



ANNUAL REPORT 2017-18

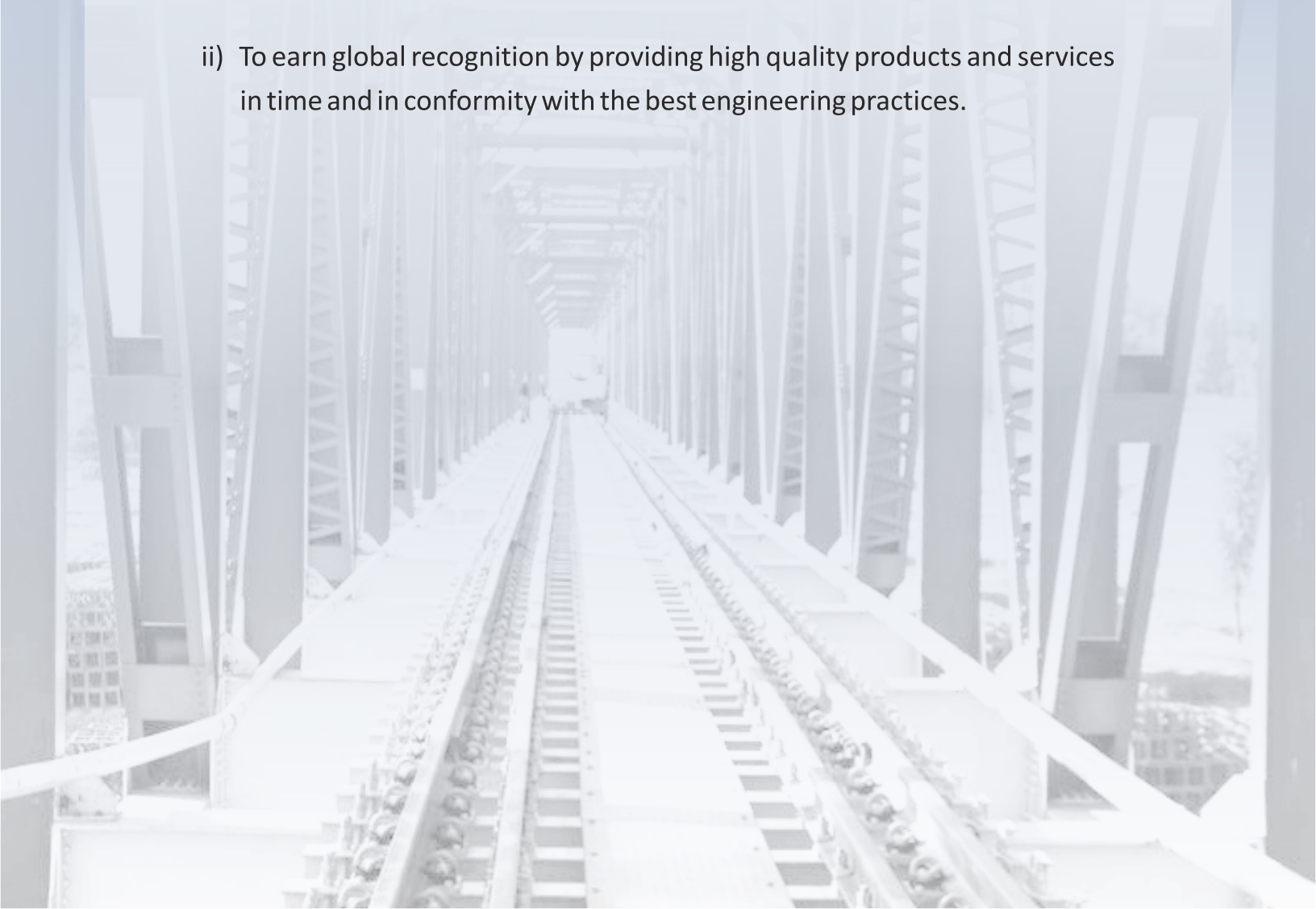


VISION

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

MISSION

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



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BOARD OF DIRECTORS

(As on 14th September, 2018)

