments

(₹ in crore)

| Particulars | As at 31st March 2024 | As at 31st March 2023 |
|--|--------------------------|--------------------------|
| 1. Investment in Bonds (Quoted, at Amortised cost) | | |
| 8.23% Tax Free Indian Railway Finance Corporation Limited (IRFC) Bonds, 5,00,000 units of ₹ 1,000 each (31 March 2023 : 5,00,000 units of ₹ 1,000 each) | - | 50.00 |
| 8.35% Tax Free Indian Railway Finance Corporation Limited (IRFC) Bonds, 500 units of ₹ 10,00,000 each (31 March 2023 : 5,00,000 units of ₹ 10,00,000 each) | - | 49.99 |
| 7.35% Government of India (GOI) Bond 2024, Face Value ₹ 1,50,40,000 (31st March, 2023: Nil) | 1.51 | - |
| 2. Investment in Mutual Funds (Quoted, at Fair Value through Profit & Loss (FVTPL)) | | |
| Union Liquid Fund No. of units – 2,27,140.24 (31st March, 2023 : Nil) | 52.89 | - |
| Axis Liquid Fund No. of units – 2,69,473.15 (31st March, 2023 : Nil) | 72.39 | - |
| Bandhan Liquid Fund No. of units – 2,27,140.24 (31st March, 2023 : Nil) | 166.10 | - |
| Nippon India Liquid Fund No. of units – 3,16,143.76 (31st March, 2023 : Nil) | 186.81 | - |
| LIC Mutual Fund No. of units – 1,91,133.26 (31st March, 2023 : Nil) | 83.81 | - |
| Total | 563.51 | 99.99 |
| Aggregate Book Value of Quoted Investments | 563.51 | 99.99 |
| Aggregate Market Value of Quoted Investments | 563.50 | 109.93 |
| Aggregate Book Value of Unquoted Investments | - | - |
| Aggregate amount of Impairment in Value of Investments | - | - |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2024

14.2 Current Financial Assets – Trade Receivables

(₹ in crore)

| Particulars | As at 31st March 2024 | As at 31st March 2023 |
|---|--------------------------|--------------------------|
| Secured, considered good | 13.55 | 12.49 |
| Unsecured, considered good (Refer Foot Note (i)) | 832.32 | 881.23 |
| Trade Receivables which have significant increase in credit risk | 2.54 | - |
| Trade Receivables – credit impaired | 42.72 | 31.27 |
| Impairment Allowance (allowance for bad and doubtful debts): | | |
| Unsecured, considered good | (42.54) | (29.89) |
| Trade Receivables which have significant increase in credit Risk | (2.54) | - |
| Trade Receivables – credit impaired | (42.72) | (31.27) |
| Total | 803.33 | 863.83 |

Foot Notes:-

- (i) Includes Receivables from related parties ₹ **191.12 crore** (As at 31st March 2023 : ₹ 228.43 crore) and are disclosed in Note 37 (c) 4.1.
- (ii) Trade Receivable Ageing Schedule for the year ended as at 31st March 2024 and 31st March 2023

(₹ in crore)

| Particulars | Unbilled | Not Due | Outstanding for the year ended March 31, 2024 from the due date of payment | | | | | Total |
|---|----------|---------------|---|-------------------------|---------------|--------------|-------------------------|----------------|
| | | | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed Trade receivables – considered good | - | 203.25 | 373.26 | 72.25 | 122.86 | 62.67 | 9.59 | 843.88 |
| Undisputed Trade Receivables – which have significant increase in credit risk | - | - | 0.03 | - | 0.13 | 0.03 | 2.35 | 2.54 |
| Undisputed Trade Receivables – credit impaired | - | - | - | - | - | - | - | - |
| Disputed Trade Receivables considered good | - | - | - | - | - | - | 1.99 | 1.99 |
| Disputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - | - | - |
| Disputed Trade Receivables – credit impaired | - | - | - | 0.25 | 4.11 | 5.75 | 32.61 | 42.72 |
| | - | 203.25 | 373.29 | 72.50 | 127.10 | 68.45 | 46.54 | 891.13 |
| Impairment Allowance | | | | | | | | (87.80) |
| Total | | | | | | | | 803.33 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2024

(₹ in crore)

| Particulars | Unbilled | Not Due | Outstanding for the year ended March 31, 2023 from the due date of payment | | | | | Total |
|---|----------|---------------|---|-------------------|---------------|--------------|-------------------|----------------|
| | | | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed Trade receivables – considered good | - | 395.86 | 260.67 | 70.14 | 115.06 | 21.43 | 28.57 | 891.73 |
| Undisputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - | - | - |
| Undisputed Trade Receivables – credit impaired | - | - | - | - | - | - | - | - |
| Disputed Trade Receivables considered good | - | - | - | - | - | - | 1.99 | 1.99 |
| Disputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - | - | - |
| Disputed Trade Receivables – credit impaired | - | - | 3.47 | 2.91 | 6.12 | 3.84 | 14.93 | 31.27 |
| | - | 395.86 | 264.14 | 73.05 | 121.18 | 25.27 | 45.49 | 924.99 |
| Impairment Allowance | | | | | | | | (61.16) |
| Total | | | | | | | | 863.83 |

14.3 Current Financial Assets – Cash and Cash equivalents

(₹ in crore)

| Particulars | Foot Note | As at 31st March 2024 | As at 31st March 2023 |
|---|--|-----------------------|-----------------------|
| Cash in hand | | 0.05 | 0.09 |
| Cheques/drafts in hand | | - | - |
| Remittance in Transit | | - | 13.61 |
| Balances with banks: | | | |
| - On current accounts | (ii), (iii), (iv), (viii), (ix), (x), (xi), (xii), (xiii) (xiv) & (xv) | 619.78 | 417.51 |
| - Flexi Accounts | (i) (ii) (iii), (iv), (ix) & (xv) | 526.44 | 282.84 |
| - Deposits with original maturity of less than 3 months | (i), (iv), (viii), (ix), (x), (xiii), (xiv) & (xv) | 1,033.51 | 1,624.06 |
| Total | | 2,179.78 | 2,338.11 |

14.4 Current Financial Assets – Other Bank Balances

(₹ in crore)

| Particulars | Foot Note | As at 31st March 2024 | As at 31st March 2023 |
|---|------------------------|-----------------------|-----------------------|
| Other Bank Balances | | | |
| - Deposits with original maturity of more than 3 months but less than 12 months | (i), (v), (vi) & (vii) | 2,802.85 | 2,783.87 |
| Earmarked Balances: | | | |
| - Lien on account of penalty imposed by NHAI | | 1.06 | - |
| - CSR Bank Account | | 0.17 | 0.17 |
| - Dividend Distribution Account | | 0.47 | 0.41 |
| Total | | 2,804.55 | 2,784.45 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2024

Foot Notes (Note 14.3 and 14.4) :-

- (i) Includes Clients Fund of ₹ **2,898.36 crore** (As at 31st March 2023 : ₹ 3,130.67 crore) on which interest is passed on to them. Also, includes Project Fund against trade payable ₹ **716.24 crore** (31st March 2023: ₹ 811.42 crore)
- (ii) Includes ₹ **4.53 crore** (As at 31st March 2023 : ₹ 2.78 crore) balance pertains to ESCROW account which are earmarked funds as per concession agreement entered with NHAI in respect of Ircon PB Tollway Limited.
- (iii) Includes ₹ **115.72 crore** (As at 31st March 2023 : ₹ 60.73 crore) balance pertains to ESCROW account and linked accounts which are earmarked funds as per concession agreement entered with NHAI in respect of Ircon Shivpuri Guna Tollway Limited. Further, it also includes, ₹ **46.67 crore** (As at 31st March 2023 : ₹ 10 crore) earmarked amount as Lien for Major Maintenance Reserve account (available for use for maintenance work) as per terms of Loan Agreement with SBI.
- (iv) Includes Clients Fund of ₹ **21.58 crore** (As at 31st March 2023 : ₹ 19.23 crore) in respect of Ircon Infrastructure & Services Limited on which interest is passed on to them.
- (v) Includes Client fund of ₹ **57.02 crore** (As at 31st March 2023 : ₹ 58.30 crore) in respect of Ircon Infrastructure & Services Limited on which interest is passed on to them.
- (vi) Includes deposits of ₹ **26.46 crore** (As at 31st March 2023 : ₹ 26.46 crore) of Ircon Davanagere Haveri Highway Limited which is under lien with the Punjab National Bank and ₹ **27.30 crore** (As at 31st March 2023: ₹ 35.78 crore) are earmarked funds as per concession agreement entered with NHAI.
- (vii) Includes ₹ **31.21 crore** (As at 31st March 2023 : Nil) held in deposits which are earmarked funds as per concession agreement entered with NHAI in respect of Ircon Vadodara Kim Expressway Limited.
- (viii) Includes ₹ **12.58 crore** (As at 31st March 2023 : ₹ 33.62 crore) balance pertains to ESCROW account which are earmarked funds as per concession agreement entered with NHAI in respect of Ircon Vadodara Kim Expressway Limited.
- (ix) Includes ₹ **86.23 crore** (As at 31st March 2023 : ₹ 9.48 crore) balance pertains to ESCROW account and deposits which are earmarked funds as per concession agreement entered with NHAI in respect of Ircon Gurgaon Rewari Highway Limited.
- (x) Includes ₹ **41.82 crore** (As at 31st March 2023 : ₹ 14.34 crore) balance pertains to ESCROW account and deposits which are earmarked funds as per concession agreement entered with NHAI in respect of Ircon Davanagere Haveri Highway Limited.
- (xi) Includes ₹ **31.03 crore** (As at 31st March 2023 : ₹ 0.04 crore) balance pertains to ESCROW account which are earmarked funds as per concession agreement entered with NHAI in respect of Ircon Akkoli-Shirsad Expressway Limited.
- (xii) Includes ₹ **4.58 crore** (As at 31st March 2023 : ₹ 0.05 crore) balance pertains to ESCROW account which are earmarked funds as per concession agreement entered with NHAI in respect of Ircon Bhoj Morbe Expressway Limited.
- (xiii) Includes ₹ **5.23 crore** (As at 31st March 2023 : ₹ 0.45 crore) balance pertains to ESCROW account and deposits which are earmarked funds as per concession agreement entered with NHAI in respect of Ircon Haridwar Bypass Limited.
- (xiv) Includes ₹ **2.16 crore** (As at 31st March 2023 : ₹ 0.12 crore) balance pertains to ESCROW account and deposits which are earmarked funds as per concession agreement entered with NHAI in respect of Ircon Ludhiana Rupnagar Highway Limited.
- (xv) Includes ₹ **7.27 crore** (As at 31st March 2023: Nil) Escrow cum Trust and Retention Account in respect of Ircon Renewable Power Limited.

14.5 Current Financial Assets – Loans

(₹ in crore)

| Particulars | As at 31st March 2024 | As at 31st March 2023 |
|---------------------------------------|--------------------------|--------------------------|
| A. Considered Good : Secured | | |
| Staff Loans and Advances | 0.02 | 0.05 |
| B. Considered Good : Unsecured | | |
| Staff Loans & Advances | 0.91 | 0.79 |
| Total | 0.93 | 0.84 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2024

Foot Notes:

(i) Loan or advances in the nature of Loans granted to related parties:

(₹ in crore)

| Particulars | As at 31st March 2024 | | As at 31st March 2023 | |
|-------------------------|--|---|--|---|
| | Amount of loan or advance in the nature of loan outstanding* | % of total Loans and Advances in the nature of loans [^] | Amount of loan or advance in the nature of loan outstanding* | % of total Loans and Advances in the nature of loans [^] |
| Loan to Promoters | - | - | - | - |
| Loan to Directors | - | - | - | - |
| Loan to KMPs | - | - | - | - |
| Loan to Related parties | - | - | - | - |
| Total | - | - | - | - |

* represents loan or advance in the nature of loan

[^] represents percentage to the total Loans and Advances in the nature of loans

14.6 Current Assets – Other Financial Assets

(₹ in crore)

| Particulars | Foot Note | As at 31st March 2024 | As at 31st March 2023 |
|---|---------------|-----------------------|-----------------------|
| Considered Good : | | | |
| Security Deposits | | | |
| – Government Departments | | 5.41 | 1.74 |
| – Others | | 126.21 | 141.53 |
| Contract Asset: | | | |
| – Billable Revenue / Receivable not due | (i) (a) & (b) | 246.80 | 375.31 |
| – Construction Work in Progress (At realisable value) | (i) (b) | 873.48 | 482.03 |
| – Construction cost incurred in terms of SCA | (ii) | 902.57 | 206.06 |
| – Retention Money with Client | (iii) | 136.66 | 185.93 |
| – Money Withheld by Client | (iii) | 319.22 | 230.71 |
| Earnest Money Deposit | | 1.11 | 0.74 |
| Fixed deposits having remaining maturity of less than 12 months | (iv) | 3.31 | 25.49 |
| Interest Accrued on : | | | |
| – Advance to Staff | (v) | 0.07 | 0.13 |
| – Loans to Related Parties | | 14.54 | 10.87 |
| – Advances to Rail Land Development Authority (RLDA) | | 9.56 | 59.65 |
| Less : Interest Accrued on Loan from Indian Railway Finance Corporation (IRFC) | (vi) | <u>–</u> 9.56 | <u>(51.89)</u> 7.76 |
| – Deposits with Banks | | 73.21 | 60.33 |
| – Bonds and Government Securities | | 7.63 | 15.55 |
| Share Application Money pending Allotment : | | | |
| Indian Railway Stations Development Corporation Limited – 301 equity shares of Rs.10 each (31 March 2023 : 301) | | - | - |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2024

| Particulars | Foot Note | As at 31st March 2024 | As at 31st March 2023 |
|--|-----------|-----------------------|-----------------------|
| Other Recoverable : | | | |
| (a) Recoverable from Related Parties (Joint Ventures) | | | |
| – International Metro Civil Contractor | | 3.53 | 3.49 |
| – Metro Tunnelling Group | | 1.76 | 1.88 |
| – Indian Railway Station Development Corporation Limited | | – | 0.09 |
| – IRCON – AFCON JV | | 0.42 | 0.60 |
| – Chhattisgarh East Railway Limited | | 0.39 | 0.29 |
| – Bastar Railway Private Limited | | 0.02 | 0.02 |
| – Mahanadi Coal Railway Limited | | 3.35 | 2.93 |
| – Jharkhand Central Railway Limited | | 0.08 | 0.07 |
| – Express Freight Consortium | | 2.64 | 1.68 |
| (b) Recoverable from Rail Land Development Authority (RLDA) | | 4.64 | 619.95 |
| Less : Loan From Indian Railway Finance Corporation (IRFC) | (vi) | – | <u>(615.31)</u> |
| (c) Claims Recoverable from Clients | | 35.71 | 80.33 |
| (d) Advance Lease Rent | | 0.14 | 0.12 |
| (e) Interest Recoverable on Financial Asset under SCA | | 30.94 | 34.54 |
| (f) Others | | 10.23 | 21.30 |
| Considered Doubtful : | | | |
| Security Deposits | | | |
| – Government Departments | | 0.01 | 0.01 |
| – Others | | 0.12 | 0.13 |
| Earnest Money Deposit | | 0.16 | 0.16 |
| Contract Asset: | | | |
| – Retention Money with Client | | 4.28 | 4.28 |
| – Money Withheld by Client | | 2.67 | 2.67 |
| – Billable Revenue / Receivable not due | | 4.57 | – |
| Recoverable from Ircon Soma Tollway Pvt. Ltd. | | 0.05 | 0.05 |
| Recoverable from Rail Land Development Authority (RLDA) | | 25.81 | 25.81 |
| Claims Recoverable from Clients | | 7.87 | 2.25 |
| Less : Impairment allowance for doubtful financial assets | | (45.54) | (35.36) |
| Total | | 2,813.63 | 1,896.16 |

Foot Notes :-

- (i) (a) Includes Value of work amounting to ₹ **201.20 crore** (As at 31st March 2023 : ₹ 184.73 crore) certified by client, but not billed by reporting date.
(b) Includes Receivables from related parties ₹ **196.19 crore** (As at 31st March 2023 : ₹ 240.11 crore) and are disclosed in Note : 37 (c) 4.2(a)
- (ii) Construction Cost pertains to the Highway being made by the Group under Hybrid Annuity Model (HAM).
- (iii) Includes Receivables from related parties ₹ **58.71 crore** (As at 31st March 2023 : ₹ 17.27 crore) and are disclosed in Note : 37 (c) 4.2 (b)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2024

- (iv) Includes ₹ 3.31 crore (31st March 2023: ₹ 0.01 crore) fixed deposit with bank against BG pledged against various projects/Statutory Authorities in respect of Ircon Infrastructure and Services Limited.
- (v) Debts due by officers of the company, firms in which any director is a partner or private company in which any director is a member except JVs and Subsidiaries are ₹ Nil (31st March 2023 : ₹ Nil).

Details of amount due from Directors:

(₹ in crore)

| Particulars | As at 31st March 2024 | As at 31st March 2023 |
|--|-----------------------|-----------------------|
| Amount due from directors included in interest accrued on staff loans and advances | - | - |
| Total | - | - |

- (vi) Refer Note 23.1 (Foot note (i))

15. Current Tax Assets (Net)

(₹ in crore)

| Particulars | As at 31st March 2024 | As at 31st March 2023 |
|---|-----------------------|-----------------------|
| Taxes Paid including TDS & Advance Tax (Net of Provision for Tax) | 72.54 | 164.87 |
| Current tax Assets (Net) | 72.54 | 164.87 |

16. Other Current Assets

(₹ in crore)

| Particulars | As at 31st March 2024 | As at 31st March 2023 |
|--|-----------------------|-----------------------|
| Considered Good | | |
| Advances Other than Capital Advances | | |
| Advances to Contractors against Material and Machinery | 106.01 | 176.54 |
| Advances to Contractors, Suppliers and Others | 975.20 | 1,262.61 |
| Advance Recoverable from: | | |
| - Sales Tax (including TDS) | 320.23 | 321.92 |
| Less : Deposited under Protest | (217.05) | (217.05) |
| - Value Added Tax | 69.52 | 80.47 |
| - Goods & Services Tax | 1,116.48 | 1,021.92 |
| - Building Cess | 2.07 | 1.53 |
| - Service Tax Input Credit | - | 0.01 |
| Security Deposits | 45.09 | 44.28 |
| Deferred project mobilisation cost | 12.39 | 22.85 |
| Interest Accrued on: | | |
| - Deposits & Advances with Contractors, Suppliers & Others | 66.42 | 79.64 |
| Prepaid Expenses | 26.71 | 12.39 |
| Fair Valuation Adjustment | 0.03 | - |
| Others | - | 0.01 |
| Considered Doubtful : | | |
| Advances to Contractors, Suppliers and Others | 16.99 | 16.99 |
| Sales Tax (including TDS) | 30.00 | 30.00 |
| Value Added Tax | 9.87 | 9.88 |
| Less: Impairment allowance for doubtful advances | (56.86) | (56.87) |
| Total | 2,523.10 | 2,807.12 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2024

17. Assets held for sale

(₹ in crore)

| Particulars | Foot Note | As at 31st March 2024 | As at 31st March 2023 |
|----------------------|-------------------|-----------------------|-----------------------|
| Assets held for sale | (i), (ii) & (iii) | - | 0.71 |
| Total | | - | 0.71 |

Foot Notes:

- (i) Property, Plant & Equipment beyond economic repair and / or held for disposal (at lower of the realisable 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 2024 | | As at 31st March 2023 | |
|---|--------------------------------------|--|--|-------------------------|-----------------------|-----------|-----------------------|-------------|
| | | | | | Gross Block | Net Block | Gross Block | Net Block |
| Plant and Machinery | | | | | | | | |
| Northern Region | Plant and Machinery (Noida Workshop) | Through e-auction like MSTC with expected time of disposal by end of year 2024 | - | Domestic : PMD Division | - | - | - | - |
| Northern Region | Plant and Machinery (DMRC CE 6) | Through e-auction like MSTC with expected time of disposal by end of year 2024 | - | Domestic | - | - | 0.19 | 0.01 |
| Ircon Infrastructure and Services Limited | Plant and Machinery | Through e-auction with expected time of disposal by end of year 2024 | - | Domestic | - | - | 1.12 | 0.70 |
| Total | | | | | - | - | 1.31 | 0.71 |

- (ii) Property, Plant & Equipment classified as Held for Sale during the reporting period was measured at the lower of its carrying amount and fair value less costs to sell at the time of re-classification. Accordingly, impairment loss of ₹ Nil (March 2023 : ₹ 0.42 crore) has been provided for.
- (iii) During the Financial Year 2023-24, two machinery in Northern Region was transferred to Property, Plant & Equipment and during the Financial Year 2022-23, Freehold Building – Residential at Chennai transferred to Property, Plant & Equipment upon criteria stated by Ind AS 105 "Non current assets held for sale" are no longer met.

18. Equity Share Capital

(₹ in crore)

| Particulars | As at 31st March 2024 | As at 31st March 2023 |
|--|-----------------------|-----------------------|
| Authorised Share Capital | | |
| 200,00,00,000 Equity shares of Rs. 2 each (200,00,00,000 Equity shares of Rs. 2 each as at 31st March 2023) | 400.00 | 400.00 |
| | 400.00 | 400.00 |
| Issued/Subscribed and Paid up Capital | | |
| 94,05,15,710 Equity shares of Rs. 2 each-fully paid (94,05,15,710 Equity shares of Rs. 2 each-fully paid as at 31st March 2023) | 188.10 | 188.10 |
| | 188.10 | 188.10 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2024

(a) Details of Shareholders holding more than 5% of fully paid-up equity shares:

| S. No. | Name of the shareholder | As at 31st March 2024 | | As at 31st March 2023 | |
|--------|---|-----------------------|------------------------|-----------------------|------------------------|
| | | No. of Share | % holding in the class | No. of Share | % holding in the class |
| 1 | Government of India in the name of the President of India and Government nominees | 61,29,28,392 | 65.17% | 68,83,01,650 | 73.18% |

(b) Aggregate no. of equity shares issued as bonus, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date

| | As at 31st March 2024 | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2019 |
|--|-----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | No. of Share | No. of Share | No. of Share | No. of Share | No. of Share | No. of Share |
| Equity shares allotted other than cash | - | - | - | - | - | - |
| Equity shares issued as bonus shares | - | - | 47,02,57,870 | - | - | - |
| Equity shares Buy Back | - | - | - | - | - | - |
| Total | - | - | 47,02,57,870 | - | - | - |

(c) Terms / Rights attached to Equity Shares :

(i) Voting

The Group has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity share is entitled to one vote per share.

(ii) Liquidation

In the event of liquidation, the holders of equity shares will be entitled to receive remaining assets of the Group, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iii) Dividend

The dividend proposed by the Board of Directors is subject to the approval of the shareholders in ensuing Annual General Meeting.

(d) Reconciliation of the number of equity shares and share capital outstanding at the beginning and at the end of the year

| Particulars | As at 31st March 2024 | | As at 31st March 2023 | |
|---|-----------------------|-------------|-----------------------|-------------|
| | 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 | 94,05,15,740 | 188.10 | 94,05,15,740 | 188.10 |
| Add: Bonus Shares Issued during the year | - | - | - | - |
| Issued/Subscribed and Paid up equity Capital outstanding at the end of the year | 94,05,15,740 | 188.10 | 94,05,15,740 | 188.10 |

(e) Details of shares held by promoters/promoter group

| S. No. | Promoter Name | Shares held by Promoter as at 31st March, 2024 | | | Shares held by Promoter as at 31st March, 2023 | | |
|--------|---|--|-------------------|---------------------------|--|-------------------|--------------------------|
| | | No. of shares | % of total shares | % change during the year* | No. of shares | % of total shares | % change during the year |
| 1 | Government of India in the name of the President of India and Government nominees | 61,29,28,392 | 65.17% | 8.01% | 68,83,01,650 | 73.18% | - |

* During the financial year 2023-24, the promoter has divested their stake through "Offer for Sale" of 7,53,73,258 equity shares in the holding company which is 8.01% of the issued/subscribed and paid up capital of the Company.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2024

19. Other Equity

(₹ in crore)

| Particulars | As at 31st March 2024 | As at 31st March 2023 |
|----------------------------|-----------------------|-----------------------|
| Retained Earnings | 2,372.83 | 1,724.62 |
| General Reserve | 3,284.64 | 3,284.64 |
| Capital Redemption Reserve | 4.93 | 4.93 |
| Other Comprehensive Income | 20.42 | 9.20 |
| Total | 5,682.82 | 5,023.39 |

i) Movement as per below:

(a) Retained Earnings

(₹ in crore)

| Particulars | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|--|---------------------------------------|---------------------------------------|
| Opening Balance | 1,724.62 | 1,188.40 |
| Transfer from surplus in statement of profit and loss | 929.57 | 765.23 |
| Dividend declared and paid during the year | (112.86) | (61.13) |
| Interim Dividend | (169.29) | (169.29) |
| Re-measurement of defined benefit plans (net of tax) | 1.31 | 1.44 |
| Share of other comprehensive income/(expense) of joint ventures accounted for using the equity method (net of tax) | (0.01) | (0.03) |
| Payment of Fee for increase in Authorised Capital | (0.51) | - |
| Closing Balance | 2,372.83 | 1,724.62 |

(b) General Reserve

(₹ in crore)

| Particulars | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|------------------------------------|---------------------------------------|---------------------------------------|
| Opening and Closing Balance | 3,284.64 | 3,284.64 |

(c) Capital Redemption Reserve

(₹ in crore)

| Particulars | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|------------------------------------|---------------------------------------|---------------------------------------|
| Opening and Closing Balance | 4.93 | 4.93 |

(d) Other Comprehensive Income

(₹ in crore)

| Particulars | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|---|---------------------------------------|---------------------------------------|
| Opening Balance | 9.20 | (0.45) |
| Exchange loss reclassified to profit and loss | 13.04 | - |
| Foreign Currency Translation (net of tax) during the year | (1.82) | 9.65 |
| Closing Balance | 20.42 | 9.20 |
| Grand Total (a+b+c+d) | 5,682.82 | 5,023.39 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2024

ii) Nature and Purpose of Other Reserves:

(a) Retained Earnings

Retained Earnings represents the undistributed profits of the Group.