CHAIRMAN & MANAGING DIRECTOR



Mr. S. K. Chaudhary

WHOLE-TIME DIRECTORS



Mr. M.K. Singh
Director (Finance)



Mr. Deepak Sabhlok*
Director (Projects)

PART-TIME (OFFICIAL) DIRECTORS



Mr. Rajiv Chaudhry



Mr. Ved Pal
[w.e.f. 22.11.2017]

INDEPENDENT DIRECTORS



Mr. Avineesh Matta



**Prof. Vasudha
V. Kamat**



Dr. C.B. Venkataramana
[w.e.f. 28.09.2017]



Mr. Ashok Kumar Ganju
[w.e.f. 08.03.2018]



Mr. N.S. Raina
[w.e.f. 17.10.2017]

*Holding additional charge of the post of Director (Works) from 16.07.2018 onwards.

REGISTERED OFFICE

C-4, District Centre, Saket, New Delhi – 110017
Tel.:91-11- 29565666, Fax: 91-11-26522000 / 26854000
E-Mail:info@ircon.org, Website: www.ircon.org
CIN : U45203DL1976GOI008171

COMPANY SECRETARY

Ms. Ritu Arora
(w.e.f. 04.01.2018)

STATUTORY AUDITORS

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

COST AUDITORS

M/s. Chandra Wadhwa & Co.
Cost Accountants

SECRETARIAL AUDITORS

M/s. Vishal Agarwal & Associates
Company Secretaries

MAIN BANKERS

- Indian Overseas Bank
- State Bank of India
- HDFC Bank



CHAIRMAN'S ADDRESS

(AT THE 42ND AGM-14.09.2018)



Dear Shareholders,

I am delighted to welcome you all on the occasion of 42nd Annual General Meeting of your company. It gives me immense pleasure to present before you the Annual Report for the financial year 2017-18. This has been a year of transition for IRCON during which we have not only maintained business growth, profitability, productivity and order book consolidation but also exercising listing of the company through part disinvestment of holding by Government of India.

Financial Highlights

Financial Year 2017-18 was the remarkable year in terms of business growth.

- The total Income / Turnover of your Company has registered an increase of 26.70% to Rs.4,123 crore in 2017-18 as compared to Rs.3,254 crore in 2016-17 and Profit after tax has increased by approx. 6% from Rs.369 crore to Rs.391 crore during the corresponding period. About 95% of the total income i.e. Rs.3,896 crore has risen from operations, out of which about 15.43% i.e. Rs.601 crore has been contributed by foreign projects.
- On a consolidated basis, your Company has recorded a turnover of Rs.4,212.40 crore and consolidated PAT of Rs.411.62 crore during the financial year ended 31st March 2018.
- The Company has already paid an interim dividend of Rs.95.15 crore for the financial year 2017-18 and now proposes final dividend amounting to Rs.97.25 crore i.e. 103% of the paid-up share capital. Thus, the total dividend

for 2017-18 would sum up to Rs.192.40 crore which is 204% of the paid-up share capital and 49.22% of the post-tax profits. After the proposed final dividend, the cumulative dividend to shareholders for the year 2017-18 will amount to Rs.1,492.31 crore.

- During the year, the authorized share capital has been increased from Rs.100 crore to Rs.400 crore. Your Company had bought back 49,28,426 equity shares of President of India at a price of Rs.386.72/- per equity share, amounting to Rs.190.59 crore. Subsequent to buy back of shares, the paid-up share capital of the Company stood reduced from Rs.98.98 crore to Rs.94.05 crore w.e.f. 26th December 2017.

Performance under MoU

With robust all-round performance, your company is expected to achieve the "Excellent" rating for the MoU signed with the Government of India for the year 2017-18 after a gap of 4 years.