(b) General Reserve

General Reserve represents the statutory reserves, this is in accordance with Corporate Law wherein portion of profit is apportioned to General Reserve. Under Companies Act, 2013, the transfer of any amount to General Reserve is at the discretion of the Group.

(c) Capital Redemption Reserve

The Holding Company has created Capital Redemption Reserve out of the profits after Buy Back of shares on 26th December 2017.

(d) Other Comprehensive Income

Other Comprehensive Income represents balance arising on account of exchange difference on translation of foreign operations.

iii) Dividend Distribution

(₹ in crore)

| Particulars | As at 31st March 2024 | As at 31st March 2023 |
|---|-----------------------|-----------------------|
| Cash dividends on equity shares declared / paid: | | |
| Final Dividend of FY 2022-23 paid during FY 2023-24: ₹ 1.20 per share (Final Dividend of FY 2021-22 paid during FY 2022-23: ₹ 0.65 per share) | 112.86 | 61.13 |
| Interim dividend paid during 2023-24: ₹ 1.80 per share (FY 2022-23: ₹ 1.80 per share) | 169.29 | 169.29 |
| Total | 282.15 | 230.42 |

iv) Dividends not recognised at the end of the reporting year

(₹ in crore)

| Particulars | As at 31st March 2024 | As at 31st March 2023 |
|---|-----------------------|-----------------------|
| Final dividend recommended by the Board of Directors, subject to the approval of shareholders in the ensuing Annual General Meeting : | | |
| Dividend for 31 March 2024: ₹ 1.30 per share (31 March 2023: ₹ 1.20 per share) | 122.27 | 112.86 |
| Total | 122.27 | 112.86 |

19A. Non-controlling interest

(₹ in crore)

| Particulars | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|--|------------------------------------|------------------------------------|
| Opening Balance | 13.13 | 1.13 |
| Share of Equity Share Capital | - | - |
| Share of Deemed Equity (Interest free loan) | 22.11 | 12.00 |
| Share of profit/ (loss) for the year | (0.06) | - |
| Share of Other Comprehensive Income for the year | - | - |
| Closing Balance | 35.18 | 13.13 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2024

20. Non-Current Liabilities – Non-Current Financial Liabilities

20.1 Non-Current Financial Liabilities – Borrowings

(₹ in crore)

| Particulars | As at 31st March 2024 | As at 31st March 2023 |
|--|--------------------------|--------------------------|
| Secured: | | |
| Loan From Banks: | | |
| Loan From Punjab National Bank {Refer Foot Note (i) below} | 275.04 | 300.17 |
| Loan From Bank of Baroda {Refer Foot Note (i) below} | 1,033.79 | 651.38 |
| Loan From Indian Overseas Bank {Refer Foot Note (i) below} | 196.51 | - |
| Loan From State Bank of India {Refer Foot Note (i) below} | 580.13 | 488.78 |
| Loan From Union Bank of India {Refer Foot Note (i) below} | 125.04 | - |
| Letter of credit backed Bill discounting: | | |
| From Union Bank of India {Refer Foot Note (i) below} | 246.17 | - |
| Total | 2,456.68 | 1,440.33 |

Foot Notes :

i) Details of Repayment terms, Rate of Interest and Security disclosure :

Secured borrowings from banks:

Loan from Punjab National Bank (Pertaining to Itron Davanagere Highway Limited)

Sanction :- ₹ 502.76 Crore

1) Terms and Conditions

- (i) Interest rate to be charged on loan shall be at 1 Month MCLR +0.30% as applicable subject to change from time to time.
- (ii) Repayment period will be 10 years and 6 months (Starting w.e.f 24.04.2021 and last instalment on 24.07.2031).
- (iii) Term loan shall be repaid in 42 Quarterly instalments starting from 24th April 2021.
- (iv) Interest shall be paid as and when due.
- (v) Term Loan to be backed by unconditional & irrevocable corporate guarantee of holding Company (rated CARE AAA) upto receipt of 1st annuity from NHAI or COD plus 180 days whichever is later.

2) Details of Security:

- (a) First charge by way of hypothecation of all fixed asset/ movable assets of the subsidiary company (Other than project assets; Except those acquired out of the free flow of the company in operation phase) and being informed from time to time to lender.
- (b) First charge on the book debts of the project, Operating cash flow, Receivables, Commission, Revenues of whatsoever nature and wherever arising, Present and future intangibles, goodwill and uncalled capital (Present and future).
- (c) A first charge on projects bank account, including but not limited to the escrow account opened in designated bank, where all cash inflow from the project shall be deposited and proceeds shall be utilised in a manner and priority to be decided by lender and investors.
- (d) Assignment of all group's rights and interest under all the agreement related to project, letter of credit (if any), and guarantee and performance bond provided by any party for any contract related to the project in favor of borrower.
- (e) Substitution agreement executed by authority on behalf of lender for the facility.
- (f) Assignment of all applicable insurance policies.

3) There has been no default in repayment of any of the loans or interest thereon as at the end of the year.

4) The Subsidiary Company is not required to submit any quarterly statement as per sanctioned terms.

5) The Subsidiary Company has used the borrowings from banks for the purposes for which they were taken.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2024

Loan From Bank of Baroda (Pertaining to Ircon Vadodara Kim Expressway Limited)

Sanction :- ₹ 724.12 Crore

1) Terms and Conditions

- (i) Interest rate to be charged on the loan was revised from Bank of Baroda 1 month MCLR without Strategic Premium to Bank of Baroda overnight MCLR without Strategic Premium plus 0.09% w.e.f. 27.09.2023. Presently 8.14% p.a. payable on Monthly rests as at 31.03.2024.
- (ii) Moratorium of 7 months from the date of COD. The subsidiary company achieved provisional completion certificate i.e. Provisional COD. On request of the subsidiary company, Bank of Baroda made the subsequential shift in repayment schedule on 01.11.2022. The next repayment Schedule has started w.e.f 28.03.2024 and last installment on 28.03.2023.
- (iii) Term loan shall be repaid in 21 half yearly instalments.
- (iv) Interest shall be paid as and when debited.
- (v) Corporate Guarantee of the Promoter i.e. Holding Company (AAA Rated) has been released by Bank of Baroda vide No Objection Letter dated 25.05.2023.

2) Details of Security:

- (a) A first mortgage and charge in favour of the Lenders/Security Agent for the benefit of the Lenders in a form satisfactory to the Lenders, of all the Borrower's immovable properties, if any both present and future, save and except Project Assets; a first charge in favour of Lender/ Security Agent for the benefit of the Lenders of all the Borrower's moveable properties, both present and future, save and except the Project Assets.
- (b) A first charge on all the Borrower's tangible movable assets, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles, all other movable assets and current assets, both present and future, save and except the Project Assets.
- (c) A first charge on all the bank accounts including but not limited to the Escrow Account opened in a designated bank and DSRA to be established by the subsidiary company, where all cash flows from the Project shall be deposited, and the sub Account (or any account in substitution thereof) that may be opened in accordance with this agreement and supplementary Escrow Agreement or any other Project Agreement, provided such first charge shall only be to the extent permitted as per the waterfall of priorities prescribed under Escrow Agreement and Concession Agreement;
- (d) A first charge on all revenues and receivables of the Borrower from the Project or Otherwise, Project's book debts, operating cash flows, commissions or revenues of whatever nature, after such revenues and receivables are deposited in the Escrow Account. Provided that such charge as mentioned herein shall arise only after the proceeds and/or realization on any such revenues and receivables are credited to and enters the Escrow Account and thereafter shall only be utilized to the extent permitted as per the waterfall priorities under the Escrow Agreement and Concession Agreement.
- (e) Assignment of contractor guarantees, liquidated damages, letter of credit, guarantee or performance bond that may be provided by any counter party under any project agreement or contract in favor of subsidiary company and insurance policies etc.;
- (f) A first charge by way of assignment/agreement in favor of lenders over all the rights, title and interests of the Borrowers related to the Project from all contracts, insurances, licenses in to and under all Project Agreement (including the Concession Agreement) to which the Borrower is party to including contractor guarantees, liquidated damages, letter of credit, performance bond, guarantee and all other contracts relating to the Project, provided such charge shall be limited to and to arise to the extent provided under Substitution Agreement;
- (g) A first charge/assignment/ security interest on company rights` under concession agreement in favor of lenders of all rights, title, interests, benefits, claims, uncalled capital and demands whatsoever of company in any letter of credit, performance bond, guarantee provided by any party to project documents;
- (h) A first charge on intangible assets of borrower but not limited to goodwill present and future save and except the Project Assets. Provided that any realization there of shall be credited to the Escrow Account and the charges as aforesaid shall be limited to the extent permissible under the water fall priorities of the Concession Agreement and the Escrow Agreement;
- (i) Assignment of all applicable insurance policies

3) There has been no default in repayment of any of the loans or interest thereon as at the end of the year.

4) The Subsidiary Company is not required to submit any quarterly statement as per sanctioned terms.

5) The Subsidiary Company has used the borrowings from banks for the purposes for which they were taken.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2024

Loan From Bank of Baroda (Pertaining to Itron Akloli-Shirsad Expressway Limited)

Sanction :- ₹ 686.37 Crore

The Subsidiary Company has entered into a term loan agreement during the financial year 2022-23 with Bank of Baroda to finance the project for an amount of ₹ 686.37 crore. During the financial year 2023-24, disbursement of ₹ 125.00 crore (31 March 2023: ₹ 30.70 crore) has been received and outstanding balance as on 31st March 2024 was ₹ 155.70 crore (31 March 2023: ₹ 30.70 crore). The terms and conditions and detail of security are as under:

1) Terms and Conditions:

- (i) Interest rate to be charged on loan shall be Overnight MCLR without Strategic Premium +0.09% with monthly rest. Presently, applicable interest rate is 8.14 % p.a.
- (ii) Moratorium of 6 months from the date of PCOD/COD.
- (iii) Term Loan shall be repayable in 26 structured semi-annual instalments commencing after 6 months end (moratorium) in which COD/ PCOD is achieved.
- (iv) Interest shall be paid as and when debited. MCLR/Spread shall be subject to reset as and when it changes.
- (v) Corporate Guarantee of the Holding Company (AAA Rated) shall be available till the receipt of 1st annuity from NHAI or COD + 180 days, whichever is later.

2) Details of Security:

The facility together with all interest, fees, commission and other monies whatsoever stipulated and due to the lender shall be secured, to the extent permitted under the Concession Agreement by:

- (a) A first mortgage and charge on all the Borrower's immovable properties (if any), both present and future, save and except Project Assets;
- (b) A first charge on all the Borrower's tangible movable assets, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, both present and future, save and except the Project Assets;
- (c) A first charge over all accounts of the Borrower including the Escrow Account and Sub-accounts (or any account in substitution thereof) that may be opened in accordance with the Concession Agreement, Facility Agreement, Escrow Agreement and the Supplementary Escrow Agreement or any of the other Project Documents and all funds from time to time deposited therein, the Receivables and or other securities, provided that the same being applied to the extent of waterfall of priority of payments as specified in the Concession Agreement and the Escrow Agreement and not beyond that; and all the charge over the Receivables shall be enforceable by the Senior Lenders for the purpose of ensuring that the Receivables are credited to the Escrow Account for the purpose of being applied to the extent of waterfall of priority of payments as specified in the Concession Agreement and the Escrow Agreement and not beyond that.
- (d) A first charge over all intangible assets of the Borrower including but not limited to goodwill, rights, undertakings, and uncalled capital present and future excluding the Project Assets (Provided that all the amount received on account of any of these shall be deposited in the Escrow Account and the charges on the same shall be subject to the extent permissible as per priority specified in the Concession Agreement and the Escrow Agreement). Further, a charge on the uncalled capital, as set in above, shall be subject however to the provisions of Concession Agreement:
- (e) A first charge or assignment by way of Security in :
 - all the right, title, interests, benefits, claims and demands whatsoever of the Borrower in, to and under the Project Documents;
 - the right, title, interests, benefits, claims and demands whatsoever of the Borrower in, to and under all the Approvals;
 - all the right, title, interests, benefits, claims and demands whatsoever of the Borrower in, to and under any letter of credit, guarantees including contractor guarantees and liquidated damages and performance bond provided by any party to the Project Documents; and
 - all the right, title, interests, benefits, claims and demands whatsoever of the Borrower in, to and under all the Insurance Contracts;
- (f) DSRA: DSRA for to 3 month's interest and one principal installment.
- (g) The entire Security (including execution of Escrow and Substitution agreement) shall be created upfront prior to the disbursement and perfected prior to disbursement.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2024

- 3) There has been no default in repayment of any of the loans or interest thereon as at the end of the year.
- 4) The Subsidiary Company is not required to submit any quarterly statement as per sanctioned terms.
- 5) The Subsidiary Company has used the borrowings from banks for the purposes for which they were taken.

Loan From Indian Overseas Bank (Pertaining to Ircon Gurgaon Rewari Highway Limited)

Sanctioned Amount:- The limits sanctioned for the project was ₹ 309.68 (in crore) w.e.f sanctioned letter received on 12.05.2021 from Indian Overseas Bank; but amount of ₹ 196.51 crore are disbursed from the sanctioned amount.

Further, the subsidiary company has registered the charge on its assets with the Registrar of Companies as required under the loan sanction and as per the provisions of Companies Act 2013.

1) Terms and Conditions

- (i) The loan is repayable in 21 structured half yearly instalments in 10.5 years which shall commence after 6 months (moratorium) from the date of Commissioning (COD).
- (ii) Interest rate shall be on one month MCLR (8.10%) +0.15% Spread i.e. 8.25% p.a. subject to change based on MCLR.

2) Details of Security:

- i) Term Loan is backed by unconditional & irrevocable corporate guarantee of the holding company.
 - ii) The loan is further secured by
 - a) Exclusive charges by way of hypothecation of all Property, Plant and Equipment/ movable assets of the company
 - b) Exclusive charge on the project's book debts, operating cash flows, receivables, commission, revenues of whatsoever nature and wherever arising, present and future intangibles, goodwill, uncalled capital (Present and future);
 - c) Exclusive charge on projects bank account, including but not limited to the escrow account, where all cash inflows from the project shall be deposited and all proceeds shall be utilised in a manner and priority to be decided by the bank/ investors
 - d) Assignment of all subsidiary company's rights and interest under all the agreements related to project, letter of credit(if any), and guarantee and performance bond provided by any party for any contract related to the project in favour of lender.
- 3) There has been no default in repayment of any of the loans or interest thereon as at the end of the year.
 - 4) The Subsidiary Company is not required to submit any quarterly statement as per sanctioned terms.
 - 5) The Subsidiary Company has used the borrowings from banks for the purposes for which they were taken. At the end of FY 2023-24, the subsidiary company has availed loan of ₹ 80 crore out of which ₹ 79 crore has been temporarily parked in FDR and carried forward to next year for utilisation for the intended purpose.

Loan From Bank of Baroda (Pertaining to Ircon Ludhiana Rupnagar Highway Limited)

Sanction :- ₹ 570.82 Crore

The Bank of Baroda (BOB) has sanctioned the term loan of ₹ 570.82 crore. Term loan of ₹ 197.00 crore disbursed during the FY 2023-24.

1) Terms and Conditions:

- (i) Interest rate to be charged on loan shall be MCLR Plus spread of 0.09% with monthly rest. Presently, the applicable interest rate is 8.14% p.a.
- (ii) Moratorium of 6 months from the date of PCOD/COD.
- (iii) Term Loan shall be repayable in 26 structured half-yearly installments, with the first repayment starting from the end of 6 months from the SCOD or COD whichever is earlier.
- (iv) Interest shall be paid monthly basis on the last of calendar month.
- (v) Corporate Guarantee of the Promoter i.e. holding company (AAA Rated) shall be available till the receipt of 1st annuity from NHAI or COD + 180 days, whichever is later.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2024

2) Details of Security:

The Facility together with all interest fees, commission and other monies whatsoever stipulated and due to the lender shall be secured, to the extent permitted under the Concession Agreement, by:

- (a) A first mortgage and charge on all the Borrower's immovable properties (if any), both present and future, save and except the Project Assets;
- (b) First charge on all the Borrower's tangible moveable assets, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixture, vehicles and all other movable assets, both present and future, save and except the Project Assets;
- (c) First charge over all accounts of the borrower including Escrow Account and the Sub-Accounts (or any account in substitution thereof) that may be opened in accordance with the Concession Agreement, Facility Agreement, Escrow Agreement and the Supplementary Escrow Agreement, or any of the other Project Documents and all funds from time to time deposited therein, the Receivables and or other securities, provided that:
 - The same being applied to the extent of waterfall of priority of payment as specified the Concession Agreement and the Escrow Agreement and not beyond that; and
 - All the charge over the Receivables shall be enforceable by the Senior Lenders for the purpose of ensuring that the Receivables are credited to the Escrow Account for the purpose of being applied to the extent of waterfall of priority of payments are specified in the Concession Agreement and the Escrow Agreement and not beyond that.
- (d) First charge on all intangible assets of the Borrower including but not limited to goodwill, rights, undertakings and uncalled capital present and future excluding the Project Assets (provided that all amounts received on account of any of these shall be deposited in the Escrow Account and the charges on the same shall be subject to the extent permissible as per priority specified the Concession Agreement and Escrow Agreement). Further, a charge on uncalled capital, as set in above, shall be subject however to the provisions of the concession Agreement;
- (e) First charge or assignment by way of Security in;
 - All the right, title, interests, benefits, claims and demands whatsoever of the borrower in, to and under the Project Documents;
 - The right, title, interests, benefits, claims, and demands whatsoever of the Borrower in, to and under all the Approvals
 - All the right, title, interest, benefits, claim and demands whatsoever of the Borrower in, to and under any letter of credit, guarantees including contractor guarantees and liquidated damages and performance bond provided by any party to the Project Documents; and
 - All the rights, title, interests, benefits, claims and demands whatsoever of the Borrower in, to and under all the insurance Contacts:

3) There has been no default in repayment of any of the loans or interest thereon as at the end of the year.

4) The Subsidiary Company is not required to submit any quarterly statement as per sanctioned terms.

5) The Subsidiary Company has used the borrowings from banks for the purposes for which they were taken.

Loan From Bank of Baroda (Pertaining to Itron Bhoj Morbe Expressway Limited)

Sanction :- ₹ 823.39 Crore

The Subsidiary Company has entered into a term loan agreement during the financial year 2022-23 with Bank of Baroda (BOB) to finance the project for an amount of ₹ 823.39 crore. During the financial year 2023-24, disbursement of ₹ 129.37 Crore (31st March 2023: Nil) has been received. The terms and conditions and detail of security are as under:

1) Terms and Conditions:

- (i) Interest rate to be charged on loan shall be Overnight MCLR +0.09% p.a. The MCLR on the date of 1st Disbursement shall be applicable. Interest to be serviced as and when debited.
- (ii) Term Loan shall be repayable in 26 structured half-yearly installments, commencing after 6 months end (moratorium) in which COD/PCOD is achieved.
- (iii) Interest shall be paid monthly basis on the last of calendar month.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2024

2) Details of Security:

The credit facilities for the proposed project, all interest, fees, commission and other monies in respect thereof shall be secured, of and to the extent permitted under the Concession Agreement by:

- a) First mortgage & charge on all the Borrower's movables properties (if any), both present and future, save and except the Project Assets:
- b) First charge on all the Borrower's tangible moveable assets, including movable plant and machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, both present and future save and except the Project Assets:
- c) First charge over all accounts of the Borrower including the Escrow Account and the Sub- Accounts (or any account in substitution thereof) that may be opened in accordance with the Concession Agreement, Facility Agreement, Escrow Agreement and the Supplementary Escrow Agreement, or any of the other Project Documents and all funds from time deposited therein, the receivables and or other securities, provided that
 - the same being applied to the extent of waterfall of priority of payments specified in the concession Agreement and the Escrow Agreement and not beyond that: and
 - all the charge over the Receivables shall be enforceable by the Senior Lenders for the purpose of ensuring that the Receivables are credited to the Escrow Account for the purpose of being applied to the extent of waterfall of priority of payment as specified in the Concession Agreement and the Escrow Agreement and not beyond that.
- d) First charge on all intangibles of the Borrower, including but not limited to goodwill, rights, undertaking and uncalled capital present and future excluding the project Assets (provided that all amounts received on accounts of any of these shall be deposited in the Escrow Account and the charges on the same shall be subject to the extent permissible as per priority specified in the Concession Agreement and Escrow Agreement).
- e) A first charge/assignment by way of Security in
 - all the right title interests, benefits, claims, and demands whatsoever of the Borrower in to and the Project Document:
 - the right, title interests, benefits, claims, and demands whatsoever of the Borrower in to and under all the Approvals:
 - all the right, title, interests benefits, claims and demands whatsoever of the Borrower in to and under any letter of Credit guarantees including contractor guarantees and liquidated damages and performance bond provided by any party to the project documents and:
 - all the right, title, interests, benefits, claims, and demands whatsoever of the Borrower in to and under all the Insurance Contracts.

3) There has been no default in repayment of any of the loans or interest thereon as at the end of the year.

4) The Subsidiary Company is not required to submit any quarterly statement as per sanctioned terms.

5) The Subsidiary Company has used the borrowings from banks for the purposes for which they were taken.

Loan From State Bank of India (Pertaining to Ircon Shivpuri Guna Tollway Limited)

Sanction :- ₹ 501 Crore

The Subsidiary Company has entered into a term loan agreement with State Bank of India (SBI) to finance the project for an amount of ₹ 501 Crore. The terms and conditions and detail of security are as under:

1) Terms and Conditions

- (i) Term Loan shall be repaid in 11.5 years upto 30.09.2033, in quarterly instalments as per the schedule mentioned in the Loan agreement.
- (ii) The Applicable Interest rate is base rate of SBI 3 month MCLR plus spread of 0.25% w.e.f 28.03.2022.
- (iii) An unconditional corporate guarantee by the promoter in favour of the Security trustee and an irrevocable and unconditional undertaking from the Promoter, to cover any shortfall in the loan and other conditions as mentioned in the Loan agreement dated 17.02.2022

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2024

2 Details of Security:

As per clause 12 of the Loan agreement, the securities for the Loan extended are mentioned in brief as under :

- (a) first charge on all the Borrower's tangible movable assets pertaining to the Project;
- (b) a first charge over all accounts of the Borrower pertaining to the Project including the Escrow Accounts and the sub-accounts (or any account in substitution thereof) or any other bank account that may be opened in accordance with this Agreement ;
- (c) a first charge on all intangibles assets pertaining to the Project including but not limited to goodwill, rights, undertaking and uncalled capital present and future ;
- (d) Assignment/Charge by way of Security in the following, both present and future:
 - (i) all the right, title, interest, benefits, claims and demands whatsoever of the Borrower in the Project Documents;
 - (ii) the right, title and interest of the Borrower in, to and under all the Clearances;
 - (iii) all the right, title, interest, benefits, claims and demands whatsoever of the Borrower in any letter of credit, guarantee including contractor guarantees and liquidated damages and performance bond provided by any party to the Borrower pursuant to the Project Documents;
 - (iv) all the right, title, interest, benefits, claims and demands whatsoever of the Borrower under all Insurance Contracts pertaining to the Project;
- 3) There has been no default in repayment of any of the loans or interest thereon as at the end of the year.
- 4) The Subsidiary Company is not required to submit any quarterly statement as per sanctioned terms.
- 5) The Subsidiary Company has used the borrowings from banks for the purposes for which they were taken.

Loan From State Bank of India (SBI) (Pertaining to Ircon Haridwar Bypass Limited)

Sanction :- ₹ 447.61 Crore

SBI has sanctioned rupee term loan of ₹ 447.61 Crore including mobilisation advance bank guarantee of ₹ 94.71 Crore as sub limit of rupee term loan of ₹ 447.61 Crore. During the financial year 2023-24, SBI has disbursed term loan of ₹ 112.97 Crore (31st March 2023: Nil). The terms and conditions and detail of security are as under:

1) Terms and Conditions:

- (i) Interest rate to be charged on loan shall be 3M MCLR Plus spread of 0.00% with monthly rest.
- (ii) Moratorium of 6 months from the date of SCOD/COD whichever is earlier.
- (iii) Term Loan shall be repayable in 24 structured half-yearly installments, with the first repayment starting from the end of 12 months from the SCOD or COD whichever is earlier.
- (iv) Interest shall be paid monthly basis on the last of calendar month.