Listing with Stock Exchange

After the announcement of the listing of shares of Ircon in the budget for the 2017-18 by the Government of India, DIPAM, Ministry of Finance, the process of disinvestment of approx. 10.53% of post paid-up share capital by the President of India has commenced. Ircon will not receive any proceeds from the Offer and all proceeds shall go to the Government of India, however, it will have the benefits of listing the Equity Shares on the Stock Exchanges.

The Issue/Offer opening date is 17th September 2018 and the closing date is 19th September 2018. Price Band for the offer fixed by the Government of India & the Company in consultation with BRLM is Rs.470 to Rs.475 per Equity Share. A discount of Rs.10 per share on the offer price has been allowed to the eligible Employees and retail individual investors. The bids can be made in lot size of 30 Equity Shares. The Company is likely to be listed by 28th September, 2018.

Operational Profile

During 2017-18, Your Company has commissioned two foreign projects in Bangladesh and three projects in India. So far it had completed more than 127 projects in more than 24 countries across the globe, and 380 projects in various states in India as on 31st March 2018.

During the year your Company has secured eleven projects in India of total value amounting to Rs.6,106 crores. Concerted efforts are being made to secure contracts in Bangladesh, Thailand, Nepal, Turkey, Ghana, Sri Lanka, and Malaysia.

After the closure of the financial year, the Company has also secured many projects in India major of which is construction of Eight lane Vadodra Kim Expressway (Package-II) on HAM basis from NHAI, in the state of Gujarat for a total value of Rs.1,865 crore.

Your Company has entered into a Memorandum of Understanding on 26th March 2018 with the Rail Land Development Authority (RLDA) for transfer of lease hold rights to Ircon for commercial development on the land parcel admeasuring 4.3 (four point three) Hectare at Bandra East, Mumbai, Maharashtra, against the payment of Upfront Lease Premium. In consideration of its roles and responsibilities, Ircon shall be entitled to receive from RLDA, an amount equivalent to a total of 3% (three percent) of the Upfront Lease Premium.

Order Book

Our Order Book as of March 31, 2018 was ₹22,407 crores which translates into approximately six times our total operating revenue in Fiscal Year 2018, and we believe it provides evidence of our healthy revenue profile.

We believe that growth in our Order Book position is a result of our track record of successful execution of our projects, which has led to our ability to successfully bid and win new projects. The growth of our average size new orders, together with our diversified business activities in infrastructure projects across transportation, engineering, and building construction limits the risks associated with any particular industry, while simultaneously helping us to benefit from the synergies of operating in diverse business sectors. Further, our track record of executing projects within the specified timelines has also helped us minimize cost overruns.

In view of healthy order book and huge investment taking place in infrastructure projects in India, I am confident that the accelerated growth will continue in years to come.

Subsidiary and Joint Venture Companies

As on 31st March 2018, Ircon had four wholly owned subsidiary companies viz., Ircon Infrastructure & Services Limited, Ircon PB Tollway Limited, Ircon Shivpuri Guna Tollway Limited and Ircon Davanagere Haveri Highway Limited. After the close of the year, one wholly owned subsidiary of the Company by the name of Ircon Vadodara Kim Expressway Limited got incorporated on 16th May, 2018.

Your Company holds 50% equity stake with Soma Tollways

Private Limited in Ircon Soma Tollway Private Limited (Joint venture Company) and 50 % stake with RLDA in IRSDC. Your Company also holds 26% equity stake in five other joint venture companies viz. CERL, CEWRL, MCRL, JCRL and BRPL incorporated mainly for coal connectivity projects in the States of Chhattisgarh, Jharkhand, Odisha.

Human Resource

Your company considers its employees as valued assets and focuses on welfare of its employees including minorities and women employees together with focus on acquiring best talent with required skills to cater to its manpower needs. During the year 2017-18, 329 employees [104 regular, 14 on deputationists, and 211 employees on contract basis (including service contract)] were appointed. Out of these new recruits, 112 employees are technically and professionally qualified.

Corporate Governance, CSR and Sustainability

Your Company is committed to good governance, and complies with the requirements of corporate governance under the DPE Corporate Governance Guidelines, other legal requirements. During the year, your Company has spent an amount of Rs.8.73 crore towards Corporate Social Responsibility (CSR) initiatives. The CSR initiatives, aimed at conducting business in a sustainable manner, broadly comprise of activities in the field of health, sanitation, education, employment enhancing education including education for differently abled, environment, infrastructure development, launching CSR mobile application to provide information about the various activities undertaken under CSR etc.

Acknowledgement:

I take this opportunity to express my sincere thanks and gratitude to my colleagues on the Board of Directors for their valuable guidance and advice in the management of the Company. I am also thankful for the whole-hearted support received from the Ministry of Railways, Government of India, DIPAM, other Ministries and Departments of Government of India, our shareholders, financial institutions, banks, CAG, Statutory, Cost & Secretarial Auditors and look forward for their continued support in Company's future endeavors.

I, on behalf of the entire Board of Directors, sincerely thank all the employees of Ircon at all levels and would like to place on record the appreciation of the Board for the hard work and dedication of all the employees.

(S.K. Chaudhary)

Chairman & Managing Director

Place : New Delhi

Date : 14th September, 2018

DIRECTORS' REPORT

DISTINGUISHED SHAREHOLDERS

The Directors of your Company have pleasure in presenting their 42nd Report on the affairs of the Company for the financial year 2017-18.

1. FINANCIAL PERFORMANCE / HIGHLIGHTS

A. Financial Performance:

During the financial year 2017-18, your Company achieved a total operating income of Rs.3,896.39 crore, registering 28.84% increase over previous year's operating income of Rs.3,024.23 crore (re-grouped). The operating turnover from international segment increased by Rs.274.18 crore i.e. from 326.95 crore to Rs.601.13 crore and the domestic segment reports increase in operating turnover of Rs.627.41 crore i.e. from Rs.2,667.85 crore to Rs.3,295.26 crore.

The profit before tax (PBT) has increased to Rs.533.31 crore as compared to Rs.531.54 crore (including exceptional items of Rs.73.69 crore) in the last year. The PBT has increased mainly due to increase in total turnover from that in the previous year. The profit after tax has increased to Rs.390.86 crore over the previous year of Rs.368.85 crore.

The earnings per share for the year 2017-18 have increased to Rs.40.01 as compared to Rs.37.27 in the previous year. The increase has been on account of increase in profit after tax and buy-back of shares done during the year.

On a consolidated basis, your Company has recorded a turnover of Rs.4,212.40 crore during the financial year ended 31st March 2018 and achieved consolidated Net Profit of Rs.411.62 crore for the said financial year.

B. Financial Performance Indicators:

Some important indicators of financial performance of the Company for the year 2017-18 vis-à-vis 2016-17 are given below:

Sl. No.	Particulars	2017-18	2016-17	Increase / (Decrease) [in %]
1.	Total income/turnover	4,123	3,254	26.70
2.	Total Operating income/turnover	3,896	3,024	28.84

(Rs.in crore)

Sl. No.	Particulars	2017-18	2016-17	Increase / (Decrease) [in %]
3.	Operating income from Foreign Projects	601	327	83.83
4.	Operating income from Indian Projects	3,295	2,668	23.52
5.	Profit before tax	533	532	0.33
6.	Profit after tax	391	369	5.97
7.	Net worth	3,752	3,828	(1.99)
8.	Dividend	192.40	192.40*	--

*Includes final dividend of Rs. 97.25 crore for the year 2016-17 which was paid in the year 2017-18 after approval by AGM as per IndAS.