2) Details of Security:

The credit facilities for the proposed project, all interest, fees, commission and other monies in respect thereof shall be secured, of and to the extent permitted under the Concession Agreement by:

- a) First charge on all the Borrower's movables (except Project Assets), including movable plant and machinery, furniture, fixtures, vehicles and all other movable assets, machinery spares, tools and accessories, both present and future.
- b) First hypothecation/charge and assignment of all monies lying the Escrow Account into which all the investments in the Project and all Project revenues, Receivables, shortfall to be received, Cash and Insurance Proceeds are to be deposited provided that such charge over the Escrow Account shall only be to the extent permissible as per the water fall of priorities specified in the Concession Agreement and Escrow Agreement.
- c) First charge on all the Borrower's bank accounts including without limitation the Escrow Account, Debt Service Reserve Account and each of other accounts required to be created by the Borrower under any Project Document or contract, provided that the charge shall only be to the extent of water fall of the priorities as provided in the Escrow Agreement.
- d) First charge on all intangibles (other than Project Assets) of the Borrower, including but not limited to goodwill, uncalled capital, and intellectual property rights, both present and future.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2024

- e) A first charge/assignment of all the rights, title, interests, benefits, claims and demands of the Borrower, both present and future, in :
 - Concession Agreement and other Project Documents and Clearances,
 - letter of credit, guarantee (including contractor guarantees) and liquidated damages (including Contractual Damages) and performance bond provided by any Project Participant under Project Documents; and
 - all Insurance Contracts.
- f) Charge on Unsecured Loans infused as Part of Promoter's Contribution.
- g) Corporate Guarantee of Promoter i.e. Holding Company will be available till receipt of first annuity or 180 days from COD, whichever is later.
- h) The Security such as assignment of project documents shall be created and perfected in favor of Security Trustee before first disbursement.
- 3) There has been no default in repayment of any of the loans or interest thereon as at the end of the year.
- 4) The Subsidiary Company is not required to submit any quarterly statement as per sanctioned terms.
- 5) The Subsidiary Company has used the borrowings from banks for the purposes for which they were taken.

Loan From Union Bank of India (Pertaining to Ircon Renewable Power Limited)

Sanction : Ircon Renewable Power Limited entered into a loan agreement with Union Bank of India to avail the credit facilities of ₹ 2,533.70 crore consisting of term loan of ₹ 2,078.20 crore, cash credit of ₹ 18.46 crore, performance Bank Guarantee of ₹ 250.00 crore and forward contract limit of ₹ 187.04 crore for the purpose of setting up of 500 MW Grid connected Solar PV Power Projects in India (Tranche-III) under Central Public Sector Undertaking (CPSU) Scheme Phase-II (Government Producer Scheme).

1) Details of Terms and Conditions:

i) Interest Terms

The Applicable rate of interest is 6 month MCLR on term loan effective from the date of disbursement and resetting in every 6 months and the cash credit on the basis of 1 year MCLR, performance bank guarantee attract interest @ 0.05%+GST

ii) Terms of Repayment

Term Loan shall be repaid in 77 structured quarterly installment beginning from 30.09.2025 and ending on 30.09.2044 as mentioned in the Loan agreement.

2) Details of Security:

As per Loan agreement, the securities for the Loan are mentioned in brief as under :

- (a) first charge by way of mortgage on the freehold/leasehold right of the borrower on entire immovable properties pertaining to the project;
- (b) a first charge by way of hypothecation of entire movable properties of the Borrower, both present and future, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles, raw material, stock in trade, inventory and all other movable properties of whatsoever nature;
- (c) a first charge on the entire cash flows, receivables, book debts and revenues of the borrower, of whatsoever nature and wherever arising, both present and future;
- (d) a first charge on entire intangible assets of the borrower, including but not limited to, goodwill and uncalled capital, intellectual property, both present and future;
- (e) a first charge by way of hypothecation, as the case may be of
 - (i) all the rights, title, interest, benefits, claims and demands whatsoever of the borrower in the project documents (except the charge on transmission agreements with CTUIL for which consent from CTUIL will not be provided), all as amended, varied or supplemented from time to time;
 - (ii) subject to Applicable Law, all the rights, title, interest, benefits, claims and demands whatsoever of the borrower in the Clearances, and
 - (iii) all the rights, title, interest, benefits, claims and demands whatsoever of the borrower in any letter of credit, guarantee, performance, bond, bank guarantee provided by any party to the Project documents:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2024

- (iv) all the rights, title, interest, benefits, claims and demands whatsoever of the borrower under all Insurance Contracts;
- (f) a first charge on the Trust and Retention Accounts (TRA), Debts Service Reserve and any other reserves and other bank accounts of the Project wherever maintained except distribution sub-account.
- (g) a first charge on all monies receivable by Promoter from the borrower under the unsecured loans/sub-debt granted by promoter/sponsor to the Borrower brought in for the Promoter's Contribution.
- 3) There has been no default in repayment of any of the loans or interest thereon as at the end of the year.
- 4) The Subsidiary Company has used the borrowings from banks for the purposes for which they were taken.
- 5) The Subsidiary Company is not required to submit any quarterly statement as per sanctioned terms.

Letter of credit backed Bill Discounting (LCBD) (Pertaining to Itron Renewable Power Limited)

During the current year, Union Bank of India has sanctioned a rupee term loan facility ₹ 2,078.20 crore to the Subsidiary Company, with a sub limit of Capex LC facility of ₹ 1,870.38 crore for making payments to the EPC contractors and module suppliers, wherein the Company is allowed to open capex LCs with an usance period of up to 3 years from the date of shipment and is also allowed to avail the LCBD facility either from the lender issuing the LC or any other lender (including the lender outside the consortium) to retire the LCs. Proceeds from LC bill discounting is being used to pay the supplier in full and interest on such amount being paid in advance through discounting of bill is borne by the Company till the end of usance period. On the expiry of LC usance period, rupee term loan disbursement from LC issuing bank shall be availed and discounting bank shall get paid.

The Subsidiary Company has utilized the above facility for payment to be made to module suppliers "Premier Energies Photovoltaic Power Pvt Ltd" ("Premier Energies") and "Waaree Energies Limited" ("Waaree Energies") with below terms and conditions

- (i) All in Interest cost of 7.4% p.a. on bill discounting amounting to ₹ 109.07 crore shall be paid upfront in advance to the discounting bank ("Bank of India") for the period starting from date of bill discounting and ending with date of expiry of Usance LC i.e. till 1 year.
- (ii) All in Interest cost of 7.34 % p.a. on bill discounting amounting to ₹ 137.09 crore shall be paid upfront in advance to the discounting bank ("Indusind Bank") for the period starting from date of bill discounting and ending with date of expiry of Usance LC i.e. till 1 year.
- (iii) At the end of the Usance period under the LC, LC Bill Discounting shall be repaid to above banks through Rupee Term Loan to be availed from Union Bank of India.

(₹ in Crore)

| Particulars | As at 31st March 2024 | As at 31st March 2023 |
|---|---|-----------------------|
| Carrying amount of Financial Liabilities | | |
| - Presented in Finance Liability to Union Bank of India | 246.17 | - |
| of which suppliers have received payment from finance providers | ₹ 109.08 crore (Paid by BOI to Premier Energies) ₹ 137.09 crore (Paid by Indusind Bank to Waaree Energies) | - |

20.2 Non-Current Financial Liabilities – Lease Liabilities

(₹ in crore)

| Particulars | As at 31st March 2024 | As at 31st March 2023 |
|-------------------|-----------------------|-----------------------|
| Lease Liabilities | 2.52 | 0.42 |
| Total | 2.52 | 0.42 |

20.3 Non-Current Financial Liabilities – Trade Payables

(₹ in crore)

| Particulars | As at 31st March 2024 | As at 31st March 2023 |
|--|-----------------------|-----------------------|
| (A) Micro, Small & Medium Enterprises | - | - |
| (B) Other than Micro, Small & Medium Enterprises | | |
| (i) Contractor & Suppliers | - | - |
| Total | - | - |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2024

20.4 Non-Current Liabilities – Other Financial Liabilities

(₹ in crore)

| Particulars | As at 31st March 2024 | As at 31st March 2023 |
|------------------------------|-----------------------|-----------------------|
| Deposits and Retention Money | 777.42 | 681.10 |
| Total | 777.42 | 681.10 |

21. Provisions

(₹ in crore)

| Particulars | Foot Note | As at 31st March 2024 | As at 31st March 2023 |
|---------------------------------|-----------|-----------------------|-----------------------|
| Provision for Employee Benefits | 21.1 | 157.34 | 119.72 |
| Other Provisions | 21.2 | 373.34 | 328.04 |
| | | 530.68 | 447.76 |
| Current | | 308.72 | 299.19 |
| Non Current | | 221.96 | 148.57 |

The disclosure of provisions movement as required under the requirements of Ind AS 37 is as follows :

21.1 Provision for Employee Benefits :

- The provisions are created for the purpose of Gratuity, leave encashment, settlement allowance, post retirement medical benefits, performance related pay and leave travel concession.
- Disclosures as per Ind AS 19 'Employee benefits' are provided in Note 36.
- Movement in the carrying value of Provisions for Employee Benefits are provided as below:

(₹ in crore)

| Particulars | Gratuity | Leave Salary* | Settlement Allowance on Retirement | Post Retirement Medical Benefits | Performance Related Pay | Leave Travel Concession | Contribution to PF & Other Funds | Total |
|-----------------------------------|-------------|---------------|------------------------------------|----------------------------------|-------------------------|-------------------------|----------------------------------|----------------|
| As at 01-April-2023 | 0.08 | 69.37 | 1.14 | 5.26 | 40.21 | 0.20 | 3.46 | 119.72 |
| Current | - | 7.84 | 0.15 | 5.26 | 40.21 | 0.02 | 3.46 | 56.94 |
| Non Current | 0.08 | 61.53 | 0.99 | - | - | 0.18 | - | 62.78 |
| Provision made during the year | 0.04 | 15.26 | 0.15 | 5.17 | 38.17 | 0.03 | 25.41 | 84.23 |
| Less: Utilization during the year | - | (12.26) | (0.03) | (5.26) | (24.08) | (0.02) | (2.57) | (44.22) |
| Less: Write Back during the year | - | - | - | - | (1.40) | (0.01) | (0.89) | (2.30) |
| (Exchange Gain) / Loss | - | 0.04 | (0.13) | - | - | - | - | (0.09) |
| As at 31-March-2024 | 0.12 | 72.41 | 1.13 | 5.17 | 52.90 | 0.20 | 25.41 | 157.34 |
| Current | - | 8.62 | 0.13 | 5.17 | 52.90 | 0.02 | 25.41 | 92.25 |
| Non Current | 0.12 | 63.79 | 1.00 | - | - | 0.18 | - | 65.09 |

* Includes ₹ **0.46 crore** for employees posted on Foreign Projects on which leave salary provision has been made on actual basis.

21.2 Other Provisions :

Disclosures as per Ind AS 37 regarding nature of provisions and movements in provisions are as follows :

a) Demobilisation Provisions

The Group has made provision for demobilisation to meet the expenditure towards Demobilisation of Manpower and Plant & Equipment in respect of foreign projects.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2024

b) Maintenance Provisions

In Cost Plus contract, no provision for maintenance is required to be made where cost is reimbursable.

Item Rate and Lump Sum turnkey contracts, provision is made for maintenance to cover Group's liability during defect liability period keeping into consideration the contractual obligations, obligations of the sub-contractor, operating turnover and other relevant factors. Further, provision for major maintenance is made in line with Maintenance Manual for operating of Toll Road.

c) Legal Cases

Provision for legal cases represents liabilities that are expected to materialise in respect of matters in courts, arbitrations and appeal.

d) Provisions for Other Expenses

Provision for other expenses represents expected tax liabilities in respect of indirect taxes and others.

e) Onerous Contracts

The Group has a contract where total contract cost exceeds the total contract revenue. In such situation as per Ind AS 115 and Ind AS 37, the Group has to provide for these losses.

The provision is based on the estimate made by the management.

(₹ in crore)

| Particulars | Demobilisation | Maintenance | Legal Cases | Other Expenses | Onerous Contracts | Total |
|-----------------------------------|----------------|---------------|--------------|----------------|-------------------|---------------|
| As at 01-April-2023 | 14.73 | 171.54 | 69.22 | 45.74 | 26.81 | 328.04 |
| Current | 12.77 | 114.52 | 69.22 | 45.74 | - | 242.25 |
| Non Current | 1.96 | 57.02 | - | - | 26.81 | 85.79 |
| Provision made during the year | 0.15 | 89.97 | 17.78 | 6.58 | 56.77 | 171.25 |
| Less: Utilization during the year | (0.01) | (71.77) | (14.65) | (0.62) | (2.47) | (89.52) |
| Less: Write Back during the year | - | (1.11) | (12.86) | (13.66) | (12.12) | (39.75) |
| (Exchange Gain) / Loss | 0.11 | 0.65 | - | (0.46) | - | 0.30 |
| Unwinding of discount | 0.04 | 2.98 | - | - | - | 3.02 |
| As at 31-March-2024 | 15.02 | 192.26 | 59.49 | 37.58 | 68.99 | 373.34 |
| Current | 13.52 | 89.79 | 59.49 | 37.58 | 16.09 | 216.47 |
| Non Current | 1.50 | 102.47 | - | - | 52.90 | 156.87 |

22. Other Non- Current Liabilities

(₹ in crore)

| Particulars | As at 31st March 2024 | As at 31st March 2023 |
|---|-----------------------|-----------------------|
| a) Contract Liability | | |
| Advance from Clients | 930.32 | 746.38 |
| b) Others | | |
| Upfront Amount from Sub – leasing of MFCs | 16.82 | 17.70 |
| Lease Equalisation Liability | 7.62 | 12.82 |
| Others | 2.55 | 0.05 |
| Total | 957.31 | 776.95 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2024

23. Current Liabilities – Current Financial Liabilities

23.1 Borrowings

(₹ in crore)

| Particulars | As at 31st March 2024 | As at 31st March 2023 |
|---|-----------------------|-----------------------|
| A) Current Maturities of Long-Term Debt : | | |
| (i) Loan From Banks: | | |
| Secured: | | |
| (a) Loan From Punjab National Bank (Refer Foot Note (ii)) | 25.12 | 25.12 |
| (b) Loan From Bank of Baroda (Refer Foot Note (ii)) | 68.96 | 34.48 |
| (c) Loan From State Bank of India (Refer Foot Note (ii)) | 16.40 | 4.28 |
| (ii) Loan From Others: | | |
| Unsecured: | | |
| (a) Loan From Indian Railway Finance Corporation | - | 615.31 |
| Less : Recoverable from Rail Land Development Authority (Refer Foot Note (i)) | - | (615.31) |
| Total | 110.48 | 63.88 |

Foot Notes:

(i) Unsecured borrowings from Others:

(a) Terms and Conditions of the unsecured Loan :

The Group has raised a loan from Indian Railway Finance Corporation ("IRFC") of ₹ 3200 crore as on 28th March 2018 which in turn have been paid to Railway Land Development Authority ("RLDA") in terms of lease agreement. As per the Memorandum of understanding ("MOU") entered between RLDA and the Group, all instalments of principal and interest, as also any default or additional interest, and other costs, expenses and charges associated with the loan (or otherwise payable under or pursuant to the Loan Agreement), shall be paid by RLDA to the Group. The repayment of principal of the Loan Amount shall be made in 5 (five) equal instalments commencing from April 15, 2019. [Refer note 14.6 (Foot note (vi)). Companies Act has been complied with for such transactions and the transactions are not violative of any applicable Act.

(b) Rate of Interest :

- (i) The Group will pay interest on the principal amount of the Loan advanced and outstanding from time to time, at the rate of 8.77% (Eight point seven seven percent) per annum ("Applicable Interest rate") (exclusive of applicable interest tax, service tax and / or any such other taxes / levies / duties). Such taxes / levies / duties, if any, applicable, shall be payable (in the same manner and time as the principal and interest) by the Borrower to the Lender over and above the rates specified above.
- (ii) The Applicable Interest Rate shall be fixed for currency of loan term.

(c) Termination of the Memorandum of understanding (MOU) :

Upon the occurrence of certain identified events the MOU would stand terminated, whereupon Ircon would be substituted by such entity as agreed to between IRFC, IRCON, RLDA & Ministry of Railways (MoR). MoR would be entitled to pre pay the entire outstanding under the Loan Agreement on termination of this agreement.

(d) Offsetting the Loan from IRFC and Recoverable from RLDA :

As per para 2.4 of the Memorandum of understanding ("MOU") entered between RLDA and the Group, all instalments of principal and interest, as also any default or additional interest, and other costs, expenses and charges associated with the loan (or otherwise payable under or pursuant to the Loan Agreement), shall be paid by RLDA to the Group.

Group has a legally enforceable right to set off the loan liability regarding IRFC and recoverable from RLDA as per MOU and have the financial arrangement to settle the loan from IRFC with the proceeds realised from RLDA simultaneously. Accordingly, as per provision of IND AS-32 amount recoverable from RLDA and loan from IRFC has been offset and the net amount presented in the balance sheet.

- (e) The Group is not at default of either repayment of the loan or interest payment on the loans as on the Balance Sheet Date.
- (ii) Refer Note 20.1 (Foot note (i))

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2024

23.2 Current Financial Liabilities – Lease Liabilities

(₹ in crore)

| Particulars | As at 31st March 2024 | As at 31st March 2023 |
|-------------------|-----------------------|-----------------------|
| Lease Liabilities | 0.72 | 0.09 |
| Total | 0.72 | 0.09 |

23.3 Current Financial Liabilities – Trade Payables

(₹ in crore)

| Particulars | As at 31st March 2024 | As at 31st March 2023 |
|--|-----------------------|-----------------------|
| (A) Micro, Small & Medium Enterprises | 6.36 | 13.18 |
| (B) Other than Micro, Small & Medium Enterprises | | |
| (i) Contractor & Suppliers | 881.05 | 842.21 |
| Total | 887.41 | 855.39 |

Foot Notes:

a) Trade payables Ageing Schedule for the year ended as at 31st March, 2024 and 31st March 2023

(₹ in crore)

| Particulars | Unbilled | Not Due | Outstanding for the year ended March 31, 2024 from the due date of payment | | | | Total |
|--|---------------|--------------|--|-------------|--------------|-------------------|---------------|
| | | | Less than 1 year | 1-2 year | 2-3 years | More than 3 years | |
| Total outstanding dues of micro enterprises and small enterprises | 2.98 | - | 3.38 | - | - | - | 6.36 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 451.32 | 94.55 | 300.75 | 4.44 | 18.45 | 11.50 | 881.01 |
| Disputed dues of micro enterprises and small enterprises | - | - | - | - | - | - | - |
| Disputed dues of creditors other than micro enterprises and small enterprises | 0.02 | - | - | - | - | 0.02 | 0.04 |
| | 454.32 | 94.55 | 304.13 | 4.44 | 18.45 | 11.52 | 887.41 |

(₹ in crore)

| Particulars | Unbilled | Not Due | Outstanding for the year ended March 31, 2023 from the due date of payment | | | | Total |
|--|---------------|--------------|--|--------------|-------------|-------------------|---------------|
| | | | Less than 1 year | 1-2 year | 2-3 years | More than 3 years | |
| Total outstanding dues of micro enterprises and small enterprises | 5.10 | 2.94 | 5.14 | - | - | - | 13.18 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 151.57 | 77.11 | 586.07 | 10.92 | 0.88 | 14.84 | 841.39 |
| Disputed dues of micro enterprises and small enterprises | - | - | - | - | - | - | - |
| Disputed dues of creditors other than micro enterprises and small enterprises | - | - | 0.05 | 0.04 | 0.14 | 0.59 | 0.82 |
| | 156.67 | 80.05 | 591.26 | 10.96 | 1.02 | 15.43 | 855.39 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2024

23.4 Current Liabilities – Other Financial Liabilities

(₹ in crore)

| Particulars | As at 31st March 2024 | As at 31st March 2023 |
|--|-----------------------|-----------------------|
| Interest Accrued on Secured Loan from bank {(Refer Foot Note (ii))} | 0.25 | 0.15 |
| Interest Accrued on Unsecured Loan from Indian Railway Finance Corporation | - | 51.89 |
| Less : Interest Accrued on Advances to Rail Land Development Authority {(Refer Foot Note (i))} | - | (51.89) |
| Gratuity Payable | 3.81 | 7.17 |
| Deposits, Retention Money and Money Withheld | 1,707.18 | 1,618.61 |
| Amount Payable to Client | 630.40 | 592.04 |
| Dividend Payable to Client | 4.01 | 1.12 |
| Interest Payable on Advance from Client | 337.58 | 330.52 |
| Payable for Capital Suppliers and Services | 261.99 | - |
| Other Payables (including Staff Payable) | 149.03 | 172.70 |
| Total | 3,094.25 | 2,722.31 |

Foot Note:

(i) Refer Note 14.6 and 23.1 foot note (i)

(ii) Refer Note 20.1 foot note (i)

24. Other Current Liabilities

(₹ in crore)

| Particulars | As at 31st March 2024 | As at 31st March 2023 |
|---|-----------------------|-----------------------|
| a) Contract Liability | | |
| Advance from Clients | 1,952.22 | 2,828.23 |
| - Less: Deposits under protest | (217.05) | (217.05) |
| Advance Contract Receipts | 391.42 | 216.93 |
| b) Others | | |
| Statutory dues (Refer Foot Note (i)) | 410.45 | 451.02 |
| Upfront Amount from Sub – leasing of MFCs | 0.87 | 0.87 |
| Government Grants (Refer Foot Note (ii)) | 112.35 | - |
| Lease Equalisation Liability | 4.31 | 7.58 |
| Others | 0.25 | - |
| Total | 2,654.82 | 3,287.58 |

Foot Notes:

- Statutory dues includes liability for Goods and Service Tax (GST), TDS, Provident Fund and other statutory dues.
- Group is entitled for Government Grants (VGF) of ₹ **224.70 crore** from IREDA Limited in two tranches as per terms of LOA No. 23016/1/2020- IREDA/RfS/5000MW/012021/963 dt. 04 Oct 2021 awarded to Ircon Renewable Power Limited. The Group has received first (1) Tranche of VGF amounting to ₹ **112.35 crore** during the financial year 2023-24 for which the related expenditure is yet to be incurred.

25. Current Tax Liability (Net)

(₹ in crore)

| Particulars | As at 31st March 2024 | As at 31st March 2023 |
|--|-----------------------|-----------------------|
| Provision for tax (Net of Advance Tax) | 66.56 | 36.95 |
| Total | 66.56 | 36.95 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2024

26. Revenue from Operations

(₹ in crore)

| Particulars | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|--|---------------------------------------|---------------------------------------|
| Contract Revenue | 11,980.76 | 9,952.74 |
| Revenue from Toll Operations | 223.54 | 196.31 |
| Group's share of turnover in Integrated Joint operations (unincorporated) | 0.95 | 0.58 |
| Machinery Hire Charges | 0.20 | 4.55 |
| MFC Leasing | 16.44 | 27.87 |
| Project Management Consultancy | 79.21 | 165.23 |
| Other Operating Revenue | 29.81 | 20.65 |
| Total | 12,330.91 | 10,367.93 |

27. Other Income

(₹ in crore)

| Particulars | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|--|---------------------------------------|---------------------------------------|
| Interest Income : | | |
| Interest on Tax Free Bonds and Government Securities | 15.28 | 19.53 |
| Interest on Refund of Income-tax | 27.30 | 17.23 |
| Interest on Staff Advances | 0.06 | 0.08 |
| Interest on Financial Asset under SCA | 182.74 | 126.93 |
| Interest on loan to Related Parties (Refer Note (i)) | 4.37 | 0.90 |
| Interest on Advances and Others | 80.87 | 79.47 |
| Less:- Other Interest Passed to Clients | <u>(29.17)</u> | <u>(56.23)</u> |
| Interest income on Unwinding of Financial Instruments | - | 0.01 |
| Bank Interest Gross | 291.55 | 241.55 |
| Less:- Interest on temporary investment transferred to CWIP | (0.76) | - |
| Less:- Interest passed to Clients | <u>(70.72)</u> | <u>(70.50)</u> |
| Others : | | |
| Profit on Sale of Assets | 0.53 | 2.49 |
| Profit on Sale of Mutual Funds | 37.14 | 0.32 |
| Less: Profit on Sale of Mutual Fund Passed to Clients | <u>(9.50)</u> | <u>-</u> |
| Miscellaneous Income (Refer Note (ii)) | 7.21 | 16.44 |
| Less: Insurance Claim Passed | <u>-</u> | <u>-</u> |
| Exchange Fluctuation Gain | - | 227.51 |
| Less: Exchange Fluctuation Loss | <u>-</u> | <u>(223.77)</u> |
| Gain/Loss on Changes of Fair Value of Mutual Funds | 2.71 | - |
| Total | 539.61 | 381.96 |

Foot Notes:

(i) Interest on loan to Related Parties:

(₹ in crore)

| Particulars of Related Parties | 2023-24 | 2022-23 |
|--|-------------|-------------|
| - Chhattisgarh East Railway Limited | 0.29 | - |
| - Chhattisgarh East-West Railway Limited | 0.78 | 0.90 |
| - Mahanadi Coal Railway Limited | 3.30 | - |
| | 4.37 | 0.90 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2024

- (ii) Include Group's Share of Other Income in Integrated Joint operations (unincorporated) of ₹ **0.17 crore** (FY 2022-23 : ₹ 0.13 crore)

28 (i) Materials and Stores Consumed

(₹ in crore)

| Particulars | Foot Note | For the year ended 31st March 2024 | | For the year ended 31st March 2023 | |
|--------------------------------|-----------|------------------------------------|---------------|------------------------------------|---------------|
| Opening Balance | | 38.18 | | 56.82 | |
| Add: Purchases during the year | (i) | <u>532.17</u> | | <u>373.65</u> | |
| | | 570.35 | | 430.47 | |
| Less: Closing Balance | | <u>(36.74)</u> | 533.61 | <u>(38.18)</u> | 392.29 |
| Total | | | 533.61 | | 392.29 |

Foot Notes:

- (i) Includes Exchange gain/(loss) of ₹ **0.03 crore** (As at 31st March 2023 : ₹ (1.04) crore) on account of translation from functional currency to presentation currency.