C. Foreign Exchange Earnings and Outgo:

The Company has earned a foreign exchange of Rs.450 crore during 2017-18 as compared to Rs.265 crore earned during 2016-17. The foreign exchange outgo stood at Rs.386 crore during 2017-18 as compared to Rs.241 crore during 2016-17. Thus, the net foreign exchange earnings have increased by 167% i.e. from Rs.24 crore in 2016-17 to Rs.64 crore in 2017-18 due to increase in operating turnover from foreign projects.

D. Dividend:

The Board of Directors (BoD) had declared an interim dividend of Rs. 95.15 crore (approx.) i.e. 101.16% on the paid-up share capital of Rs. 94.05 crore in March 2018. The said interim dividend was paid to all the shareholders in March 2018.

The BoD has recommended final dividend (over and above the interim dividend) of Rs. 97.25 crore (approx.) i.e. 103% on the paid-up share capital of Rs. 94.05 crore.

With this, the total dividend for the year 2017-18 would sum up to Rs. 192.40 crore (approx.) i.e. 204% of paid-up share capital which works out to 49.22% of the post-tax profits for 2017-18 and 5.13% of net worth as on 31st March 2018. After approval and payment of the proposed dividend, the cumulative dividend

to shareholders up to 2017-18 will stand at Rs.1,492.31 crore.

The dividend will be paid to the shareholders whose name appears in the Register of Members as on 31st August 2018.

E. Appropriations / Tax Provisions / Reserves:

1. Appropriations / Tax Provisions: (Rs.in crore)

Sl.No.	Particulars	2017-18	2016-17
1	Interim Dividend (including additional interim dividend) declared and paid	95.15	95.15
2	Proposed Dividend	97.25*	97.25
3	Dividend Distribution Tax on Interim Dividend	19.37	19.37
4	Tax on proposed Dividend	19.99*	19.80
	TOTAL	231.76	231.57

*Proposed Dividend Distribution Tax on proposed dividend of Rs.97.25 (to be declared at the AGM) amounting to Rs.19.99 crore.

2. Capital Redemption Reserve:

During the year, your Company has transferred Rs.4.93 crore to capital redemption reserve account for buy-back of equity shares [detailed in para F (2) below], which is equal to nominal amount of equity shares so bought back and extinguished during 2017-2018.

F. Increase in Share capital:

1. Authorised Share Capital:

During the year, the authorized share capital has been increased from Rs.100 crore to Rs.400 crore in terms of approval by the shareholders at the Extra-ordinary General Meeting held on 22nd May 2017. This increase was already approved, vide letter dated 3rd November 2016, by the President of India (through administrative ministry).

2. Paid-up Share capital after Buy-Back of equity shares:

The Inter Ministerial Group (IMG), Department of Investment and Public Asset Management (DIPAM) at its meeting held on 7th June 2017 on the basis of examination of financial accounts of Ircan for the financial year 2016-17 and on financial criteria specified in "Guidelines on capital Re-structuring of CPSEs" issued by DIPAM on 25th May 2016, suggested

Ircan to consider buy-back of shares to the tune of 5% of aggregate paid-up equity and free reserves of the Company as on 31st March 2017. Accordingly, with the approval of the Board of Directors a proposal for buy-back by the Company of its fully paid-up equity shares of Rs.10/- each not exceeding 49,41,818 fully paid-up Equity Shares was sent to the existing shareholders at a price of Rs.386.72/- per Equity Share payable in cash on a proportionate basis upto 5% of the net worth (comprising paid-up share capital plus free reserves) i.e. Rs.3,822.27 crore as per the audited financial results of the Company for the year ended on 31st March 2017.

Thus, based on the acceptance of the offer by the Ministry of Railways (on behalf of the President of India), your Company had bought back 49,28,426 fully paid-up equity shares of Rs.10/- each utilizing Rs.234.57 crore (which includes tax of Rs.43.98 crore). Accordingly, the paid-up share capital of the Company stood reduced from Rs.98.98 crore to Rs.94.05 crore w.e.f. 26th December 2017.