28 (ii) (Increase) / Decrease in WIP

(₹ in crore)

| Particulars | Foot Note | For the year ended 31st March 2024 | | For the year ended 31st March 2023 | |
|--|-----------|------------------------------------|----------------|------------------------------------|--------------|
| Opening Balance | | 150.37 | | 199.11 | |
| Add: Adjustments during the year for Exchange gain/ (loss) | | <u>0.24</u> | | <u>2.63</u> | |
| | | 150.61 | | 201.74 | |
| Less: Closing Balance | | <u>(189.73)</u> | (39.12) | <u>(150.37)</u> | 51.37 |
| Total | | | (39.12) | | 51.37 |

28 (iii) Project and Other Expenses

(₹ in crore)

| Particulars | Foot Note | Project Expenses | | Other Expenses | |
|--|-----------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| | | For the year ended 31st March 2024 | For the year ended 31st March 2023 | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
| Work Expenses | | 10,198.68 | 8,522.54 | - | - |
| Toll Operation and Maintenance Expenses | | 34.33 | 14.14 | - | - |
| Design, Drawing, Business Development & Consultancy Charges | | 10.94 | 9.54 | - | - |
| Inspection, Geo Technical Investigation & Survey Exp. Etc. | | 38.29 | 30.41 | - | - |
| Repairs and Maintenance of Machinery | | 7.41 | 13.55 | - | - |
| Hire charges of Machinery | | 6.39 | 12.45 | - | - |
| Exchange Fluctuation Loss | | - | - | 221.66 | - |
| Less:- Exchange Fluctuation Gain | | <u>-</u> | <u>-</u> | <u>(207.27)</u> | <u>-</u> |
| Net Exchange Fluctuation Loss | | - | - | 14.39 | - |
| Reclassification of exchange loss from equity to profit and loss | | - | - | 13.04 | - |
| Rent - Non-residential | | 5.97 | 5.01 | 1.06 | 0.66 |
| Rates and Taxes | | 23.94 | 66.12 | 0.82 | 0.63 |
| Vehicle Operation and Maintenance | | 16.95 | 14.05 | 3.07 | 2.80 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2024

| Particulars | Foot Note | Project Expenses | | Other Expenses | |
|---|-----------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| | | For the year ended 31st March 2024 | For the year ended 31st March 2023 | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
| Repairs and Maintenance | | | | | |
| – Building | | 0.30 | 0.60 | 0.21 | 0.54 |
| – Office and Others | | 5.72 | 5.27 | 10.14 | 8.01 |
| Power, Electricity and Water Charges | | 8.32 | 6.00 | 2.23 | 2.05 |
| Insurance | | 14.89 | 15.35 | 8.31 | 1.24 |
| Travelling & Conveyance | | 12.39 | 12.73 | 3.97 | 2.55 |
| Printing & Stationery | | 1.00 | 1.45 | 0.45 | 0.77 |
| Postage, Telephone & Telex | | 1.09 | 1.24 | 0.41 | 0.34 |
| Legal & Professional Charges | | 6.06 | 28.93 | 12.80 | 10.95 |
| Security Services | | 2.14 | 1.47 | 0.94 | 0.72 |
| Listing Expenses | | – | – | 0.06 | 0.06 |
| Business Promotion | | 0.38 | 0.30 | 0.58 | 0.80 |
| Write-off of : | | | | | |
| – Debts | | 0.63 | 0.81 | – | – |
| Loss on Sale of Assets/Stores | | – | – | 0.20 | 0.05 |
| Director's Sitting Fee | | – | – | 0.17 | 0.17 |
| Donation | | – | – | – | 0.01 |
| Auditor's Remuneration | (iii) | – | – | 0.94 | 0.83 |
| Advertisement & Publicity | | – | – | 1.77 | 2.48 |
| Training & Recruitment | | – | – | 0.46 | 0.31 |
| Corporate Social Responsibility | | – | – | 12.92 | 11.13 |
| Miscellaneous Expenses | | 4.20 | 4.32 | 5.35 | 2.29 |
| Bank and Other Finance Charges | | 10.97 | 7.09 | 1.07 | 0.44 |
| Fee & Subscription Charges | | – | – | 0.02 | – |
| Proportionate share of expenses in Integrated Joint operations (unincorporated) | | 0.31 | 0.16 | – | – |
| Provisions (Addition – Write Back) (Refer Note 21) & Foot Note (i) | (i) | 168.95 | 147.28 | – | – |
| Provisions Utilised (Refer Note 21) & Foot Note (ii) | (ii) | (90.14) | (33.63) | – | – |
| Total | | 10,490.11 | 8,887.18 | 95.38 | 49.83 |

Foot Notes:

(i) Includes ₹ **37.25 crore** (FY 2022–23: ₹ 51.27 crore) Provisions Addition-Write back against Doubtful Advance & Debts

(ii) Includes ₹ **0.62 crore** (FY 2022–23: ₹ 5.85 crore) against Doubtful Advance

(iii) **Payment to Statutory Auditors:**

(₹ in crore)

| Particulars | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|--------------------------------------|------------------------------------|------------------------------------|
| (a) Audit Fee – Current Year | 0.48 | 0.41 |
| (b) Tax Audit Fees – Current Year | 0.14 | 0.12 |
| (c) Fee for Quarterly Limited Review | 0.25 | 0.24 |
| (d) Certification Fees | 0.06 | 0.03 |
| (e) Out of Pocket Expenses | 0.01 | 0.03 |
| Total | 0.94 | 0.83 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2024

29. Employee Benefits Expenses

(₹ in crore)

| Particulars | Foot Note | For the year ended 31st March 2024 | | | For the year ended 31st March 2023 | | |
|---|-----------|------------------------------------|----------------|---------------|------------------------------------|----------------|---------------|
| | | Project Expenses | Other Expenses | Total | Project Expenses | Other Expenses | Total |
| Salaries, Wages and Bonus | (i) | 177.63 | 70.97 | 248.60 | 169.98 | 60.65 | 230.63 |
| Contribution to Provident and Other Funds | | 11.37 | 28.19 | 39.56 | 10.49 | 5.57 | 16.06 |
| Foreign Service Contribution | | - | 2.10 | 2.10 | - | 2.09 | 2.09 |
| Retirement Benefits | | 21.91 | 12.38 | 34.29 | 19.45 | 13.58 | 33.03 |
| Staff Welfare | | 1.83 | 0.42 | 2.25 | 1.96 | 0.35 | 2.31 |
| Total | | 212.74 | 114.06 | 326.80 | 201.88 | 82.24 | 284.12 |

Foot Notes:-

 (i) Includes income-tax on non-monetary perks ₹ **0.53 crore** (31st March 2023 : ₹ 0.62 crore).

30. Finance Costs

(₹ in crore)

| Particulars | Foot Note | For the year ended 31st March 2024 | | For the year ended 31st March 2023 | |
|---|-----------|------------------------------------|---------------|------------------------------------|---------------|
| Interest Expense | (i) | 145.89 | | 167.53 | |
| Less: Interest on Advance to Rail Land Development Authority (RLDA) | | <u>(2.07)</u> | 143.82 | <u>(56.03)</u> | 111.50 |
| Other Borrowing Cost | | | | | |
| - Bank Guarantee & Other Charges | | | 1.28 | | 1.17 |
| Interest on Unwinding of Financial Instruments | | | - | | 0.10 |
| Interest Cost on Lease Liability | | | 0.28 | | 0.02 |
| Amortisation of Financial Instruments | | | - | | 0.01 |
| Unwinding of Discount on Provisions | | | 3.02 | | 5.28 |
| Total | | | 148.40 | | 118.08 |

Foot Notes:-

 (i) Includes interest on income-tax ₹ **0.26 crore** (31st March 2023 : ₹ 0.30 crore).

31. Depreciation, Amortisation and Impairment

(₹ in crore)

| Particulars | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|---|------------------------------------|------------------------------------|
| Depreciation of Property, Plant and Equipment | 22.71 | 26.22 |
| Depreciation of Right to Use – Lease Assets | 1.13 | 0.38 |
| Amortization of Intangible Assets | 64.77 | 68.03 |
| Depreciation of Investment Property | 11.82 | 12.41 |
| Impairment of Assets | - | 0.42 |
| Total | 100.43 | 107.46 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2024

32. Components of Other Comprehensive Income (OCI)

The disaggregation of changes to OCI by each type of reserve in equity is shown below

(₹ in crore)

| Particulars | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|--|---------------------------------------|---------------------------------------|
| Items that will not be reclassified to profit or loss | | |
| Net actuarial gains/(losses) on remeasurements of defined benefit plans | 1.75 | 1.92 |
| Income Tax relating to Remeasurement Gain/(Loss) on Defined Benefit Plans | (0.44) | (0.48) |
| Share of other comprehensive income/(expense) of joint ventures accounted for using the equity method (net of tax) | (0.01) | (0.03) |
| Total | 1.30 | 1.41 |

(₹ in crore)

| Particulars | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|--|---------------------------------------|---------------------------------------|
| Items that will be reclassified to profit or loss | | |
| Exchange differences in translating the financial statements of foreign operations | (2.44) | 12.90 |
| Income Tax relating to Income Tax relating to exchange differences in translating the financial statements of foreign operations | 0.61 | (3.25) |
| Total | (1.83) | 9.65 |
| Grand Total | (0.53) | 11.06 |

33. A. Fair Value Measurements

Financial assets and financial liabilities are measured at fair value in these financial statement and are grouped into three levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability

a) The carrying values and fair values of financial instruments by categories as at 31 March, 2024 are as follows: *

(₹ in crore)

| Particulars | Carrying Value | Fair Value | | |
|---|-----------------|---------------|----------|-----------------|
| | | Level 1 | Level 2 | Level 3 |
| Financial Assets at Fair Value Through Profit and Loss ('FVTPL') | | | | |
| Investment in Mutual Funds | 562.00 | 562.00 | - | - |
| Total | 562.00 | 562.00 | - | - |
| Financial Assets at Amortized Cost | | | | |
| (i) Investments | | | | |
| Investments in Tax Free Bonds and Government Securities | 126.70 | - | - | 126.70 |
| (ii) Loans | 1.37 | - | - | 1.37 |
| (iii) Other Financial Assets | 4,258.44 | - | - | 4,258.44 |
| Total | 4,386.51 | - | - | 4,386.51 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2024

(₹ in crore)

| Particulars | Carrying Value | Fair Value | | |
|--|-----------------|------------|---------|-----------------|
| | | Level 1 | Level 2 | Level 3 |
| Financial Liabilities at Amortized Cost | | | | |
| (i) Borrowings | 2,567.16 | - | - | 2,567.16 |
| (ii) Lease Liabilities | 3.24 | - | - | 3.24 |
| (iii) Other Financial Liabilities | 3,871.67 | - | - | 3,871.67 |
| Total | 6,442.07 | - | - | 6,442.07 |

b) The carrying values and fair values of financial instruments by categories as at 31 March, 2023 are as follows: *

(₹ in crore)

| Particulars | Carrying Value | Fair Value | | |
|---|-----------------|------------|----------|-----------------|
| | | Level 1 | Level 2 | Level 3 |
| Financial Assets at Fair Value Through Profit and Loss ('FVTPL') | | | | |
| Investment in Mutual Funds | - | - | - | - |
| Total | - | - | - | - |
| Financial Assets at Amortized Cost | | | | |
| (i) Investments | | | | |
| Investments in Tax Free Bonds | 225.19 | - | - | 225.19 |
| (ii) Loans | 1.36 | - | - | 1.36 |
| (iii) Other Financial Assets | 3,251.76 | - | - | 3,251.76 |
| Total | 3,478.31 | - | - | 3,478.31 |

(₹ in crore)

| Particulars | Carrying Value | Fair Value | | |
|--|-----------------|------------|---------|-----------------|
| | | Level 1 | Level 2 | Level 3 |
| Financial Liabilities at Amortized Cost | | | | |
| (i) Borrowings | 1,504.21 | - | - | 1,504.21 |
| (ii) Lease Liabilities | 0.51 | - | - | 0.51 |
| (iii) Other Financial Liabilities | 3,403.41 | - | - | 3,403.41 |
| Total | 4,908.13 | - | - | 4,908.13 |

The management assessed that fair value of cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties. The following methods and assumptions were used to estimate the fair values:

- The fair value of investments in mutual fund units is based on the Net Asset Value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.
- Investment in joint venture companies are classified as equity investments have been accounted using equity method. Since these are scope out of Ind AS 109 for the purposes of measurement, the same have not been disclosed in the tables above.

* During the financial year 2023-24 and 2022-23, there were no transfers between Level 1, Level 2 and Level 3 fair value measurements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2024

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, tax free bonds and Govt. Securities. 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, 2024 and March 31, 2023, every 5% increase or decrease of the respective foreign currency would impact our profit before tax by approximately ₹ 2.45 crore and ₹ 5.67 crore respectively.

The Group's significant exposure to foreign currency risk at the end of reporting period are as follows:

As at 31 March 2024

(₹ in crore)

| Particulars | USD | EURO | DZD | BDT | LKR | MYR | JPY | MMK | ZAR | Total |
|------------------------|---------------|---------------|---------------|-------------|--------------|-------------|---------------|--------------|--------------|-----------------|
| Assets | | | | | | | | | | |
| Trade Receivables | 22.85 | 75.12 | 46.64 | - | - | - | 47.27 | - | - | 191.88 |
| Cash & Bank Balances | 184.32 | 237.44 | 60.99 | 2.07 | 3.95 | 5.09 | 60.17 | 0.34 | 78.56 | 632.93 |
| Advance to Contractors | 0.14 | - | - | 5.16 | - | - | 32.92 | 76.95 | - | 115.17 |
| Other Assets | 7.89 | 5.35 | 68.08 | - | 6.74 | - | 9.92 | - | - | 97.98 |
| Total | 215.20 | 317.91 | 175.71 | 7.23 | 10.69 | 5.09 | 150.28 | 77.29 | 78.56 | 1,037.96 |
| Liabilities | | | | | | | | | | |
| Trade Payables | 3.02 | 30.79 | 11.24 | 2.63 | 23.36 | - | - | 5.97 | - | 77.01 |
| Advance from Client | 55.80 | - | - | - | - | - | 541.55 | - | - | 597.35 |
| Other Liabilities | 25.68 | 8.02 | 261.54 | - | 4.85 | - | 14.27 | 0.19 | - | 314.55 |
| Total | 84.50 | 38.81 | 272.78 | 2.63 | 28.21 | - | 555.82 | 6.16 | - | 988.91 |

As at 31 March 2023

(₹ in crore)

| Particulars | USD | EURO | DZD | BDT | LKR | MYR | JPY | MMK | ZAR | Total |
|------------------------|---------------|---------------|---------------|-------------|--------------|--------------|---------------|--------------|-------------|---------------|
| Assets | | | | | | | | | | |
| Trade Receivables | 42.76 | 40.87 | 46.67 | 0.98 | - | 0.77 | 12.29 | - | - | 144.34 |
| Cash & Bank Balances | 46.08 | 161.30 | 1.44 | 2.80 | 2.37 | 0.91 | 113.97 | 25.88 | 0.01 | 354.76 |
| Advance to Contractors | 34.96 | - | 0.19 | 4.03 | - | - | 32.91 | - | - | 72.09 |
| Other Assets | 4.18 | - | 179.49 | - | 1.65 | 12.36 | - | - | 0.37 | 198.05 |
| Total | 127.98 | 202.17 | 227.79 | 7.81 | 4.02 | 14.04 | 159.17 | 25.88 | 0.38 | 769.24 |
| Liabilities | | | | | | | | | | |
| Trade Payables | 13.56 | 34.46 | 22.80 | 9.59 | 11.34 | - | - | 2.52 | - | 94.27 |
| Advance from Client | 74.48 | - | - | - | - | - | 221.25 | - | - | 295.73 |
| Other Liabilities | 4.82 | 2.67 | 252.23 | - | 2.96 | 0.63 | - | 2.50 | - | 265.81 |
| Total | 92.86 | 37.13 | 275.03 | 9.59 | 14.30 | 0.63 | 221.25 | 5.02 | - | 655.81 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2024

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instruments will fluctuate because of change in market interest rate. The Group is exposed to interest rate risk arising mainly from non-current borrowings with floating interest rates. The Group manages its interest risk in accordance with the group's policies and risk objective. In addition to borrowings, financial instruments affected by interest rate risk includes tax free bonds, government securities and deposits with banks. Interest rate risk on these financial instruments are very low as interest rate is fixed for the period of financial instruments.

b) Credit Risk

The Group's customer profile include Ministry of Railways, Public Sector Enterprises, State Owned Companies in India and abroad. Accordingly, the Group's customer credit risk is low. The Group's average project execution cycle is around 24 to 36 months. General payment terms include mobilisation advance, monthly progress payments with a credit period ranging from 45 to 60 days and certain retention money to be released at the end of the project. In some cases retentions are substituted with bank / corporate guarantees. The Group has a detailed review mechanism of overdue customer receivables at various levels within organisation to ensure proper attention and focus for realisation.

Trade and other receivable

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment.

Exposure to Credit Risk

(₹ in crore)

| Particulars | As at 31st March 2024 | As at 31st March 2023 |
|--|-----------------------|-----------------------|
| Financial Assets for which allowance is measured using Lifetime Expected Credit Losses (LECL) | | |
| Non Current Investments | 125.19 | 125.20 |
| Non Current Loans | 0.44 | 0.52 |
| Other Non Current Financial Assets | 16.57 | 19.09 |
| Current Investments | 563.51 | 99.99 |
| Cash and Cash Equivalents | 2,179.78 | 2,338.11 |
| Other Bank Balances | 2,804.55 | 2,784.45 |
| Current Loans | 0.93 | 0.84 |
| Other Current Financial Assets | 361.05 | 442.28 |
| Financial Assets for which allowance is measured using Simplified Approach | | |
| Trade Receivables | 891.13 | 924.99 |
| Contract Assets | 3,918.49 | 2,823.50 |

Summary of change in loss allowances measured using Simplified approach

(₹ in crore)

| Particulars | 31-Mar-24 | 31-Mar-23 |
|-----------------------------|--------------|--------------|
| Opening Allowances | 68.11 | 37.49 |
| Provided during the year | 31.83 | 31.54 |
| Utilization during the year | (0.62) | (0.81) |
| Amount written-off | - | (0.11) |
| Closing Allowances | 99.32 | 68.11 |

During the year, the Group has recognised loss allowance of ₹ **31.83 crore** (31 March, 2023 : ₹ 31.54 crore).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2024

Summary of change in loss allowances measured using Lifetime Expected Credit Losses (LECL) approach

(₹ in crore)

| Particulars | 31-Mar-24 | 31-Mar-23 |
|-----------------------------|--------------|--------------|
| Opening Allowances | 28.41 | 8.57 |
| Provided during the year | 5.63 | 20.00 |
| Utilization during the year | (0.01) | (0.16) |
| Amount written-off | - | - |
| (Exchange Gain) / Loss | (0.01) | - |
| Closing Allowances | 34.02 | 28.41 |

No significant changes in estimation techniques or assumptions were made during the reporting period.

During the year, the Group has recognised loss allowance of ₹ **5.63 crore** (31 March, 2023 : ₹ 20.00 crore).

c) Liquidity risk

The Group manages liquidity risk by maintaining sufficient cash and marketable securities and by having access to funding through an adequate amount of committed credit lines. The treasury department regularly monitors the position of Cash and Cash Equivalents vis-à-vis projections. Assessment of maturity profiles of financial assets and financial liabilities and maintenance of Balance Sheet liquidity ratios are considered while reviewing the liquidity position.

The Group's investment policy and strategy are focused on preservation of capital and supporting the Group's liquidity requirements. The senior Management of the Group oversees its investment strategy and achieve its investment objectives. The Group typically invests in government of India debt bonds and mutual funds. The policy requires investments generally to be investment grade, with the primary objective of minimising the potential risk of principal loss.

The NHAI bonds bear a fixed rate of interest thus they are not affected by the change in bond yield rates and the mutual funds are highly liquid assets which are paid out monthly and re-invested.

The table below provides details regarding the significant financial liabilities as at 31 March 2024 and 31 March 2023

(₹ in crore)

| Particulars | As at 31 March, 2024 | | |
|-----------------------------|----------------------|-----------|-------------------|
| | Less than 1 Year | 1-2 years | 2 Years and above |
| Borrowings | 110.48 | 531.92 | 1,924.76 |
| Lease Liabilities | 0.72 | 2.52 | - |
| Trade payables | 887.41 | - | - |
| Other financial liabilities | 3,094.25 | 777.42 | - |

(₹ in crore)

| Particulars | As at 31 March, 2023 | | |
|-----------------------------|----------------------|-----------|-------------------|
| | Less than 1 Year | 1-2 years | 2 Years and above |
| Borrowings | 63.88 | 103.51 | 1,336.82 |
| Lease Liabilities | 0.09 | 0.42 | - |
| Trade payables | 855.39 | - | - |
| Other financial liabilities | 2,722.31 | 681.10 | - |

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2024

The following table gives details in respect of revenues generated from top five projects.

(₹ in crore)

| Particulars | For the year ended | |
|-----------------------------|--------------------|-----------------|
| | 31-Mar-24 | 31-Mar-23 |
| Revenue from top 5 Projects | 5,523.98 | 6,107.15 |
| | 5,523.98 | 6,107.15 |

C. Capital Management

The Group objective to manage its capital in a manner to ensure and safeguard their ability to continue as a going concern so that the Group can continue to provide maximum returns to shareholders and benefit to other stakeholders. The Board of Directors also monitors the level of dividends to equity shareholders in line with the dividend distribution policy of the Group. The Group has paid dividend as per the guidelines issued by Department of Investment and Public Asset Management (DIPAM) as follows :-

(₹ in crore)

| Particulars | 31-Mar-24 | 31-Mar-23 |
|---------------|---------------|---------------|
| Dividend Paid | 282.15 | 230.42 |
| Total | 282.15 | 230.42 |

Board of Directors has recommended the final dividend of ₹ 1.30 per equity share on face value of ₹ 2/- per equity share for the year ended March 31, 2024 subject to the approval of shareholders at the AGM. This is in addition to Interim Dividend paid @ ₹ 1.80 per equity share on face value of ₹ 2/- per equity share

Further, the Group manages its capital structure to make adjustments in light of changes in economic conditions and the requirements of the financial covenants.

The Group monitors capital, on the basis of a number of financial ratios generally used by industry and by the rating agencies. The Group monitors capital using debt equity ratio which is debt divided by total equity. Debt comprises of non-current and current maturities of long term debt. The debt equity ratio at the end of the reporting period was as follows:

(₹ in crore)

| Particulars | 31-Mar-24 | 31-Mar-23 |
|--|-----------------|-----------------|
| Borrowings (Note No. 20.1) | 2,456.68 | 1,440.33 |
| Current Maturities of Long term Debt (Note No. 23.1) | 110.48 | 63.88 |
| Debt | 2,567.16 | 1,504.21 |
| Equity (Note No. 18) | 188.10 | 188.10 |
| Other Equity (Note No. 19) | 5,682.82 | 5,023.39 |
| Total Equity | 5,870.92 | 5,211.49 |
| Debt Equity Ratio | 0.44 | 0.29 |

34. a) The consolidated financial statements are prepared in accordance with the requirement of section 129(3) of the Companies Act, 2013 and rules made there under as applicable from the financial year starting from 1st April, 2015. Accordingly, the company (also referred to as holding company), its subsidiaries and joint venture (jointly referred to as the 'Group') considered in the consolidated financial statements are as follows:

| S.No. | Name of Subsidiary/Joint Ventures Companies | Country of Origin | % age Share | |
|-------|---|-------------------|-------------|------------|
| | | | 31.03.2024 | 31.03.2023 |
| | Subsidiary Companies | | | |
| 1 | Ircon Infrastructure and Services Limited | India | 100.00% | 100.00% |
| 2 | Ircon PB Tollway Limited | India | 100.00% | 100.00% |
| 3 | Ircon Shivpuri Guna Tollway Limited | India | 100.00% | 100.00% |
| 4 | Ircon Davanagere Haveri Highway Limited | India | 100.00% | 100.00% |
| 5 | Ircon Vadodara Kim Expressway Limited | India | 100.00% | 100.00% |
| 6 | Ircon Gurgaon Rewari Highway Limited | India | 100.00% | 100.00% |
| 7 | Ircon Renewable Power Limited | India | 76.00% | 76.00% |
| 8 | Ircon Akloli-Shirsad Expressway Limited | India | 100.00% | 100.00% |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2024

| S.No. | Name of Subsidiary/Joint Ventures Companies | Country of Origin | % age Share | |
|--------------------------------|--|-------------------|-------------|------------|
| | | | 31.03.2024 | 31.03.2023 |
| 9 | Ircon Ludhiana Rupnagar Highway Limited | India | 100.00% | 100.00% |
| 10 | Ircon Bhoj Morbe Expressway Limited | India | 100.00% | 100.00% |
| 11 | Ircon Haridwar Bypass Limited | India | 100.00% | 100.00% |
| Joint Venture Companies | | | | |
| 1 | Ircon-Soma Tollway Private Limited | India | 50.00% | 50.00% |
| 2 | Chhattisgarh East Railway Limited | India | 26.00% | 26.00% |
| 3 | Chhattisgarh East-West Railway Limited | India | 26.00% | 26.00% |
| 4 | Mahanadi Coal Railway Limited | India | 26.00% | 26.00% |
| 5 | Jharkhand Central Railway Limited | India | 26.00% | 26.00% |
| 6 | Baster Railway Private Limited | India | 26.00% | 26.00% |
| 7 | Indian Railway Station Development Corporation Limited | India | 26.00% | 26.00% |

- b) The financial statements of the entities used for the purpose of consolidation have the same reporting date as that of the Holding Company.
- c) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Holding Company's separate financial statements. The differences in accounting policies, if any, of the Holding Company and its Joint Ventures are not material.

35. Other Information – Capital Expenditure

(₹ in crore)

| Name of the Subsidiary Company | 2023 – 2024 |
|---|---------------|
| (Addition to PPE, Change in CWIP, Addition in Intangible Assets, Change in Intangible Assets under Development, Addition in Investment Property) | |
| Capital Expenditure incurred by Ircon International Limited including its subsidiary companies | 581.89 |
| Total (A) | 581.89 |
| Ircon International Limited share in Capital Expenditure incurred by Joint Venture companies which are capitalized/to be capitalized: | |
| 1. Ircon-Soma Tollway Private Limited | 9.82 |
| 2. Chhattisgarh East Railway Limited | 49.75 |
| 3. Chhattisgarh East-West Railway Limited | 238.66 |
| 4. Mahanadi Coal Railway Limited | 3.68 |
| 5. Jharkhand Central Railway Limited | 93.02 |
| 6. Bastar Railway Private Limited | - |
| 7. Indian Railway Stations Developments Corporation Limited | - |
| Total (B) | 394.93 |
| Grand Total (A+B) | 976.82 |

36. Employee Benefits

Disclosures in compliance with Ind AS 19 "Employee Benefits" are as under:

(i) Defined Contribution Plans – General Description

A Pension

The Company has implemented IRCON Defined Contribution Superannuation Pension Scheme, 2009 i.e. April 01, 2009, for all regular employees drawing pay in IDA scale irrespective of their length of service except for those employees who joined before January 01, 2017 but would superannuate/resign after January 01, 2017, before completing 15 years of service, in such case Employer contribution towards pension would be effective from January 01, 2017 only. The scheme was managed by a Separate Trust formed in the year 2015-16 for this purpose and approved by the Income Tax Authorities.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2024

In FY 2023-24, the Board of Directors in its 286th meeting held on 11th May, 2023 has approved for shifting of IRCON Defined Contribution Superannuation Pension Scheme, 2009 maintained with LIC to National Pension Scheme (NPS).

Company's share of contribution amounting to ₹ 9.35 crore (₹ 9.17 crore) has been paid and accounted for during the FY 2023-24 out of which ₹ 4.72 crore for the period from October 1st, 2023 to March 31st, 2024 has been paid to NPS.

B (ii) Defined Benefit Plans – General Description

Provident fund

The Company pays fixed contribution of Provident Fund at a pre-determined rate to a separate trust (IRCON Contributory Provident Fund Trust), which invests the funds in permitted securities. The trust is required to pay a minimum rate of interest on contribution to the members of the trust. The trust is approved by the Income Tax Authorities. The Company has an obligation to make good the shortfall, if any, between the return form the investment of the trust and the interest payment based on the notified interest rate.

During the period, the Company has contributed ₹ 15.78 crore (₹ 13.64 crore) to the trust towards employer's contribution for providend fund.

Gratuity

The Holding Company has implemented IRCON Employees Group Gratuity Scheme to provide financial assistance to the employees of the Company as a social security measure on the termination of their employment due to superannuation, retirement, resignation, physical incapacitation or death. The scheme is managed by a Separate Trust formed in the year 2015-16 for this purpose and approved by the Income Tax Authorities. Funds of the Trust are managed by LIC of India. As at March 31, 2024 a liability of ₹ 3.83 crore (₹ 7.18 crore) has been booked in the books of accounts based on the actuarial valuation.

Post retirement medical facility (PRMF)

The Company had established an irrevocable trust by initial one-time contribution of Rs. 12.00 crore during the year 2000-01 for providing annuity, medical and other benefits to the spouse of employees who die in harness as a voluntary welfare measure for which the Company is not liable for providing such benefit to its employees. Further, the Company provides medical benefits to its employees (and spouse) who superannuate from the Company. The Company has contributed ₹ 5.17 crore (₹ 5.26 crore) based on DPE guidelines on Superannuation Benefits.

Other Retirement benefits – General Description

Other retirement benefits include settlement at home-town or to the place where he or his family intends to settle in India including Baggage Allowance. The liability on this account is recognized on the basis of actuarial valuation.

The summarised position of various employee benefits recognised in the statement of profit and loss and balance sheet as on March 31, 2024 is as under:

i) Changes in the present value of the defined benefit obligation are during

(₹ in crore)

| Particulars | Provident Fund | | Gratuity | | Post retirement medical benefit plan | | Other retirement benefit | |
|--|------------------------|------------------------|------------------------|------------------------|--------------------------------------|------------------------|--------------------------|------------------------|
| | As at 31st March, 2024 | As at 31st March, 2023 | As at 31st March, 2024 | As at 31st March, 2023 | As at 31st March, 2024 | As at 31st March, 2023 | As at 31st March, 2024 | As at 31st March, 2023 |
| Defined benefit obligation at the beginning of the period | 453.76 | 427.10 | 90.28 | 81.42 | 138.83 | 131.23 | 1.15 | 1.20 |
| Current service cost | 41.21 | 40.54 | 3.76 | 3.66 | 3.90 | 3.43 | 0.07 | 0.06 |
| Past service cost | - | - | 1.18 | 4.97 | - | - | - | - |
| Interest cost | 35.18 | 33.82 | 6.62 | 5.80 | 10.16 | 9.33 | 0.08 | 0.08 |
| Benefits paid | (84.61) | (47.55) | (20.23) | (3.63) | (3.80) | (4.30) | (0.03) | (0.04) |
| Actuarial (gain) / loss on obligations | 3.06 | (0.14) | (2.17) | (1.95) | 6.62 | (0.86) | (0.13) | (0.16) |
| Defined benefit obligation at the end of the period | 448.60 | 453.76 | 79.44 | 90.27 | 155.71 | 138.83 | 1.15 | 1.15 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2024

ii) Changes in fair value of plan assets

(₹ in crore)

| Particulars | Provident Fund | | Gratuity | | Post retirement medical benefit plan | | Other retirement benefit | |
|--|------------------------|------------------------|------------------------|------------------------|--------------------------------------|------------------------|--------------------------|------------------------|
| | As at 31st March, 2024 | As at 31st March, 2023 | As at 31st March, 2024 | As at 31st March, 2023 | As at 31st March, 2024 | As at 31st March, 2023 | As at 31st March, 2024 | As at 31st March, 2023 |
| Fair value of plan assets at the beginning of the period | 450.30 | 424.56 | 83.03 | 76.68 | 117.58 | 110.29 | - | - |
| Contribution by employer & employee | 41.21 | 40.54 | 7.17 | 4.69 | 5.26 | 4.64 | - | - |
| Benefits paid | (84.61) | (47.55) | (20.23) | (3.62) | (3.80) | (4.30) | - | - |
| Interest income | 37.57 | 32.75 | 5.73 | 5.57 | 9.32 | 6.95 | - | - |
| Opening Adjustment as per Balance Sheet | 1.59 | - | - | - | - | - | - | - |
| Short Fall of Interest for FY 22-23 paid by employer | 2.46 | - | - | - | - | - | - | - |
| Provision for Stressed assets | (25.32) | - | - | - | - | - | - | - |
| Return on plan asset excluding interest income | - | - | - | - | - | - | - | - |
| LIC mortality charges | - | - | (0.21) | (0.30) | - | - | - | - |
| Fair value of plan assets at the end of the period | 423.20 | 450.30 | 75.49 | 83.03 | 128.36 | 117.58 | - | - |

iii) Reconciliation of fair value of plan assets and defined benefit obligation:

(₹ in crore)

| Particulars | Provident Fund | | Gratuity | | Post retirement medical benefit plan | | Other retirement benefit | |
|--|------------------------|------------------------|------------------------|------------------------|--------------------------------------|------------------------|--------------------------|------------------------|
| | As at 31st March, 2024 | As at 31st March, 2023 | As at 31st March, 2024 | As at 31st March, 2023 | As at 31st March, 2024 | As at 31st March, 2023 | As at 31st March, 2024 | As at 31st March, 2023 |
| Fair value of plan assets | 423.20 | 450.30 | 75.49 | 83.03 | 128.36 | 117.58 | - | - |
| Defined benefit obligation | 448.60 | 453.76 | 79.44 | 90.27 | 155.71 | 138.83 | 1.15 | 1.15 |
| Amount recognised in the Balance Sheet | (25.41) | (3.46) | (3.95) | (7.24) | (27.36) | (21.26) | (1.15) | (1.15) |

iv) Amount recognised in Statement of profit and loss

(₹ in crore)

| Particulars | Provident Fund | | Gratuity | | Post retirement medical benefit plan | | Other retirement benefit | |
|---|------------------------|------------------------|------------------------|------------------------|--------------------------------------|------------------------|--------------------------|------------------------|
| | As at 31st March, 2024 | As at 31st March, 2023 | As at 31st March, 2024 | As at 31st March, 2023 | As at 31st March, 2024 | As at 31st March, 2023 | As at 31st March, 2024 | As at 31st March, 2023 |
| Current service cost | 13.19 | 13.67 | 3.77 | 3.66 | 3.90 | 3.43 | 0.07 | 0.06 |
| Past service cost | - | - | 1.18 | 4.97 | - | - | - | - |
| Net interest expense | - | - | 0.52 | 0.33 | 1.56 | 1.49 | 0.08 | 0.08 |
| Amount recognised in statement of Profit and Loss | 13.19 | 13.67 | 5.47 | 8.97 | 5.46** | 4.92 | 0.15 | 0.15 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2024

v) Amount recognised in Other Comprehensive Income:

(₹ in crore)

| Particulars | Provident Fund | | Gratuity | | Post retirement medical benefit plan | | Other retirement benefit | |
|---|------------------------|------------------------|------------------------|------------------------|--------------------------------------|------------------------|--------------------------|------------------------|
| | As at 31st March, 2024 | As at 31st March, 2023 | As at 31st March, 2024 | As at 31st March, 2023 | As at 31st March, 2024 | As at 31st March, 2023 | As at 31st March, 2024 | As at 31st March, 2023 |
| Actuarial changes arising from changes in demographic assumptions | - | - | - | - | - | - | - | - |
| Actuarial changes arising from changes in financial assumptions | 0.03 | 0.01 | (0.45) | 1.01 | (1.23) | 2.52 | 0.01 | (0.02) |
| Experience adjustments | 3.04 | 0.14 | 2.64 | 0.94 | (5.38) | (1.66) | (0.14) | (0.14) |
| Return on Plan Assets excluding Interest Income | (2.39) | (1.06) | (0.55) | (0.18) | 0.72 | (0.89) | - | - |
| Amount recognised in Other Comprehensive Income | 0.68 | (0.92) | 1.64 | 1.77 | 5.89** | (0.03) | (0.13) | (0.16) |

** The liability towards Post retirement medical benefit has been provided based on DPE guidelines on Superannuation Benefits and therefore, the liability as per actuarial valuation has not been considered.

vi) The major categories of plan assets of the fair value of the total plan assets are as follows:

(₹ in crore)

| Particulars | Provident Fund | | Gratuity | | Post retirement medical benefit plan | | Other retirement benefit | |
|----------------------------------|------------------------|------------------------|------------------------|------------------------|--------------------------------------|------------------------|--------------------------|------------------------|
| | As at 31st March, 2024 | As at 31st March, 2023 | As at 31st March, 2024 | As at 31st March, 2023 | As at 31st March, 2024 | As at 31st March, 2023 | As at 31st March, 2024 | As at 31st March, 2023 |
| Government of India securities | 59.16% | 59.16% | - | - | 6.74% | 6.74% | - | - |
| State Government securities | - | - | - | - | 43.96% | 43.96% | - | - |
| Central & State Guaranteed Bonds | - | - | - | - | 5.99% | 5.99% | - | - |
| High quality corporate bonds | 37.09% | 37.09% | - | - | 14.30% | 14.30% | - | - |
| PSU Bond | - | - | - | - | 19.53% | 19.53% | - | - |
| PSU Basel III Tier I Bonds | - | - | - | - | 8.51% | 8.51% | - | - |
| Debt Mutual Fund | 0.24% | 0.24% | - | - | 0.29% | 0.29% | - | - |
| ETF/INDEX/Equity Mutual Fund | 3.25% | 3.25% | - | - | 0.67% | 0.67% | - | - |
| Fund Managed by Insurer | 0.00% | 0.26% | 100% | 100% | - | - | - | - |
| Total | 0.26% | - | - | - | - | - | - | - |
| | 100% | 100% | 100% | 100% | 100% | 100% | 0% | 0% |

vii) The principal assumptions used in determining PF/ gratuity/PRMB/Retirement Allowance liability for the Company's plans are shown below:

(₹ in crore)

| Particulars | PF For the year ended 31st March, 2024 | PF For the year ended 31st March, 2023 | Gratuity For the year ended 31st March, 2024 | Gratuity For the year ended 31st March, 2023 | PRMB For the year ended 31st March, 2024 | PRMB For the year ended 31st March, 2023 | Retirement Allowance For the year ended 31st March, 2024 | Retirement Allowance For the year ended 31st March, 2023 |
|------------------------|--|--|--|--|--|--|--|--|
| Discount rate | 7.23% | 7.32% | 7.23% | 7.32% | 7.23% | 7.32% | 7.23% | 7.32% |
| Future salary increase | 8.25% | 8.15% | 7.50% | 7.50% | 7.50% | 7.50% | 7.50% | 7.50% |
| Mortality rate | 100% IALM (2012-14) | 100% IALM (2012-14) | 100% IALM (2012-14) | 100% IALM (2012-14) | 100% IALM (2012-14) | 100% IALM (2012-14) | 100% IALM (2012-14) | 100% IALM (2012-14) |

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viii) Quantitative sensitivity analysis for significant assumption shown above is as shown below :

(₹ in crore)

| Particulars | PF Plan (Impact on DBO) | | Gratuity Plan (Impact on DBO) | | PRMB (Impact on DBO) | | Retirement Allowance (Impact on DBO) | |
|--|-------------------------|------------------|-------------------------------|------------------|----------------------|-------------------|--------------------------------------|------------------|
| | 31st March, 2024 | 31st March, 2023 | 31st March, 2024 | 31st March, 2023 | 31st March, 2024 | 31st March, 2023' | 31st March, 2024 | 31st March, 2023 |
| Present value of obligation at the end of period | 448.60 | 453.76 | 79.44 | 90.27 | 155.71 | 138.83 | 1.15 | 1.15 |
| Discount rate | 7.23% | 7.32% | 7.23% | 7.32% | 7.23% | 7.32% | 7.23% | 7.32% |
| Increase by 0.50% | (0.07) | (0.02) | (2.43) | (2.33) | (5.56) | (5.24) | (0.04) | (0.04) |
| Decrease by 0.50% | 0.07 | 0.02 | 2.62 | 2.51 | 5.66 | 5.33 | 0.05 | 0.05 |
| Future salary increases | 8.25% | 8.15% | 7.50% | 7.50% | 7.50% | 7.50% | 7.50% | 7.50% |
| Increase by 0.50% | - | - | 1.04 | 1.05 | | | 0.05 | 0.05 |
| Decrease by 0.50% | - | - | (1.09) | (1.09) | - | - | (0.04) | (0.04) |

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions shown above occurring at the end of the reporting period.

Sensitivities due to mortality and withdrawals are insignificant and hence ignored.

Sensitivities as to rate of inflation, rate of increase of pensions in payments, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.

ix) Expected contribution for next annual reporting period

The expected contribution to the defined benefit plan for next annual reporting period is ₹ 24.64 crore

x) Maturity profile of defined benefit obligation is as under

(₹ in crore)

| Duration of defined benefit obligation duration (years) | Provident Fund | Gratuity | Post retirement medical benefit plan | Retirement Allowance |
|---|----------------|--------------|--------------------------------------|----------------------|
| 1 | 104.64 | 17.20 | 6.27 | 0.14 |
| 2 | 119.29 | 10.01 | 16.38 | 0.17 |
| 3 | | 6.48 | 5.07 | 0.09 |
| 4 | | 6.57 | 4.96 | 0.09 |
| 5 | | 4.91 | 3.59 | 0.06 |
| 6 | 224.67 | 3.77 | 3.20 | 0.06 |
| 6 year onward | | 30.36 | 116.24 | 0.52 |
| Total | 448.60 | 79.30 | 155.71 | 1.13 |

Risk analysis

Group is exposed to a number of risks in the defined benefit plan. Most significant risks pertaining to defined benefits plan, and management's estimation of the impact of these risks are as follows:

Interest risk

A decrease in the interest rate on plan assets will increase the plan liability.

Longevity risk/ Life expectancy

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and at the end of the employment. An increase in the life expectancy of the plan participants will increase the plan liability.

Salary growth risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

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For The Year Ended 31st March 2024

37. Related Party Transactions

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

a) List of Related Parties

i) Subsidiary Companies

Ircon Infrastructure and Services Limited
 Ircon PB Tollway Limited
 Ircon Shivpuri Guna Tollway Limited
 Ircon Davanagere Haveri Highway Limited
 Ircon Vadodara Kim Expressway Limited
 Ircon Gurgaon Rewari Highway Limited,
 Ircon Renewable Power Limited
 Ircon Akloli -Shirsad Expressway Limited
 Ircon Ludhiana Rupnagar Highway Limited
 Ircon Bhoj Morbe Expressway Limited
 Ircon Haridwar Bypass Limited

ii) Joint Venture Companies

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

iii) Non Controlling Interest

Ayana Renewable Power Private Limited

iv) Unincorporated Joint Ventures (Joint Operations)

Joint Operations in Operation

Express Freight Consortium
 Express Freight Railway
 Consortium

Completed Joint Operations

International Metro Civil
 Contractor
 Metro Tunnelling Group
 IRCON-AFCONS

Financially Closed Joint Operations

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

v) (A) Key Management Personnel (KMP)

Whole Time Directors

| Name | Designation |
|----------------------------|--|
| Shri Brijesh Kumar Gupta 1 | CMD & Chief Executive Officer (CEO) (Ceased w.e.f. 29.04.2024) |
| Shri Ashish Bansal 2 | CMD & Chief Executive Officer (CEO) |
| Smt. Ragini Advani | Director (Finance) |
| Shri Parag Verma | Director (Works) |
| Shri Anand Kumar Singh 3 | Director (Projects) |

- Shri Yogesh Kumar Misra, Chairman & Managing Director and CEO – IRCON, relinquished the charge of the post of Chairman & Managing Director (CMD) w.e.f. April 29, 2023 hence he ceased to be CMD and CEO of the Company. Shri Brijesh Kumar Gupta, Additional Member (CE), Railway Board and Government Nominee (Part-Time Official) Director, IRCON has assumed the additional charge of Chairman & Managing Director, IRCON in addition to his own duties on April 29, 2023 until further orders of Ministry of Railways. Shri Brijesh Kumar Gupta (DIN: 10092756),

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2024

has relinquished the additional charge of the post of Chairman & Managing Director (CMD) w.e.f. April 29, 2024 hence he ceased to be CMD and CEO of the Company.

- Shri Ashish Bansal, IRSE, PED/Tr. (M&MC), Railway Board [DIN:10328174] has assumed the additional charge of Chairman & Managing Director on the Board of the Company with effect from April 29, 2024 in addition to his own duties, till the appointment of regular incumbent to the post or until further orders, whichever is earlier.
- Shri Sandeep Jain, IRSE, Executive Director Planning (Civil & PSU) – Railway Board, has entrusted with the additional charge of Director (Projects) w.e.f. January 12, 2023 and ceased to be Director (Projects) (additional charge) w.e.f. July 07, 2023, due to relinquishment of charge on appointment of regular incumbent to the post of Director (Projects). Shri Anand Kumar Singh (DIN: 07918656) has been appointed as Director (Projects) w.e.f. July 07, 2023

Company Secretary and Chief Financial Officer

| Name | Designation |
|------------------------|--|
| Ms. Ritu Arora | Company Secretary (Ceased w.e.f. 16.11.2023) |
| Shri B. Mugunthan | Chief Financial Officer (CFO) |
| Smt. Pratibha Aggarwal | Company Secretary (Appointed w.e.f. 21.05.2024) |
| Smt. Pooja Gurwala | Company Secretary (Appointed w.e.f. 28.11.2023) (Ceased w.e.f. 21.05.2024) |

(B) Other Directors

Government Nominee Part-Time (Official) Directors

| Name | Designation |
|-----------------------------|--|
| Shri Dhananjaya Singh | Government Nominee Part-Time (Official) Director |
| Shri Brijesh Kumar Gupta 4 | Government Nominee Part-Time (Official) Director |
| Shri Ajay Kumar Chauhan | Independent Part-time (Non-Official) Director |
| Shri Dipendra Kumar Gupta | Independent Part-time (Non-Official) Director |
| Smt. Ranjana Upadhyay | Independent Part-time (Non-Official) Director |
| Dr. Kartik Chandulal Bhadra | Independent Part-time (Non-Official) Director |

- Shri Brijesh Kumar Gupta, Additional Member (CE), Railway Board [DIN:10092756] has been re-designated as Government Nominee (Part-Time Official) Director of the Company w.e.f. April 29, 2024.

(vi) Post Employment Benefit Plans

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

(vii) Government Related Entities

The Company is a Central Public Sector Enterprise (CPSE) under the Ministry of Railways. The Company is controlled by Government of India (GOI), by holding 65.17 % of equity shares in the name of President of India as at 31st March, 2024. Pursuant to Para 25 and 26 of Ind AS 24, entities over which the same government has control or joint control of, or significant influence, then the reporting entity and other entities shall be regarded as related parties. Transactions with these parties are carried out at market terms at arm length basis. The Company has applied the exemption available for government related entities and have made limited disclosures in the financial statements.

The Group has significant transaction with the following government related entities:

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2024

b) Transactions with Key Management Personnel (KMP)/Other Directors are as follows:

| S.No. | Particulars | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|-------|-------------------------------------|------------------------------------|------------------------------------|
| 1 | Short term employment benefits (i) | 2.36 | 2.71 |
| 2 | Post-employment benefits | 0.72 | 1.40 |
| 3 | Other long-term employment benefits | 0.57 | 0.82 |
| 4 | Sitting fees | 0.18 | 0.17 |
| | Total | 3.84 | 5.10 |

Note :

- (i) Figures of FY 2023-24 include PRP of Rs. 0.31 crore paid during the year for previous years on provisional basis (For FY 2022-23 include PRP of Rs. 0.22 crore paid during the year for FY 2021-22 on provisional basis).
- (ii) Recovery as applicable has been made from Directors who have been provided with Company accommodation and car.