3. Listing of Shares:

After the announcement of the listing of shares of Ircan in the budget for the 2017-18 by the Government of India, DIPAM, Ministry of Finance has appointed Legal Advisors, Book Running Lead Managers (BRLM) and Registrars to the Issue for disinvestment of paid-up equity share capital of the Company through Initial Public Offering (IPO) of shares by the Promoters (i.e. Government of India).

Accordingly, for the proposed initial public offering of equity shares of Ircan, M/s. Crawford Bayley & Co. along with their International consortium partner M/s. Hogan Lovells are Legal Advisors; IDBI Capital Markets & Securities Limited, SBI Capital Markets Limited, and Axis Capital Limited are BRLM; and M/s Karvy Computer Karvy Computershare Private Limited is providing services of Registrar.

Your Company has filed Draft Red Herring Prospectus (DRHP) with SEBI on 27th March 2018. Subsequently, BSE and NSE have granted its in-principle approval of the Company's listing application and SEBI observations have been received on 12th July 2018. Subsequently, the Board of Directors at its meeting held on 31st August 2018 have approved the Red Herring Prospectus (RHP) of the Company.

4. Dematerialization of Shares:

The details of dematerialization of shares is provided in the extract of Annual Report placed as Appendix-G in Para IV (Share holding Pattern).

2. ORDER BOOK

The Company secured works worth Rs.6,106 crore during the year 2017-18. The work load as on 31st March 2018 stood at Rs.22,407 crore (approx.) as compared to Rs.18,878 (approx.) crore as on 31st March 2017. The work load as on 30th June 2018 is Rs.26,469 crore (approx.).

3. OPERATIONAL PERFORMANCE

A. Completed Foreign Projects:

Your Company has commissioned two projects in Bangladesh during the financial year 2017-18.

Bangladesh

1. The project for construction of 2nd Bhairab Railway Bridge with Approach Rail Lines (Lot-A) -- being undertaken through unincorporated JV between your Company and AFCONS viz. IRCON-AFCONS JV for Bangladesh Railway, at a revised value of Rs.265 crore (Ircon's share), has been completed in March 2017. The trial run of engine was carried out on 10th April 2017.

The bridge was inaugurated jointly by Hon'ble Prime Minister of India Mr. Narendra Modi and Hon'ble former Prime Minister of the People Republic of Bangladesh Sheikh Hasina Wazed by Video Conferencing on 9th November 2017.

2. Design, Supply, Installation, Testing, and Commissioning of Computer based Interlocking Colour Light Signalling System on turnkey basis at 11 stations between Ishurdi-Darsana section of Bangladesh for Bangladesh Railway, at a value of Rs.60 crore has been completed in September 2017.



2nd Bhairab Bridge on River Meghna, Bangladesh

B. On-going Foreign projects:

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

Bangladesh

1. Construction of Embankment, Track, all civil works, major & minor bridges (Except Rupsha) & culverts and implementation of EMP against Package WD1 under the project Construction of Khulna-Mongla Port Rail Line for Bangladesh Railway, at a value of Rs.911 crore (USD 147.80 million). The physical progress up to March 2018 is 14%. The work was commenced in March 2016 and is scheduled to be completed in February 2020.

The project is progressing slowly due to late handing over of encumbrance free land and issuance of drawings for alignment (L-section and X-section), bridges and buildings by the Engineer/Bangladesh Railway.



Installation of Prefabricated Vertical Drains, Bangladesh

Algeria

2. Installation of double track line (93 kms) in Algeria awarded by ANESRIF, Ministry of Transport, Government of Algeria, initially awarded at a value of Algerian Dinar Cr. 1,628 (Rs.1,003 crore converted) involving construction of second line and upgradation of existing line, with diversion of 10 Kms from Ouedsly to Yellel in Alger-Oran section of Algerian Railways. The value of contract including additional works for realization of double line has been revised to Algerian Dinar Cr. 3,073 (Rs. 1,784 crore converted). The project was awarded in 2008 and is likely to be completed in December 2019. The reasons for delay are significant increase in scope of works, delay in payments due to non-allocation of funds to the project, excessive delay in approval of amendments, delay in approval of drawings and removal of obstructions, delay in resolving the discrepancy in mode of payments etc.