Transactions with other related parties are as follows:

(₹in crore)

| S. No. | Nature of transaction | Name of related party | Nature of relationship | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|------------|---|--|-----------------------------|------------------------------------|------------------------------------|
| 1 | Sale of goods and services | | | | |
| 1.1 | Contract Revenue | Chhattisgarh East Railway Limited | Joint Venture Companies | 66.36 | 147.90 |
| | | Chhattisgarh East-West Railway Limited | Joint Venture Companies | 619.56 | 497.18 |
| | | Mahanadi Coal Railway Limited | Joint Venture Companies | 15.62 | 92.14 |
| | | Jharkhand Central Railway Limited | Joint Venture Companies | 333.48 | 144.02 |
| | | Baster Railway Private Limited | Joint Venture Companies | - | (1.59) |
| | | Ministry of Railways | Government Related Entities | 7161.46 | 6,891.15 |
| 1.2 | Rent Income | Ircon-Soma Tollway Private Limited | Joint Venture Companies | 0.04 | 0.04 |
| | | Rail Land Development Authority | Government Related Entities | 0.10 | 0.08 |
| 2 | Purchase of goods and services | | | - | - |
| 3 | Reimbursement of Deputation Staff Expenses, Rent & Other Misc. Expenses (Income) | Ircon-Soma Tollway Private Limited | Joint Venture Companies | 0.92 | 0.30 |
| | | Chhattisgarh East Railway Limited | Joint Venture Companies | 0.33 | 0.94 |
| | | Chhattisgarh East-West Railway Limited | Joint Venture Companies | 0.64 | - |
| | | Mahanadi Coal Railway Limited | Joint Venture Companies | 0.42 | 1.62 |
| | | Jharkhand Central Railway Limited | Joint Venture Companies | 0.35 | 0.29 |
| | | Indian Railway Station Development Corporation Limited | Joint Venture Companies | 0.06 | 0.30 |
| | | Ayana Renewable Power Private Limited | Non Controlling Interest | 4.48 | 0.26 |

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For The Year Ended 31st March 2024

| S. No. | Nature of transaction | Name of related party | Nature of relationship | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|--------|---|--|-----------------------------|------------------------------------|------------------------------------|
| 4 | Interest Income | | | | |
| 4.1 | Interest Income on loans | Chhattisgarh East Railway Limited | Joint Venture Companies | 0.29 | - |
| | | Chhattisgarh East-West Railway Limited | Joint Venture Companies | 0.78 | 0.90 |
| | | Mahanadi Coal Railway Limited | Joint Venture Companies | 3.30 | - |
| 4.2 | Interest Income on Advances | Rail Land Development Authority | Government Related Entities | 2.07 | 56.03 |
| 4.3 | Interest Income on Bonds | Indian Railway Finance Corporation Limited | Government Related Entities | 10.85 | 14.57 |
| 4.4 | Dividend Income | Ircon-Soma Tollway Private Limited | Joint Venture Companies | 69.50 | 69.00 |
| 5 | Dividend | | | | |
| 5.1 | Dividend distribution | Ministry of Railways | Government Related Entities | 206.48 | 168.62 |
| 5.2 | Profit on Sale of Investment Passed on | Ministry of Railways | Government Related Entities | 9.50 | - |
| 6 | Interest Expense | | | | |
| 6.1 | Interest Expense passed on | Mahanadi Coal Railway Limited | Joint Venture Companies | 0.20 | 0.07 |
| 6.2 | Interest Expense passed on | Ministry of Railways | Government Related Entities | 60.90 | 119.89 |
| 6.3 | Interest Expense passed on | Indian Railway Finance Corporation Limited | Government Related Entities | 2.07 | 56.03 |
| 7 | Investment in Equity Shares | Chhattisgarh East-West Railway Limited | Joint Venture Companies | - | 36.82 |
| | | Jharkhand Central Railway Limited | Joint Venture Companies | - | 13.26 |
| 7.1 | Equity Investment / Interest Free Loan / (Deemed Equity) - Received from NCI | Ayana Renewable Power Private Limited | Non Controlling Interest | 22.11 | 13.20 |
| 8 | Interest Free Loan / Deemed Equity) | Jharkhand Central Railway Limited | Joint Venture Companies | - | 64.11 |
| | | Mahanadi Coal Rail Limited | Joint Venture Companies | 32.50 | 52 |
| | | Chhattisgarh East-West Railway Limited | Joint Venture Companies | 16.12 | - |
| | | Chhattisgarh East Railway Limited | Joint Venture Companies | 15.00 | - |
| 9 | Recovery of Loans | Chhattisgarh East-West Railway Limited | Joint Venture Companies | - | - |
| 10 | Recovery of Advances | Rail Land Development Authority | Government Related Entities | 615.31 | 615.31 |
| 11 | Repayment of Loans | Indian Railway Finance Corporation Limited | Government Related Entities | 615.31 | 615.31 |
| 12 | Advances Received | Chhattisgarh East Railway Limited | Joint Venture Companies | 0.74 | 0.03 |
| | | Chhattisgarh East-West Railway Limited | Joint Venture Companies | 65.54 | 104.15 |

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| S. No. | Nature of transaction | Name of related party | Nature of relationship | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|--------|--|---|-------------------------------|------------------------------------|------------------------------------|
| | | Mahanadi Coal Railway Limited | Joint Venture Companies | - | 4.63 |
| | | Jharkhand Central Railway Limited | Joint Venture Companies | 405.61 | 74.60 |
| | | Rail Land Development Authority | Government Related Entities | 90.00 | 40.00 |
| | | Ministry of Railways | Government Related Entities | 6046.42 | 6,634.84 |
| 13 | Repayment of Advances | Chhattisgarh East Railway Limited | Joint Venture Companies | 0.08 | 22.47 |
| | | Chhattisgarh East-West Railway Limited | Joint Venture Companies | 86.59 | 31.82 |
| | | Mahanadi Coal Railway Limited | Joint Venture Companies | - | 2.41 |
| | | Jharkhand Central Railway Limited | Joint Venture Companies | 403.76 | 54.80 |
| | | Rail Land Development Authority | Government Related Entities | 140.76 | - |
| | | Ministry of Railways | Government Related Entities | 5643.10 | 6318.21 |
| 14 | Post Employment Benefit Plans | | | | |
| 14.1 | Contribution made during the year | Ircon Gratuity Trust | Post Employment Benefit Plans | 5.45 | 4.69 |
| | | Ircon Employees Contributory PF Trust | Post Employment Benefit Plans | 42.54 | 41.29 |
| | | Ircon Medical Trust | Post Employment Benefit Plans | 5.17 | 4.64 |
| | | Ircon Defind Contribution Superannuation Pension Scheme, 2009 Trust | Post Employment Benefit Plans | 5.74 | 11.49 |
| 14.2 | Reimbursements made during the year | Ircon Gratuity Trust | Post Employment Benefit Plans | - | - |

Note :-

(i) Refer Note 40 for guarantees and other commitments with subsidiary companies, joint venture companies and joint operations.

(ii) Purchases are hetrogenous in nature , thus immaterial. Hence not disclosed

c) Outstanding balances with the related parties are as follows:

(₹ in crore)

| S. No. | Nature of transaction | Name of related party | Nature of relationship | As at 31st March, 2024 | As at 31st March, 2023 |
|--------|---|--|-------------------------|------------------------|------------------------|
| 1 | Equity Investments (Including Deemed Equity) | Ircon-Soma Tollway Private Limited | Joint Venture Companies | 64.15 | 64.15 |
| | | Chhattisgarh East Railway Limited | Joint Venture Companies | 228.46 | 213.46 |
| | | Chhattisgarh East-West Railway Limited | Joint Venture Companies | 210.11 | 193.99 |
| | | Mahanadi Coal Railway Limited | Joint Venture Companies | 110.50 | 78.00 |
| | | Jharkhand Central Railway Limited | Joint Venture Companies | 140.37 | 140.37 |

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For The Year Ended 31st March 2024

| S. No. | Nature of transaction | Name of related party | Nature of relationship | As at 31st March, 2024 | As at 31st March, 2023 |
|--------|---|--|-----------------------------|------------------------|------------------------|
| | | Baster Railway Private Limited | Joint Venture Companies | 76.34 | 76.34 |
| | | Indian Railway Station Development Corporation Limited | Joint Venture Companies | 52.00 | 52.00 |
| 2 | Investment in Bonds | Indian Railway Finance Corporation Limited | Government Related Entities | 55.20 | 155.19 |
| 3 | Amount Recoverable towards loans granted | | | | |
| 4 | Amount recoverable other than loans | | | | |
| 4.1 | Trade Receivables | | | | |
| | | Chhattisgarh East Railway Limited | Joint Venture Companies | 39.69 | 21.20 |
| | | Chhattisgarh East-West Railway Limited | Joint Venture Companies | 25.43 | 33.81 |
| | | Mahanadi Coal Railway Limited | Joint Venture Companies | 0.77 | 6.83 |
| | | Baster Railway Private Limited | Joint Venture Companies | 14.09 | - |
| | | Ministry of Railways | Government Related Entities | 111.14 | 166.59 |
| 4.2 | Contract Assets | | | | |
| (a) | Billable Revenue/ Receivable not due and CWIP at Realisable Value | | | | |
| | | Chhattisgarh East Railway Limited | Joint Venture Companies | 32.76 | 36.67 |
| | | Chhattisgarh East-West Railway Limited | Joint Venture Companies | 25.15 | 18.26 |
| | | Mahanadi Coal Railway Limited | Joint Venture Companies | - | 0.97 |
| | | Baster Railway Private Limited | Joint Venture Companies | 9.41 | 21.35 |
| | | Jharkhand Central Railway Limited | Joint Venture Companies | 4.23 | - |
| | | Ministry of Railways | Government Related Entities | 124.64 | 162.86 |
| (b) | Retention Money and Money Withheld | | | | |
| | | Chhattisgarh East Railway Limited | Joint Venture Companies | 3.21 | 0.20 |
| | | Chhattisgarh East-West Railway Limited | Joint Venture Companies | 18.34 | - |
| | | Mahanadi Coal Railway Limited | Joint Venture Companies | 7.59 | 12.33 |
| | | Jharkhand Central Railway Limited | Joint Venture Companies | 1.83 | 1.56 |
| | | Ministry of Railways | Government Related Entities | 27.74 | 3.18 |
| 4.3 | Advance and Claims Recoverable | | | | |
| | | Chhattisgarh East Railway Limited | Joint Venture Companies | 0.39 | 0.29 |
| | | Mahanadi Coal Railway Limited | Joint Venture Companies | 3.35 | 2.93 |
| | | Jharkhand Central Railway Limited | Joint Venture Companies | 0.08 | 0.07 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2024

| S. No. | Nature of transaction | Name of related party | Nature of relationship | As at 31st March, 2024 | As at 31st March, 2023 |
|--------|--|--|-------------------------------|------------------------|------------------------|
| 4.4 | Interest Accrued on loans | Baster Railway Private Limited | Joint Venture Companies | 0.02 | 0.02 |
| | | Indian Railway Station Development Corporation Limited | Joint Venture Companies | - | 0.09 |
| | | Ministry of Railways | Government Related Entities | - | - |
| | | Rail Land Development Authority | Government Related Entities | 19.64 | 634.95 |
| | | Chhattisgarh East-West Railway Limited | Joint Venture Companies | 11.57 | 10.87 |
| 4.5 | Interest Accrued on advances | Mahanadi Coal Railway Limited | Joint Venture Companies | 2.97 | - |
| | | Rail Land Development Authority | Government Related Entities | 9.56 | 59.65 |
| 4.6 | Interest Accrued on bonds | Indian Railway Finance Corporation Limited | Government Related Entities | 7.63 | 10.63 |
| 4.7 | Recoverables from Trusts | Ircon Gratuity Trust | Post Employment Benefit Plans | 7.16 | 16.32 |
| 5 | Borrowings | Indian Railway Finance Corporation Limited | Government Related Entities | - | 615.31 |
| 6 | Amount Payable towards | | | | |
| 6.1 | Trade Payables | | | | |
| 6.2 | Contract Liabilities (Advances and Advance Contract Receipts) | Ministry of Railways | Government Related Entities | 839.87 | 2041.03 |
| | | Chhattisgarh East Railway Limited | Joint Venture Companies | 9.05 | 8.38 |
| | | Chhattisgarh East-West Railway Limited | Joint Venture Companies | 104.01 | 125.06 |
| | | Jharkhand Central Railway Limited | Joint Venture Companies | 21.65 | 19.80 |
| | | Ayana Renewable Power Private Limited | Non Controlling Interest | 4.23 | - |
| 6.3 | Other Payable to Client | Chhattisgarh East-West Railway Limited | Joint Venture Companies | 0.61 | 0.65 |
| | | Mahanadi Coal Railway Limited | Joint Venture Companies | 2.98 | 9.44 |
| | | Ministry of Railways | Government Related Entities | 593.35 | 571.76 |
| 6.4 | Interest Payable on Borrowings | Indian Railway Finance Corporation Limited | Government Related Entities | - | 51.89 |
| 6.5 | Interest Payable on Advances | Chhattisgarh East-West Railway Limited | Joint Venture Companies | - | 0.29 |
| | | Mahanadi Coal Railway Limited | Joint Venture Companies | 0.62 | 0.42 |
| | | Jharkhand Central Railway Limited | Joint Venture Companies | 1.12 | 0.12 |
| | | Ministry of Railways | Government Related Entities | 284.83 | 280.36 |
| 6.6 | Payable to Trust | Ircon Gratuity Trust | Post Employment Benefit Plans | 3.80 | 7.17 |
| 7 | Equity Investments (Including Deemed Equity)-Received | Ayana Renewable Power Private Limited | Non Controlling Interest | 35.31 | 13.20 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2024

d) Terms and conditions of transactions with related parties :-

- (i) Transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.
- (ii) Outstanding balances of related parties at the year-end are unsecured and settlement occurs through banking transactions. These balances other than loans and interest bearing advances are interest free.
- (iii) The loans to key management personnel are on the same terms and conditions as applicable to all other employees.

38. Earnings Per Share

Disclosure as per Ind AS 33 'Earnings per share:

Basic EPS is calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the profit for the year attributable to the equity holders after considering the effect of dilution by weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

i) Basic and diluted Earnings Per Share (in Rs.)

| Particulars | Note | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|---|-------|---------------------------------------|---------------------------------------|
| Profit attributable to Equity holders (Rs. in crore) | (ii) | 929.51 | 765.23 |
| Weighted average number of equity shares for Basic and Diluted EPS* | (iii) | 94,05,15,740 | 94,05,15,740 |
| Earnings per share (Basic) | | 9.88 | 8.14 |
| Earnings per share (Diluted) | | 9.88 | 8.14 |
| Face value per share | | 2.00 | 2.00 |

* During the financial year 2023-24, the promoter has divested their stake through "Offer for Sale" of 7,53,73,258 equity shares in the company which is 8.01% of the issued/subscribed and paid up capital of the Company.

ii) Profit attributable to equity shareholders (used as numerator) (Rs. in crore)

| Particulars | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|---|---------------------------------------|---------------------------------------|
| Profit for the year as per Statement of Profit and Loss | 929.51 | 765.23 |
| Profit attributable to Equity holders of the Parent used for computing EPS: | 929.51 | 765.23 |

iii) Weighted average number of equity shares (used as denominator) (Nos.)

| Particulars | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|---|---------------------------------------|---------------------------------------|
| Opening balance of issued equity shares | 94,05,15,740 | 94,05,15,740 |
| Equity shares issued during the year | - | - |
| Increase in the Number of Share on account of Shares Split | - | - |
| Bonus share issued after the reporting date but before the financial statement are issued | - | - |
| Weighted average number of equity shares for computing Basic EPS | 94,05,15,740.00 | 94,05,15,740.00 |
| Dilution Effect: | | |
| Add: Weighted average numbers of potential equity shares outstanding during the year | - | - |
| Weighted average number of equity shares for computing Diluted EPS | 94,05,15,740 | 94,05,15,740 |

39. Impairment of Assets

During the year, Company has carried out assessment on impairment of individual assets by working out the recoverable amount based on lower of the net realizable value and carrying cost in terms of Ind AS 36, "Impairment of Assets" notified under section 133 of the companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian accounting standards) Amendment Rules 2016. Accordingly, impairment loss of Nil (Nil) has been provided for." However, one of the subsidiary IISL has been provided impairment loss of Rs Nil crore (Rs 0.42 Crore).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2024

40. Provisions, Contingencies and Commitments

(i) Provisions

The nature of provisions provided and movement in provisions during the year as per Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets' are disclosed in Note 21.

(ii) Contingent Liabilities

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

| Particulars | Foot Note | As at 31st March 2023 | Addition during the year | Total Claims Settled during the year | As at 31st March 2024 |
|--|-----------|-----------------------|--------------------------|--------------------------------------|-----------------------|
| a) Claims against the Group not acknowledged as debts : | | | | | |
| Disputed Direct tax demands | | | | | |
| (i) in respect of the Holding Company | 1 | 39.93 | 11.3 | (4.46) | 46.77 |
| Disputed Indirect tax demands | | | | | |
| (i) in respect of the Holding Company | 2 | 241.16 | 27.96 | (20.61) | 248.51 |
| (ii) in respect of the Joint Operations | 3 | 3.33 | - | (0.26) | 3.07 |
| Legal Cases | | | | | |
| (i) in respect of the Holding Company | 4 | 624.50 | 85.32 | (157.27) | 552.55 |
| (ii) in respect of the Joint Operations | 5 | 0.02 | - | - | 0.02 |
| Claims by Employee | 6 | | | | |
| c) Guarantees (excluding financial guarantees) issued by the company on behalf of | | | | | |
| Subsidiaries Companies | 7 (i&ii) | 1,475.60 | 760.84 | (659.11) | 1,577.33 |
| d) Other money for which Group is contingent liable | | | | | |
| Liquidated damages pending disposal of application for extension of time by clients | | 9.27 | - | - | 9.27 |
| Total | | 2,393.81 | 885.42 | (841.71) | 2,437.52 |

- The Income Tax Authority have raised demands on account of various disallowances pertaining to different assessment years. Many of these matters were adjudicated in favour of Company but are disputed before higher authorities by the concerned departments. The Company is contesting these demands, which are pending at various appellate levels. Based on the advice from the independent tax experts and the developments on the appeals, the management is confident that additional tax so demanded will not be sustained on completion of the appellate proceedings and accordingly, pending the decision by the appellate authorities, no provision has been made in these financial statements.
- There are various disputes pending with authorities of excise, customs, service tax, sales tax, VAT etc. The Company is contesting these demands raised by concerned authorities and are pending at various appellate authorities. Based on the grounds of appeal and advice of the independent legal experts, the management believes that there is reasonable strong likelihood of succeeding before the various authorities. Pending the final decisions on the above, no adjustment has been made in these financial statements. The above disputed indirect tax demands includes **Rs. 181.90 crore** which is reimbursable from clients.
- In case of International Metro Civil Contractor, a Joint Operation of the holding Company, there is disputed demand pending with the sales tax authorities amounting to **Rs. 3.07 crore** (Rs. 3.33 crore) on account of disallowance of labour expenses. The joint operation had filed appeals before the appropriate appellate authorities against the demand. The decision is pending before the appellate authorities and therefore, no provision has been made in the financial statements.
- The Group is a party to several legal suits on construction contract terms related disputes, pending before various courts and arbitration proceedings in India and abroad. Some of the contractors have lodged claims on the Group seeking enhancement of the contract price, revision of work schedule with price escalation, compensation for the extended period of work, idle charges etc. These claims are being contested by the Group as being not admissible in terms of provisions of the respected contracts. Against a total claim of Rs. 613.53 crore (Rs. 701.86 crore), provision of **Rs 60.99 crore** (Rs 77.35 crore) has been made and balance **Rs. 552.55 crore** (Rs. 624.51 crore) is shown as contingent liability. The Group has also made counter claims on the contractors admissible as per the terms of the contract of **Rs. 222.44 crore** (Rs. 333.31 crore). Interest on claims is not considered, being unascertainable.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2024

5. One of the contractor, M/s Sai Engineers has filed suit against International Metro Civil Contractor for an amount of Rs. 0.02 crore (Rs. 0.02 crore) for dispute on contract terms. The decision is pending before the appellate authorities and therefore, no provision has been made in the financial statements.
6. There are some cases relating to employees/others are pending in the Courts against the Company in respect of which the liability is not ascertainable. Contingent liability of Ircon Infrastructure and Services Limited against cases relating to Employees/Contractor's pending in the court amounts to Rs.2.55 crores (Rs. 2.55 crore). Amount of interest claimed on said liability is not ascertainable.
7. (i) The Company has given letter of comfort on behalf of its subsidiary company, Ircon Infrastructure and Services Limited for an amount of **Rs. 2.05 crore** (Rs. 11.39 crore) for performance guarantee submitted to client.
(ii) The Company has given corporate guarantee to various Banks on behalf of and in respect of term loan facility for its subsidiary companies for an amount of **Rs. 3,841.87 crore** (Rs. 4,565.99 crore). The term loan availed (net of repayment) by the subsidiary companies as on 31.03.2024 is **Rs. 1,575.27 crore** (Rs. 1,464.21 crore).
8. The Ircon Shivpuri Guna Tollway Limited is a party to certain claims raised by NHAI related to delays, non achievement of milestones, damages in O&M works, etc. These claims are being contested by the company as being not admissible in terms of provisions of the contract. These claims amounting to Rs.16.97 crore (Rs. 12.55 crores), is contingent liability. The Company has also made counter claims on NHAI admissible as per the terms of the contract of Rs. 96.98 crore (Rs.NIL).
9. Ircon PB Tollway Limited is a party to certain claims raised by NHAI related to delays, non achievement of milestones, damages in O&M works, etc. These claims are being contested by the company as being not admissible in terms of provisions of the respected contracts. These claims totalling to Rs.47.42 crore (Rs. 47.42), is shown as contingent liability . The Company has also made counter claims on NHAI admissible as per the terms of the contract of Rs. 338.05 crore (Rs. 338.05).
10. Income tax demand of Rs 132.63 Crore pertains to Ircon PB Tollway Limited for FY 2017-18 against which appeal has been filed with the Income Tax department, Income tax refund due to the company for Rs 1.85 Crore, Rs 2.31 crores, Rs 0.18 Crore , Rs 0.09 Crore and Rs 0.04 Crore pertaining to AY 2019-20, AY 2020-21, AY 2021-22 , AY 2022-23, AY 2023-24 respectively has not been released by the Income tax department against above demand. However, the appeal has been filed and hearing date is yet to be confirmed at the close of the financial year.

(iii) Contingent Liabilities

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

- a) Claims raised by Group on some of its clients and awarded by arbitrators in favour of Group against which clients have gone to court not accounted for as receivables are **Rs. 461.40 crore** (Rs.461.17 crore) including interest calculated up to 31.03.2024 as per arbitration award.
- b) Counter Claims raised by Group on sub-contractors and awarded by arbitrators in favour of Group against which sub-contractors have gone to court, not accounted for as receivables are **Rs. 14.16 crore** (Rs. 22.48 crore).
- c) Insurance Claim of USD 0.95 Mn (USD 0.93 Mn) and Ethiopian Bir 1.34 Mn (1.28 Mn) equivalent to Rs 8.03crore (Rs.7.79 crore) including interest calculated upto 31.03.2024 awarded by Honourable Supreme Court of Ethiopia in favour of Group has not been accounted for, pending execution order by High Court of Ethiopia.

(iv) Commitments

| Particulars | | Foot Note | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|-------------|--|-----------|------------------------------------|------------------------------------|
| a) | Capital Commitments | | | |
| | Estimated amount of contracts remaining to be executed on capital account (net of advance) and not provided for: | 1 | 38.71 | 16.19 |
| b) | Other Commitments | | | |
| (i) | Funding committed by way of equity and loans in Joint Venture Companies | 2 | 113.98 | 177.60 |
| (ii) | Counter Bank Guarantee for Subsidiary Companies | 3 | 286.88 | 291.58 |
| (iii) | Corporate Guarantee for Subsidiary Companies | 4 | 2046.33 | 2,807.17 |
| (iv) | Sponsor's Support Agreement on behalf of Joint Venture | 5 | 1712.1 | 1,361.36 |
| | | | 4198.00 | 4653.90 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2024

Foot Note:

(₹ in crore)

| 1. | S. No. | Capital Commitments | As at 31st March 2024 | As at 31st March 2023 |
|----|--------|---|-----------------------|-----------------------|
| | 1 | Estimated amount of contracts remaining to be executed on Property, Plant and Equipment | 21.72 | 1.72 |
| | 2 | Estimated amount of contracts remaining to be executed on Investment Property | 5.95 | - |
| | 3 | Estimated amount of contracts remaining to be executed on Intangible Assets under development-Holding Company | 11.04 | 14.47 |
| | | Total | 38.71 | 16.19 |

(₹ in crore)

| 2. | S. No. | Capital Commitments | As at 31st March 2024 | | As at 31st March 2023 | |
|----|--------|--|-----------------------|---------------|-----------------------|---------------|
| | | | Equity | Loans | Equity | Loans |
| | 1 | Chhattisgarh East Railway Limited | - | 18.14 | - | 33.14 |
| | 2 | Chhattisgarh East-West Railway Limited | 0.01 | 48.36 | 0.01 | 64.48 |
| | 3 | Mahanadi Coal Rail Limited | - | 22.13 | - | 54.63 |
| | 4 | Baster Railway Private Limited | 0.01 | 25.33 | 0.01 | 25.33 |
| | | Total | 0.02 | 113.96 | 0.02 | 177.58 |

* The Company's Board of Directors (BoD) has approved a resolution on 11th May, 2023 to increase the loan commitment in three Joint Venture Companies. Accordingly, the changes in the commitment has been disclosed.

- Company's Non Fund based limits earmarked for issuance of bank guarantee to subsidiary companies amounts to ₹ **747.95 crore** (₹ 738.61 crore). Out of the said limit, bank guarantees to the extent of ₹ **461.07 crore** (₹ 447.03 crore) has been utilised as on 31.03.2024. Therefore, the balance limit for issuance of bank guarantee is ₹ **286.88 crore** (₹ 291.58 crore).
- The Company has given corporate guarantee to various Banks on behalf of and in respect of term loan facility for its subsidiary companies for an amount of ₹ **3841.87 crore** (₹ 4565.99 crore). The subsidiary companies have availed term loan of ₹ **1,795.54 crore** (₹ 1758.82 crore) till 31.03.2024. During the year, the subsidiary companies have repaid an amount of ₹ 220.27 crore (₹ 294.61 crore) against these term loans and the term loan balance as on 31.03.2024 is ₹ **1,575.27 crore** (₹ 1464.21 crore).
- (i) The Company along with SECL (Sponsors) have executed Sponsor's Support Agreement on behalf of its Joint Venture, Chhattisgarh East West Railway Ltd.(CEWRL), wherein it has been stated that in case of termination of the Concession Agreement due to an event of default by the Borrower prior to the achievement of the Commercial Operation Date the Sponsors shall meet any shortfall in the Debt Service obligations of the Borrower, to the satisfaction of the Lenders, without recourse to the Borrower and/or the Project. IRCON's share as per the given amount of Rupee Term Loan is Rs. 1033.76 (26% of total loan of Rs. 3976 Crore) as on 31st March 2024 (31st March, 2023: ₹ **1033.76 Crore**).
- (ii) The Company along with CCL (Sponsors) have executed Sponsor's Support Agreement on behalf of its Joint Venture, Jharkhand Central Railway Ltd. (JCRL), wherein it has been stated that in case of termination of the Concession Agreement due to an event of default by the Borrower prior to the achievement of the Commercial Operation Date the Sponsors shall meet any shortfall in the Debt Service obligations of the Borrower, to the satisfaction of the Lenders, without recourse to the Borrower and/or the Project. IRCON's share as per the given amount of Rupee Term Loan is ₹ **327.60** (26% of total loan of ₹ **1259.75 crore**) as on 31st March 2024.
- (iii) The Company along with SECL and CSIDSL (Sponsors) have executed Sponsor's Support Agreement on behalf of its Joint Venture, Chhattisgarh East Railway Ltd.(CERL), wherein it has been stated that in case of termination of the Concession Agreement due to an event of default by the Borrower prior to the achievement of the Commercial Operation Date the Sponsors shall meet any shortfall in the Debt Service obligations of the Borrower, to the satisfaction of the Lenders, without recourse to the Borrower and/or the Project. IRCON's share as per the given amount of Rupee Term Loan is ₹ **350.74 Crore** (26% of total loan of ₹ 1,349.00 Crore) as on 31st March 2024 (31st March, 2023: ₹ NIL).
- Estimated Amount of Contracts remaining to be executed on capital accounts of ₹ 1649.19 Crore (for 31st March 2023 ₹ 2355.55 Crore) for construction of solar projects and Other Commitments of ₹ 38.02 Crores for operation & maintenance of solar project pertains to Ircon Renewable Power Limited .

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2024

7. (i) There is an outstanding Letter of Credit as on 31st March, 2024 amounting to ₹ 3.42 crore (31st March, 2024 ₹ 74.53 crore).
- (ii) Guarantees issued by IRPL including letter of Credit of ₹ 265.94 Crore.
8. Concessainare fees payable of ₹ 422.95 Crore (₹ 452.83 Crore)to NHAI till end of Concessionaire period of the Toll Road regarding other commitments of Ircon Shivpuri Guna Tollway Limited
9. Disputed GST Demands in respect of IVKEL is of ₹ 191.16 Crore (₹ 85.95 Crore) and in respect of IDHHL of ₹ 3.47 Crore (₹ Nil).

41. Segment Reporting

Disclosure as per Ind AS 108 " Operating Segment" is given as under:

A. General information

Operating segments are defined as components of an enterprise for which discrete financial information is available which is being evaluated regularly by the Chief Operating Decision Maker (CODM) in deciding how to allocate resources and assessing performance. The Board of Directors of the Group is the Chief Operating Decision Maker (CODM). The operating segments have been reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) for review of performance and allocating resources.

The Group has determined reportable operating segments from geographical perspective.

B. Information about reportable segments and reconciliation to amounts reflected in the financial statements:

(₹ in crore)

| Particulars | International | | Domestic | | Total | |
|--|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| | For the year ended 31st March 2024 | For the year ended 31st March 2023 | For the year ended 31st March 2024 | For the year ended 31st March 2023 | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
| Segement Revenue | | | | | | |
| Revenue from external customers | 574.82 | 411.84 | 11,756.09 | 9,956.09 | 12,330.91 | 10,367.93 |
| Total Operating Revenue | 574.82 | 411.84 | 11,756.09 | 9,956.09 | 12,330.91 | 10,367.93 |
| Interest Income | 43.11 | 11.81 | 458.41 | 347.16 | 501.52 | 358.97 |
| Other Income | 1.14 | 6.03 | 36.95 | 16.96 | 38.09 | 22.99 |
| Inter – segment | – | – | – | – | – | – |
| Total Revenue | 619.07 | 429.68 | 12,251.45 | 10,320.21 | 12,870.52 | 10,749.89 |
| Segement Result | | | | | | |
| Profit before provision, depreciation, interest and exceptional item and tax | 206.34 | 95.89 | 1,425.07 | 1,129.93 | 1,631.41 | 1,225.82 |
| Less: Provisions and write back | (3.11) | 8.41 | (165.84) | (155.69) | (168.95) | (147.28) |
| Less: Depreciation, amortization and impairment | (3.25) | (2.56) | (97.18) | (104.90) | (100.43) | (107.46) |
| Less: Interest | – | – | (147.12) | (111.52) | (147.12) | (111.52) |
| Add: Share of net profit of Joint Ventures accounted for using equity method | – | – | 46.22 | 31.44 | 46.22 | 31.44 |
| Profit before tax | 199.98 | 101.74 | 1,061.15 | 789.26 | 1,261.13 | 891.00 |
| Less: Tax expense | (44.17) | (26.96) | (287.45) | (98.81) | (331.62) | (125.77) |
| Profit after tax | 155.81 | 74.78 | 773.70 | 690.45 | 929.51 | 765.23 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2024

C. Other Information

(₹ in crore)

| Particulars | International | | Domestic | | Total | |
|---|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| | For the year ended 31st March 2024 | For the year ended 31st March 2023 | For the year ended 31st March 2024 | For the year ended 31st March 2023 | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
| Total Assets | 1,035.10 | 918.76 | 16,409.85 | 14,618.62 | 17,444.95 | 15,537.38 |
| Total Liabilities | 852.45 | 727.90 | 10,686.40 | 9,584.86 | 11,538.85 | 10,312.76 |
| Investment in joint ventures accounted for by equity method | - | - | 864.50 | 824.29 | 864.50 | 824.29 |
| Non current asset other than financial instruments, deferred tax assets, net defined benefit assets | 90.10 | 55.45 | 2,801.58 | 1,921.98 | 2,891.68 | 1,977.43 |
| Capital Expenditure for the year ending (Addition to PPE, CWIP, Investment Property, Other Intangible Assets, Intangible assets under development and Right-to-use) | 0.09 | 0.23 | 581.81 | 68.94 | 581.90 | 69.17 |

D. Information about major customer

During the year ended March 31, 2024, Operating Revenue of approximately 60.92 % (31st March 2023 66.47 %) derived from a single external customer in Domestic Segment.

42. Disclosure of Interest in Other Entities

Disclosures in compliance with Ind AS 112 "Disclosure of Interest in Other Entities" are as under:

A. Investment in Joint Operations

Investment in following joint operations is accounted at cost.

(₹ in crore)

| S.No. | Name of the Subsidiary Company | Principal Place of Business and Country of Incorporation | 'As at 31st March, 2024 | | 'As at 31st March, 2024 | |
|-------|--|--|---|-----------------------------|---|-----------------------------|
| | | | Proportion of direct ownership interest | Proportion of voting rights | Proportion of direct ownership interest | Proportion of voting rights |
| i) | For projects in operation: | | | | | |
| | Express Freight Consortium | Guajrat and Maharashtra, India | 30.00 | 30.00 | 30.00 | 30.00 |
| | Express Freight Railway Consortium | Maharashtra, India | 30.00 | 30.00 | 30.00 | 30.00 |
| ii) | Completed Joint Operations | | | | | |
| | International Metro Civil Contractor | Delhi NCR, India | 9.50 | 9.50 | 9.50 | 9.50 |
| | Metro Tunnelling Group | Delhi NCR, India | 9.50 | 9.50 | 9.50 | 9.50 |
| | IRCON-AFCONS | Bangladesh | 53.00 | 53.00 | 53.00 | 53.00 |
| iii) | Financially Closed Joint Operations | | | | | |
| | Ircon-COBRA-ELIOP | Delhi NCR, India | 61.22 | 61.22 | 61.22 | 61.22 |
| | Ircon- Sree Bhawani Builders | Chennai, India | 24.21 | 24.21 | 24.21 | 24.21 |
| | Ircon-SMJ Project JV | Tamilnadu, India | 55.00 | 55.00 | 55.00 | 55.00 |
| | Ircon-GANNON Dunkerly | Uttar Pradesh, India | 55.70 | 55.70 | 55.70 | 55.70 |
| | Ircon-RCS-PFLEIDERER | J&K, India | 65.08 | 65.08 | 65.08 | 65.08 |
| | IRCON-SPSCPL | J&K, India | 50.00 | 50.00 | 50.00 | 50.00 |
| | RICON | Delhi NCR, India | 49.00 | 49.00 | 49.00 | 49.00 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2024

B. Investment in Joint Venture Companies

(₹ in crore)

| S. No. | Particulars | Principal Place of Business and Country of Incorporation | Domestic | | Total | | Accounting Method |
|--------|--|--|---|-----------------------------|---|-----------------------------|-------------------|
| | | | Proportion of direct ownership interest | Proportion of voting rights | Proportion of direct ownership interest | Proportion of voting rights | |
| 1 | Ircon-Soma Tollway Private Limited | Maharashtra, India | 50.00 | 50.00 | 50.00 | 50.00 | Equity Method |
| 2 | Chhattisgarh East Railway Limited | Chhattisgarh, India | 25.31 | 26.00 | 25.31 | 26.00 | Equity Method |
| 3 | Chhattisgarh East-West Railway Limited | Chhattisgarh, India | 26.00 | 26.00 | 26.00 | 26.00 | Equity Method |
| 4 | Mahanadi Coal Railway Limited | Odisha, India | 26.00 | 26.00 | 26.00 | 26.00 | Equity Method |
| 5 | Jharkhand Central Railway Limited | Jharkhand, India | 26.00 | 26.00 | 26.00 | 26.00 | Equity Method |
| 6 | Baster Railway Private Limited | Chhattisgarh, India | 26.00 | 26.00 | 26.00 | 26.00 | Equity Method |
| 7 | Indian railway Station Development Corporation Limited | Delhi-NCR, India | 26.00 | 26.00 | 26.00 | 26.00 | Equity Method |

C. Summarised Financial Interest in Joint Operations (to the extent of Company's share)

(₹ in crore)

| S. No. | Particulars | Name of the Joint Operation | | | | | | | | | |
|--------|----------------------------|-----------------------------|---------|----------------------------|---------|--------------------------------------|---------|------------------------|---------|-------------|-------------|
| | | IRCON-AFCONS | | Express freight consortium | | International Metro Civil Contractor | | Metro Tunnelling Group | | Total | |
| | | 2023-24 | 2022-23 | 2023-24 | 2022-23 | 2023-24 | 2022-23 | 2023-24 | 2022-23 | 2023-24 | 2022-23 |
| | As at Year End: | | | | | | | | | | |
| 1 | Assets | | | | | | | | | | |
| | PPE | | | - | - | | | | | - | - |
| | Capital Work in Progress | | | - | - | | | | | - | - |
| | Other Assets | 0.42 | 0.60 | - | - | 4.46 | 4.41 | 1.87 | 2.04 | 6.75 | 7.05 |
| 2 | Liabilities | | | | | | | | | | |
| | Provisions | - | - | - | - | 0.02 | 0.02 | 0.08 | 0.11 | 0.10 | 0.13 |
| | Other Liabilities | - | - | - | - | 0.91 | 0.91 | 0.03 | 0.05 | 0.94 | 0.96 |
| | For the year end: | | | | | | | | | | |
| 3 | Total Income | | | 1.65 | 1.37 | 0.07 | 0.05 | 0.10 | 0.07 | 1.82 | 1.50 |
| 4 | Total Expenses | 0.05 | 0.11 | 0.17 | 0.45 | 0.01 | 0.00 | 0.02 | 0.01 | 0.25 | 0.57 |
| 5 | Total Taxes | | | 0.53 | 0.35 | 0.02 | 0.01 | 0.20 | 0.02 | 0.75 | 0.38 |
| 6 | Profit after tax | (0.05) | (0.11) | 0.95 | 0.58 | 0.04 | 0.04 | (0.12) | 0.04 | 0.82 | 0.54 |
| 7 | Other Comprehensive Income | - | - | - | - | - | - | - | - | - | - |
| 8 | Total Comprehensive Income | (0.05) | (0.11) | 0.95 | 0.58 | 0.04 | 0.04 | (0.12) | 0.04 | 0.82 | 0.54 |

Foot Note: Contingent Liabilities relating to Joint Operations are disclosed in Note 40

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2024

D. Summarised Balance Sheet of Joint Venture Companies

(₹ in crore)

| S. No. | Particulars | Bastar Railways Private Limited | | Chhattisgarh East Railway Limited | | Chhattisgarh East West Railway Limited | | Indian Railway Stations Development Corporation Ltd | |
|--------|--|---------------------------------|-----------------|-----------------------------------|-----------------|--|-----------------|---|-----------------|
| | | As at 31-3-2024 | As at 31-3-2023 | As at 31-3-2024 | As at 31-3-2023 | As at 31-3-2024 | As at 31-3-2023 | As at 31-3-2024 | As at 31-3-2023 |
| 1 | Non-Current Assets | 1.26 | 1.29 | 3524.11 | 3236.20 | 3191.02 | 2107.88 | - | - |
| 2 | Current Assets | 331.36 | 291.67 | 54.24 | 199.02 | 161.46 | 76.47 | 374.87 | 388.19 |
| | Total Assets (A) | 332.61 | 292.96 | 3,578.35 | 3,435.22 | 3,352.47 | 2,184.35 | 374.87 | 388.19 |
| 3 | Non-Current Liabilities | - | - | 2,672.58 | 2,559.71 | 2,566.61 | 1,410.15 | - | - |
| 4 | Current Liabilities | 38.69 | 0.17 | 211.14 | 124.45 | 53.23 | 54.17 | 64.14 | 83.88 |
| | Total Liabilities (B) | 38.69 | 0.17 | 2,883.72 | 2,684.17 | 2,619.84 | 1,464.32 | 64.14 | 83.88 |
| 5 | Net Assets (A-B) | 293.93 | 292.79 | 694.63 | 751.05 | 732.64 | 720.03 | 310.73 | 304.31 |
| | a) Includes Cash & Cash Equivalents | 34.34 | 33.44 | 31.67 | 172.41 | 157.61 | 75.61 | 0.50 | 4.16 |
| | b) Includes Financial Liabilities (excluding Trade payables and other payables and excluding provisions) | - | - | 2,672.58 | 2,559.71 | 2,566.61 | 1,410.15 | 56.04 | 70.03 |

(₹ in crore)

| S. No. | Particulars | Ircon – Soma Tollway Private Limited | | Jharkhand Central Railway Limited | | Mahanadi Coal Railway Limited | |
|--------|--|--------------------------------------|-----------------|-----------------------------------|-----------------|-------------------------------|-----------------|
| | | As at 31-3-2024 | As at 31-3-2023 | As at 31-3-2024 | As at 31-3-2023 | As at 31-3-2024 | As at 31-3-2023 |
| 1 | Non-Current Assets | 117.00 | 175.23 | 873.84 | 512.16 | 405.98 | 411.85 |
| 2 | Current Assets | 359.92 | 374.33 | 159.31 | 159.10 | 46.20 | 0.69 |
| | Total Assets (A) | 476.92 | 549.57 | 1,033.14 | 671.26 | 452.18 | 412.54 |
| 3 | Non-Current Liabilities | 106.50 | 253.18 | 478.38 | 125.13 | - | - |
| 4 | Current Liabilities | 210.87 | 133.91 | 2.20 | 1.09 | 72.63 | 323.90 |
| | Total Liabilities (B) | 317.37 | 387.10 | 480.58 | 126.22 | 72.63 | 323.90 |
| 5 | Net Assets (A-B) | 159.55 | 162.47 | 552.56 | 545.05 | 379.55 | 88.64 |
| | a) Includes Cash & Cash Equivalents | 13.21 | 56.43 | 70.13 | 129.81 | 31.81 | 0.66 |
| | b) Includes Financial Liabilities (excluding Trade payables and other payables and excluding provisions) | 250.59 | 325.35 | 478.59 | 125.54 | 71.04 | 323.25 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2024

F. Summarised Statement of Profit and Loss of Joint Venture Companies:

(₹ in crore)

| S. No. | Particulars | Bastar Railways Private Limited | | Chhattisgarh East Railway Limited | | Chhattisgarh East West Railway Limited | | Indian Railway Stations Development Corporation Ltd | |
|--------|--|---------------------------------|---------------|-----------------------------------|-----------------|--|---------------|---|--------------|
| | | 2023-24 | 2022-23 | 2023-24 | 2022-23 | 2023-24 | 2022-23 | 2023-24 | 2022-23 |
| 1 | Revenue | - | - | 51.17 | 62.18 | - | - | 5.15 | 13.24 |
| 2 | Interest Income | 2.53 | 1.79 | 3.14 | 3.08 | - | - | 9.14 | 6.22 |
| 3 | Other Income | - | - | 0.04 | 0.09 | - | - | 0.32 | 1.02 |
| | Total Income | 2.53 | 1.79 | 54.35 | 65.35 | - | - | 14.61 | 20.48 |
| 4 | Expenses on Operations | - | - | 33.57 | 24.74 | - | - | 4.34 | 8.74 |
| 5 | Employee Benefit | - | - | 1.08 | 1.04 | - | - | 1.46 | 3.41 |
| 6 | Depreciation and amortisation | 0.01 | 0.02 | 88.60 | 135.09 | - | - | - | - |
| 7 | Finance Cost | - | - | 167.39 | 116.61 | - | - | 0.00 | 0.17 |
| 8 | Other Expenses | 0.98 | 3.01 | 14.48 | 14.96 | 0.22 | 0.24 | 1.61 | 5.54 |
| | Total Expenses | 0.99 | 3.03 | 305.11 | 292.45 | 0.22 | 0.24 | 7.42 | 17.86 |
| 9 | Share of Profit & Loss of Joint Venture | - | - | - | - | - | - | 1.84 | 3.44 |
| 10 | Income tax | 0.40 | 0.31 | 155.88 | 108.51 | - | - | 2.48 | 2.61 |
| 11 | Profit for the year | 1.14 | (0.93) | (94.88) | (118.58) | (0.22) | (0.24) | 6.56 | 3.45 |
| 12 | Other comprehensive income | - | - | - | - | - | - | - | (0.11) |
| 13 | Total comprehensive income | 1.14 | (0.93) | (94.88) | (118.58) | (0.22) | (0.24) | 6.56 | 3.34 |

(₹ in crore)

| S. No. | Particulars | Ircon – Soma Tollway Private Limited | | Jharkhand Central Railway Limited | | Mahanadi Coal Railway Limited | |
|--------|--|--------------------------------------|---------------|-----------------------------------|-------------|-------------------------------|---------------|
| | | 2023-24 | 2022-23 | 2023-24 | 2022-23 | 2023-24 | 2022-23 |
| 1 | Revenue | 309.63 | 280.77 | - | - | 20.93 | - |
| 2 | Interest Income | 13.18 | 10.99 | 3.76 | 8.26 | 1.10 | 0.06 |
| 3 | Other Income | 0.31 | 0.22 | - | - | - | - |
| | Total Income | 323.12 | 291.98 | 3.76 | 8.26 | 22.03 | 0.06 |
| 4 | Expenses on Operations | 53.09 | 45.75 | - | - | 0.18 | - |
| 5 | Employee Benefit Expenses | 0.60 | 0.60 | - | - | 1.46 | - |
| 6 | Finance Cost | 33.85 | 36.48 | - | - | 8.23 | - |
| 7 | Depreciation and amortisation Expenses | 58.41 | 57.98 | 0.03 | 0.02 | 12.00 | - |
| 8 | Other Expenses | 9.89 | 5.95 | 0.25 | 0.12 | 1.74 | 0.49 |
| | Total Expenses | 155.84 | 146.76 | 0.28 | 0.14 | 23.61 | 0.49 |
| 9 | Income tax | 31.18 | 25.56 | 0.96 | 2.72 | - | - |
| 10 | Profit for the year | 136.10 | 119.66 | 2.52 | 5.40 | (1.58) | (0.43) |
| 11 | Other comprehensive income | -0.01 | -0.00 | - | - | - | - |
| 12 | Total comprehensive income | 136.09 | 119.66 | 2.52 | 5.40 | (1.58) | (0.43) |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2024

G. Reconciliation of carrying amounts of Joint Venture Companies:

(₹ in crore)

| Particulars | Bastar Railways Private Limited | | Chhattisgarh East Railway Limited | | Chhattisgarh East West Railway Limited | | Indian Railway Stations Development Corporation Ltd | |
|--|---------------------------------|------------------|-----------------------------------|------------------|--|------------------|---|------------------|
| | As at 31-03-2024 | As at 31-03-2023 | As at 31-03-2024 | As at 31-03-2023 | As at 31-03-2024 | As at 31-03-2023 | As at 31-03-2024 | As at 31-03-2023 |
| Opening net assets | 292.78 | 293.71 | 751.05 | 860.79 | 720.04 | 592.82 | 304.29 | 299.74 |
| Profit for the year | 1.14 | (0.93) | (94.88) | (118.58) | (0.22) | (0.24) | 6.56 | 3.37 |
| Increase in paid up share capital | - | - | - | 8.84 | - | 127.46 | - | - |
| Other Comprehensive Income | - | - | - | - | - | - | - | -0.12 |
| Dividends paid | - | - | - | - | - | - | - | - |
| "Equity component of other financial instruments " | - | - | 38.46 | - | 12.83 | - | - | - |
| Other Adjustment (Application Money Pending Allotment)/ Share issue Expenses | - | - | - | - | - | - | -0.12 | 1.30 |
| Closing net assets | 293.92 | 292.78 | 694.62 | 751.05 | 732.65 | 720.04 | 310.73 | 304.29 |
| Group's share in % | | | | | | | | |
| (i) In Paid up Share Capital and Profit | 26.00% | 26.00% | 25.31% | 25.31% | 26.00% | 26.00% | 26.00% | 26.00% |
| (ii) In Share Application Money Pending Allotment | - | - | - | - | - | - | - | - |
| Group's share | | | | | | | | |
| (i) In Paid up Share Capital and Profit | 76.42 | 76.12 | 185.87 | 194.90 | 193.55 | 193.60 | 59.89 | 58.22 |
| (ii) In Share Application Money Pending Allotment | - | - | - | - | - | - | - | (0.03) |
| Other Adjustments | - | - | - | - | 16.12 | - | - | - |
| Carrying amount | 76.42 | 76.12 | 185.87 | 194.90 | 209.67 | 193.60 | 59.89 | 58.19 |

(₹ in crore)

| Particulars | Ircan – Soma Tollway Private Limited | | Jharkhand Central Railway Limited | | Mahanadi Coal Railway Limited | |
|--|--------------------------------------|------------------|-----------------------------------|------------------|-------------------------------|------------------|
| | As at 31-03-2024 | As at 31-03-2023 | As at 31-03-2024 | As at 31-03-2023 | As at 31-03-2024 | As at 31-03-2023 |
| Opening net assets | 162.46 | 180.80 | 545.05 | 448.78 | 88.64 | 89.07 |
| Profit for the year | 136.10 | 119.66 | 2.52 | 5.40 | (1.58) | (0.43) |
| Increase in paid up share capital | - | - | - | 13.26 | - | - |
| Other Comprehensive Income | - | - | - | - | - | - |
| Dividends paid | (139.00) | (138.00) | - | - | - | - |
| "Equity component of other financial instruments " | - | - | 5.00 | 77.61 | 292.50 | - |
| Other Adjustment (Application Money Pending Allotment) | - | - | - | - | - | - |
| Closing net assets | 159.56 | 162.46 | 552.57 | 545.05 | 379.56 | 88.64 |
| Group's share in % | | | | | | |
| (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 | - | - | - | - | - | - |
| Group's share | | | | | | |
| (i) In Paid up Share Capital and Profit | 149.28 | 150.23 | 143.14 | 78.38 | 77.24 | 25.65 |
| Equity component of other financial instruments | - | - | - | 64.11 | 32.50 | 52.00 |
| Other Adjustments | -69.50 | -69.00 | - | - | - | - |
| Carrying amount | 79.78 | 81.23 | 143.14 | 142.49 | 109.74 | 77.65 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2024

43. Revenue

A. Disaggregation of Revenue

Set out below is the disaggregation of the Group's revenue from contracts with customers into operating segment and type of product or services:

(₹ in crore)

| Type of Product or Services | For the year ended 31st March 2024 | | | | | | Total as per Statement of Profit and Loss /Segment Reporting |
|-----------------------------|------------------------------------|---------------|------------------|---|---------------|---------------|--|
| | Revenue as per Ind AS 115 | | | Method for measuring performance obligation | | Other Revenue | |
| | Dosmestic | International | Total | Input Method | Output Method | | |
| Railways | 9,569.36 | 449.09 | 10,018.45 | 10,018.45 | - | - | 10,018.45 |
| Highway | 2,022.04 | 125.48 | 2,147.52 | 1,923.98 | 223.54 | - | 2,147.52 |
| Electrical | - | - | - | - | - | - | - |
| Building | 79.21 | - | 79.21 | 79.21 | - | - | 79.21 |
| Others | 38.72 | - | 38.72 | 38.72 | - | 47.00 | 85.72 |
| Total | 11,709.33 | 574.57 | 12,283.90 | 12,060.36 | 223.54 | 47.00 | 12,330.90 |

Out of the total revenue recognised under Ind AS 115 during the year, Rs 12107.36 crore is recognised over a period of time and Rs. 223.54 crore recognised point in time.

(₹ in crore)

| Type of Product or Services | For the year ended 31st March 2023 | | | | | | Total as per Statement of Profit and Loss /Segment Reporting |
|-----------------------------|------------------------------------|---------------|------------------|---|---------------|---------------|--|
| | Revenue as per Ind AS 115 | | | Method for measuring performance obligation | | Other Revenue | |
| | Dosmestic | Foreign | Total | Input Method | Output Method | | |
| Railways | 8,900.71 | 406.91 | 9,307.62 | 9,307.62 | - | 5.84 | 9,313.46 |
| Highway | 818.82 | - | 818.82 | 620.37 | 198.45 | - | 818.82 |
| Electrical | - | - | - | - | - | - | - |
| Building | 165.23 | - | 165.23 | 165.23 | - | - | 165.23 |
| Others | 22.97 | - | 22.97 | 22.97 | - | 47.45 | 70.42 |
| Total | 9,907.73 | 406.91 | 10,314.64 | 10,116.19 | 198.45 | 53.29 | 10,367.93 |

Out of the total revenue recognised under Ind AS 115 during the year, Rs 10116.19 crore is recognised over a period of time and Rs. 198.45 crore recognised point in time.

B. The Group has applied modified retrospective approach for the application of Ind AS 115 "Revenue from contracts with customers" and the effect is Nil on retained earnings as at April 1, 2018.

C. Contract Balances

(₹ in crore)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|---------------------------------------|------------------------|------------------------|
| Trade Receivables (Note 14.2) | 803.33 | 863.83 |
| Contract Assets (Note 10.3 and 14.6) | 3,906.97 | 2,816.55 |
| Contract Liabilities (Note 22 and 24) | 3,056.91 | 3,574.49 |

- (i) Trade receivables are non-interest bearing and the customer profile include Ministry of Railways, Public Sector Enterprises, State Owned Companies in India and abroad. The Group's average project execution cycle is around 24 to 36 months. General payment terms include mobilisation advance, monthly progress payments with a credit period ranging from 45 to 60 days.
- (ii) Contract Assets are recognised over the period in which services are performed to represent the Group's right to consideration in exchange for goods or services transferred to the customer. It includes balances due from customers under construction contracts that arise when the Group receives payments from customers as per terms of the contracts however the revenue is recognised over the period under input method. Any amount previously recognised as a contract asset is reclassified to trade receivables on satisfaction of the condition attached i.e. future service which is necessary to achieve the billing milestone.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2024

Movement in contract balances during the year

(₹ in crore)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|---|------------------------|------------------------|
| Contract asset at the Beginning of the year | 2,816.55 | 2,251.53 |
| Contract asset at the end of the year | 3,906.97 | 2,816.55 |
| Net increase/decrease | 1,090.42 | 565.02 |

For the year 2023-24 and 2022-23 – There has been a net increase of ₹ 1090.42 crore and ₹ 565.02 crore respectively as compared to previous year mainly due to recognition of Revenue based on input method whereas bills for work done are certified based on contract condition.

During the year ended March 31st, 2024, ₹ 966.85 crore and March 31st 2023, ₹ 1021.14 crore of contract assets as of April 1st, 2023 and April 1st 2022 respectively has been reclassified to trade receivables upon billing to customers on completion of milestones.

- (iii) Contract liabilities relating to construction contracts are balances due to customers, these arise when a particular milestone payment exceeds the revenue recognised to date under the input method and advance received in long term construction contracts. The amount of Advance received gets adjusted over the construction period as and when invoicing is made to the customer.

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|---|------------------------|------------------------|
| Contract liabilities at the beginning of the year | 3,574.49 | 3,523.29 |
| Contract liabilities at the end of the year | 3,056.91 | 3,574.49 |
| Net increase/decrease | (517.58) | 51.20 |

For the year 2023-24 and 2022-23 – There has been a net decrease of ₹ 517.58 crore and increase of ₹ 51.20 crore respectively as compared to previous year mainly due to advance received from the client.

D. Set out below is the amount of revenue recognised from:

(₹ in crore)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|---|------------------------|------------------------|
| Amount included in contract liabilities at the beginning of the year | 3,020.60 | 2,124.68 |
| Performance obligation satisfied in previous years | - | - |

E. Cost to obtain the contract

Amount recognised as asset as at 31st March, 2024 is Rs. Nil (As at 31st March, 2023: Rs. Nil)

Amount of amortisation recognised in the statement of profit and loss during the year is Rs. Nil (FY 2022-23: Rs. Nil)

F. Performance Obligation

Information about the Group's performance obligations are summarised below

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 March are, as follows:

(₹ in crore)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|--------------------------------------|------------------------|------------------------|
| Within one year | 12708 | 10300 |
| More than one year to 2 years | 8594 | 10700 |
| More than 2 years | 7536 | 14665 |
| Total | 28838.00 | 35665.00 |

Service Concession Arrangements

Public to private service concession arrangements are recorded in accordance with Appendix "C"- Service Concession Arrangements (Ind AS-115). Appendix "C" is applicable if:

- The Grantor controls or regulates which services the operator should provide with the infrastructure, to whom it must provide them, and at what price; and
- The Grantor controls- through ownership, beneficial entitlement, or otherwise- any significant residual interest in the infrastructure at the end of the term of the arrangement.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2024

If both of the above conditions are met simultaneously, a financial asset is recognized to the extent that the operator has an unconditional contractual right to receive cash or other financial asset from or at the discretion of the Grantor for the service.

These financial assets are initially recognized at cost, which is understood as the fair value of the service provided plus other direct costs directly attributable to the operation. They are then stated at amortized cost at the end of each financial year or

An intangible asset is recognized to the extent that the operator receives the right to charge users of the public service, provided that these charges are conditional on the degree to which the service is used.

These intangible assets are initially recognized at cost, which is understood as the fair value of the service provided plus other direct costs directly attributable to the operation. They are then amortized over the term of the concession.

Group has recognized financial asset of ₹ **1437.64 crore** (Rs.1349.78 crore) under service concession agreement upto the period ended 31st March 2024 after taking into account the receivables due from NHAI on completion of milestone as per terms of the contract. The Group has recognised revenue of ₹ **1883.05 crore** (₹ 550.97 crore) & Profit of ₹ **27.75** (₹ 0.21) Crore for the period upto 31st March 2024 on construction of Road under SCA as per Ind AS – 115 related to "Revenue from Customers". The Group has recognized receivable under service concession arrangement and shown under Other Financial current Assets which it will receive as per terms of the contract based on the completion of milestone, as on 31st March 2024.

Group has recognized revenue of ₹ **2.86 crore** (₹ 33.07 crore) on construction of intangible assets under service concession agreement. Group has recognised ₹ **Nil** (₹ Nil) as profit on construction of intangible assets under service concession arrangement. The revenue recognised in relation to construction of intangible assets under service concession arrangements represents the fair value of services provided towards construction of intangible assets under service concession arrangement. The group has recognised revenue of ₹ **223.54 crore** (₹ 196.32 crore) from operation of toll roads.

44. Leases

a) Group as a Lessee

The Group as a lessee has entered into various lease contracts, which includes lease of land, office space, guest house and vehicles. Before the adoption of Ind AS 116, the Group classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease.

Right of Use Assets

The carrying amounts of right-of-use assets recognised and the movements during the year are disclosed in Note 8.

Lease Liabilities

Set out below are the carrying amounts of lease liabilities recognised and the movements during the year:

(₹ in crore)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|----------------------------------|------------------------|------------------------|
| Balance at April 1, 2023 | 0.51 | 0.16 |
| Addition | 3.32 | 0.34 |
| Accreditation of interest | 0.28 | 0.02 |
| Payments | (0.87) | (0.01) |
| Balance at March 31, 2024 | 3.24 | 0.51 |
| Current | 0.72 | 0.09 |
| Non-current | 2.52 | 0.42 |

Amounts recognised in Statement of Profit and Loss

The maturity analysis of the lease liability is included in Note – 33 Financial risk management objectives and policies under maturities of financial liabilities.

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For The Year Ended 31st March 2024

(₹ in crore)

| Particulars | For the Year ended 31st March, 2024 | For the Year ended 31st March, 2023 |
|---|--|--|
| Depreciation expense of right-of-use assets (Refer Note 31) | 1.13 | 0.38 |
| Interest expense on lease liabilities (Refer Note 30) | 0.28 | 0.02 |
| Expense relating to short-term leases (Refer Note 28 (iii)) | 7.03 | 5.67 |
| | 8.44 | 6.07 |

The Group has several lease contracts that include extension and termination options. These options are negotiated by management and align with the Group's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

Following are the undiscounted potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term:

(₹ in crore)

| Particulars | Within Five Years | More than Five Years | Total |
|--|-------------------|----------------------|-------|
| Extension options expected not to be exercised | - | - | - |
| Termination options expected to be exercised | - | - | - |
| | - | - | - |

b) Group as a Lessor

The Group has given building, Plant & Machinery and MFCs under operating lease which are cancellable by giving appropriate notices as per respective agreements.

(i) Company has sub leased 23 MFCs to the various sub lessees out of which, sub-lease agreement of 7 MFC's namely Thiruvalla, Rajgir, Mysore, Kannur, Hyderabad, Bilaspur, Indore, Madurai & Jodhpur are terminated as on 31.03.2024. Out of these 7 terminated MFC,s, the leased assets of two MFC's namely Thiruvalla and Rajgir were returned back to RLDA in the year 2019-20.

An amount of ₹ **24.77 crores** (31.03.2023 ₹ 24.13 crores) has been recognized as provision against the receivable from terminated MFC's as on 31.03.2024. For remaining MFCs and other debtors of the company a provision of doubtful debt is recognised to the tune of ₹ **2.54 Cr** (₹ 3.96 Cr as on 31.03.2023) as per simplified approach of ECL methodology in books of account for the period ending 31.03.2024.

(ii) The Group has given buildings under operating lease. Lease income (rental and service charges) aggregating ₹ **23.21 crore** (₹ 14.18 crore) has been recognized in the Statement of Profit and Loss as per lease arrangements.

(iii) The Group has given Machinery under operating lease. Lease income aggregating ₹ **0.20 crore** (₹ 4.55 crore) has been recognized in the Statement of Profit and Loss as per lease arrangement.

(iv) The Group has given a demarcated area adjacent to the Toll Road, within the terms of the Service Concession Arrangement with NHAI, on Lease for a Petrol Pump to be operated by Hindustan Petroleum Company Limited (HPCL) and Lease and operations of Rest Area to Synergy Engineers Group Private Limited. An amount of ₹ **0.19 crore** (₹ 0.18 crore) was received from HPCL and ₹ **0.22 crore** (₹ 0.20 crore) from Synergy as Lease payments.

Future minimum rentals receivable under non-cancellable operating leases is as follows:

(₹ in crore)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|--|------------------------|------------------------|
| Within one year | | |
| Demacrated Area | 0.25 | 0.41 |
| Multi Functional Complexes | 16.89 | 14.16 |
| Building | 4.41 | 1.65 |
| After one year but not more than five years | | |
| Demacrated Area | 0.90 | 0.91 |
| Multi Functional Complexes | 75.13 | 77.98 |
| Building | 28.37 | 35.57 |
| More than five years | | |
| Demacrated Area | 1.92 | 2.17 |
| Multi Functional Complexes | 459.48 | 389.22 |
| Building | 34.50 | 30.06 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2024

45. Other Regulatory Disclosure

- (a) The Group do not have any transactions with companies struck off in current year and previous year.
- (b) The Group do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period in current year and previous year.
- (c) The Group have not traded or invested in crypto currency or virtual currency during the current year and previous year.
- (d) The Group have not advanced or loaned or invested funds to any other person(s) or entity(is), including foreign entities (Intermediaries) with the understanding that the Intermediary shall in current year and previous year.:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (e) The Group have not received any fund from any person(s) or entity(is), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall in current year and previous year.:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- (f) The Group does not have any transaction which is not recorded in the books of accounts that has been subsequently surrendered or disclosed as income during the year as part of the on going tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961) in current year and previous year.
- (g) The Group do not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property in current year and previous year.
- (h) The Group has not been declared as wilful defaulter by any bank or financial institution or government or any government authority n current year and previous year.
- (i) The Group has complied with the number of layers prescribed under the Companies Act, 2013 n current year and previous year.
- (j) The Group has not received any grants or donations during the fiscal years ending on March 31, 2024, and March 31, 2023, except for a grant of Rs 112.35 Crore received from Ircon Renewable Power Limited during the current fiscal year.

46. Recent pronouncement

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated March 31, 2023 to amend the following Ind AS which are effective for annual periods beginning on or after April 1, 2023. The Company applied for the first-time these amendments:

- (i) Definition of Accounting Estimates – Amendments to Ind AS 8

The amendments clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on the Company's financial statements.
- (ii) Disclosure of Accounting Policies – Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments have had an impact on the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Company's financial statements.
- (iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to Ind AS 12

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases.

As a result of these amendments, the Company has to recognize a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2024

47. Other disclosures

- (a) (i) The Holding company has been claiming deduction under section 80 IA from AY 2000-01 to AY 2019-20. The deduction under section 80 IA has been allowed by Income Tax appellate Tribunal (ITAT). However, Income Tax Department has filled appeal before High Court against order of ITAT for the AY 2000-01. Upto AY 2019-20 company was offering global income for tax in India after excluding the income in accordance with DTAA agreements where income earned from foreign countries are excluded from global income offered for taxation. The Holding company was allowed exclusion method upto AY 2005-06, thereafter credit against taxes paid in foreign countries have been allowed from taxes computed on global income by department. After paying the due tax the issue has been contested by filing appeals. This issue has been allowed in favour of Ircon by ITAT.
- (ii) The provision for income tax w.r.t earlier years has been written back/income tax expenses has been reversed amounting to ₹ Nil (₹ 78.53 crores) account of favourable orders received from Income tax authorities.
- (b) There are certain other matters pending in litigations against the group before various courts and appellate authorities on account of claims by some contractors in cost plus projects. In such cases, the Group envisages reimbursement from the Clients in full as per the terms of contract and expects no economic outflow of resources. In this respect, a total claim of ₹ **1702.41 crore** (₹ 1984.19 crore) is under litigation, for which provision of ₹ Nil (₹ 6.59 crore) has been made which has been reimbursed by the client. The Holding Company has also made counter claims on the contractors of ₹ **120.64 crore** (Rs. 340.09 crore). Interest on claims is not considered, being unascertainable.
- (c) Hon'ble High Court has permitted to release an arbitration award, amounting to ₹ **97.96 Crore** against NHAI for UP-05 ,Orai Highway Project against submission of bank guarantee of equivalent amount. The Group has provided liability of equivalent amount till final decision of the Court
- (d) The Group has a system of obtaining periodic confirmation of balances from banks and other parties. So far as trade/other payables and loans and advances are concerned, the balance confirmation letters were sent to the parties. Balances of some of the Trade Receivables, Other Assets, Trade and Other Payables are subject to confirmations/reconciliations and consequential adjustment, if any. Reconciliations are carried out on on-going basis. However, management does not expect to have any material financial impact of such pending confirmations / reconciliations.
- (e) In the opinion of the management, the value of assets, other than property, plant and equipment and non-current investments, on realisation in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.
- (f) Certain reclassifications and recasting have been made to the comparative period's financial statements to enhance comparability with the current year's financial statements. These reclassifications have no effect on the reported results of operations.
- (g) Previous year figures are shown under bracket () to differentiate from current year figures.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2024

48. Additional information pursuant to Schedule III to the Companies Act, 2013 for the year ended 31st March, 2024.

(₹ 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. Crore) | As % of Consolidated Profit or Loss | Amount (Rs. Crore) | As % of Consolidated Other Comprehensive Income | Amount (Rs. Crore) | As % of Consolidated Total Comprehensive Income | Amount (Rs. Crore) |
| Parent Company | | | | | | | | |
| Ircon International Limited | 60.99% | 3,602.36 | 85.04% | 790.50 | 96.23% | (0.51) | 85.04% | 789.99 |
| Subsidiaries | | | | | | | | |
| Ircon Shivpuri Guna Tollway Limited | 0.69% | 40.97 | -0.69% | (6.39) | 0.00% | - | -0.69% | (6.39) |
| Ircon PB Tollway Limited | 2.36% | 139.44 | -0.83% | (7.75) | 0.00% | - | -0.83% | (7.75) |
| Ircon Davanagere Haveri Highway Limited | 4.18% | 247.17 | 2.57% | 23.88 | 0.00% | - | 2.57% | 23.88 |
| Ircon Infrastructure & Services Limited | 2.99% | 176.62 | 0.96% | 8.88 | 1.89% | (0.01) | 0.95% | 8.87 |
| Ircon Vadodara Kim Express way Limited | 5.69% | 336.32 | 5.18% | 48.12 | 0.00% | - | 5.18% | 48.12 |
| Ircon Gurgaon Rewari Highway Limited | 1.63% | 96.21 | 0.45% | 4.14 | 0.00% | - | 0.45% | 4.14 |
| Ircon Renewable Power Limited | 1.55% | 91.58 | -0.03% | (0.31) | 0.00% | - | -0.03% | -0.31 |
| Ircon Akoli- Shirsad Expressway Limited | 1.07% | 63.09 | 0.76% | 7.07 | 0.00% | - | 0.76% | 7.07 |
| Ircon Ludhiana Rupnagar Highway Limited | 1.01% | 59.43 | 0.16% | 1.53 | 0.00% | - | 0.16% | 1.53 |
| Ircon Bhoj Morbe Expressway Limited | 1.14% | 67.34 | 1.17% | 10.91 | 0.00% | - | 1.17% | 10.91 |
| Ircon Haridwar Bypass Limited | 1.45% | 85.90 | 0.29% | 2.71 | 0.00% | - | 0.29% | 2.71 |
| Total Subsidiaries | | 1,404.07 | | 92.79 | | (0.01) | | 92.78 |
| Non- Controlling interest in Subsidiaries | 0.60% | 35.17 | 0.00% | - | 0.00% | - | 0.00% | - |
| Net Amount of Subsidiaries | | 1,439.24 | | 92.79 | 0.00% | (0.01) | | 92.78 |
| Joint Ventures | | | | | | | | |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2024

| 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. Crore) | As % of Consolidated Profit or Loss | Amount (Rs. Crore) | As % of Consolidated Other Comprehensive Income | Amount (Rs. Crore) | As % of Consolidated Total Comprehensive Income | Amount (Rs. Crore) |
| Bastar Railways Private Limited | 1.29% | 76.42 | 0.03% | 0.30 | 0.00% | - | 0.03% | 0.30 |
| Chattisgarh East Railway Limited | 3.15% | 185.87 | -2.58% | (24.01) | 0.00% | - | -2.58% | (24.01) |
| Chattisgarh East West Railway Limited | 3.55% | 209.67 | -0.01% | (0.06) | 0.00% | - | -0.01% | (0.06) |
| Ircon – Soma Tollway Private Limited | 1.35% | 79.78 | 7.32% | 68.05 | 1.89% | (0.01) | 7.32% | 68.04 |
| Jharkhand Central Rail Limited | 2.42% | 143.14 | 0.07% | 0.65 | 0.00% | - | 0.07% | 0.65 |
| Mahanadi Coal Railway Limited | 1.86% | 109.73 | -0.04% | (0.41) | 0.00% | - | -0.04% | (0.41) |
| Indian Railway Stations Development Corporation Limited | 1.01% | 59.89 | 0.18% | 1.70 | 0.00% | - | 0.18% | 1.70 |
| Total Joint Ventures | | 864.50 | | 46.22 | | (0.01) | | 46.21 |
| Net Total | 100% | 5,906.10 | 100% | 929.51 | 100% | (0.53) | 100% | 928.98 |

As per our Report of even date attached

For Ramesh C Agrawal and Company
Chartered Accountant
FRN : 001770C

Sd/-
Sanjay Agrawal
Partner
M. No. 072867

For and on behalf of Board of Directors

Sd/-
Ragini Advani
Director (Finance)
DIN-09575213

Sd/-
B. Mugunthan
Chief Financial Officer

Sd/-
Ashish Bansal
Chairman & Managing Director
and CEO
DIN-10328174

Sd/-
Pratibha Aggarwal
Company Secretary
FCS No. 8874

Place : New Delhi
Date : 21st May, 2024

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 2024

The preparation of consolidated financial statements of Ircon International Limited for the year ended 31 March 2024 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139 (5) read with Section 129 (4) of the Act is responsible for expressing opinion on the financial statements under Section 143 read with Section 129 (4) of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Revised Audit Report dated 01 July 2024 which supersedes their earlier Audit Report dated 21 May 2024.

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 2024 under Section 143(6)(a) read with Section 129(4) of the Act. We conducted a supplementary audit of the financial statements of subsidiaries (as per Appendix 1), but did not conduct supplementary audit of the financial statements of subsidiaries, associate companies and jointly controlled entities (as per Appendix II) for the year ended on that date. Further, Section 139(5) and 143 (6) (a) of the Act are not applicable to **IRCON-Soma Tollway Private Limited being private entity, for appointment of their Statutory Auditor and for conduct of supplementary audit. Accordingly, Comptroller and Auditor General of India has neither appointed the Statutory Auditors nor conducted the supplementary audit of this company.** This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and company personnel and a selective examination of some of the accounting records.

In view of the revisions made in the Statutory Auditor's report, to give effect to some of my audit observations raised during supplementary audit, I have no further comments to offer upon or supplement to the Statutory Auditors' report under Section 143(6)(b) of the Act.

For and on the behalf of the
Comptroller & Auditor General of India

Sd/-

Dr. Nilotpal Goswami
Director General of Audit
Railway Commercial, New Delhi

Place: New Delhi
Dated: 25.07.2024

APPENDIX-I

List of subsidiaries, Associate company and Joint Ventures of IRCON International Limited, New Delhi for which supplementary audit was conducted under section 143 (6) (a) read with section 139 (4) of the Companies Act, 2013 for the year 2023- 24.

Subsidiaries

1. Ircon Renewable Power Limited
2. Ircon Akloli-Shirsad Expressway Limited
3. Ircon Ludhiana- Rupnagar Highway Limited
4. Ircon PB Tollway Limited.
5. Ircon Gurgaon Rewari Highway Limited

Joint Ventures

1. Mahanadi Coal Railway Limited (MCRL).
2. Jharkhand Central Railway Limited (JCR).
3. Chhattisgarh East Railway Limited (CERL).
4. Chhattisgarh East-West Railway Limited (CEWRL).

Sd/-
Sr. Audit Officer (Co-ordination)
(Railway Commercial)

APPENDIX-II

List of subsidiaries, Associate company and Joint Ventures of IRCON International Limited, New Delhi for which supplementary audit was not conducted under section 143 (6) (a) read with section 129 (4) of the Companies Act, 2013 for the year 2023-24.

Subsidiaries

1. Ircon Vadodra Kim Expressway Limited.
2. Ircon Davangere haveri Highway Limited.
3. Ircon Haridwar Bypass Limited.
4. Ircon Shivpuri Guna Tollway Limited.
5. Ircon Bhoj Morbe Expressway Limited.
6. Ircon Infrastructure & Sercives Limited.

Joint Ventures

1. Indian Railway Stations Development Corporation Limited (IRSDC)
2. Bastar Railway Private Limited (BRPL).

Sd/-
Sr. Audit Officer (Co-ordination)
(Railway Commercial)



इरकॉन

इरकॉन इंटरनेशनल लिमिटेड
IRCON INTERNATIONAL LIMITED
(A Govt. of India Undertaking)

ircon

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