The work of 67 kms new track has been handed over to the client in spite of the cash flow problems which are hampering progress particularly structural works awarded to sub-contractors. Work on the existing line has also started in the first stretch of 13 kms, 6 out of 7 station buildings are ready to be handed over and the bridge work has picked up with assurance of timely payments. With the improvement in international oil prices the client has assured uninterrupted payments which will improve the progress of works and likely completion by December 2019.

South Africa

3. Procurement of Plant Design, Supply and Installation of Overhead Track Equipments, Traction Sub-stations, Auxiliary Power Supplies Substations, Bulk Power Supplies Switching Stations and Signalling Systems for Majuba Rail Project, South Africa, for Eskom Holdings SOC Limited, at a value of Rs. 308 crore (Rand 663 million, Rand 1 = 5.212). The work has been secured in November 2015. During the operation of contract, Foreign Currency issue arose which has been resolved. The physical work has been completed in March 2019 and commissioning work are in progress.

C. Likely Foreign projects:

Concerted efforts are being made to secure contracts in **Bangladesh, Thailand, Nepal, Turkey, Ghana, Sri Lanka, and Malaysia.**



Railway Electrification Work, Majuba, South Africa

D. Project Completed in India:

During the financial year 2017-2018, following three projects got completed:

1. One RoB on State owned Road (other than NHs) in Bihar through its funds on 1st Km at Manpur by-pass in Gaya District, Bihar for Road Construction Department, Government of Bihar at a value of Rs.60 Crore.
2. Carrying out topographical and Geotechnical survey; Preparation of Master Plan, Planning, Designing and Construction of Boundary Wall and allied Preparatory works, for the National Institute of Technology, Mizoram at a value of Rs.140 crore.
3. Construction of New Indoor Sports Complex at Ghosapur (Behala) on Sealdah Division, for Eastern Railway at a value of Rs.58 crore.



Indoor Sports Complex, Behala, Kolkata

E. New Projects in India:

During 2017-18, your Company secured following projects in India of total value Rs.6,106 crore:

1. Katni Grade Separator / By pass line (21.50 Km) Project, for West Central Railway at an estimated cost of Rs.582.13 crore.
 2. Railway electrification work for Katni-Singrauli, for West Central Railway at an estimated cost of Rs.258.33 crore.
 3. Mathura-Kasganj-Kalyanpur Railway Electrification Project with Signalling, for North Eastern Railway at an estimated cost of Rs.401 crore
 4. Visakhapatnam (Diesel Loco shed) – Augmentation of shed for homing 100 HHP locomotives, for East Coast Railway, at an estimated cost of Rs.61.75 crore.
 5. Re-development of Safdarjung Railway Station, for RLDA and Ministry of Railways at an estimated cost of Rs.261.72 crore.
 6. 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) at an revised estimated project cost of Rs.3,272.98 crore as per approved Detailed Project Report (DPR).
 7. 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) at an estimated project cost of Rs.537.27.
 8. Survey, Feasibility study, Detailed Design and Construction of various identified Rail Coal Connectivity Project(s), for Mahanadi Coal Railway Limited (MCRL), at an estimated project cost of Rs.35.20 crore.
 9. Akhaura – Agartala Rail Link project, for North Frontier Railway, at an estimated project cost of Rs. 574 crore as per approved DPR, out of which Rs.28.69 crore has been considered for the year's order book.
 10. Railway Tracks (In-plant) Package (Package No. 50) for 3.0 MTPA Integrated Steel Plant at Nagarnar, for NMDC Limited at a value of Rs. 52.95 crore.
 11. Further works in Katra-Qazigund section including Dharam-Qazigund section, Km 73.00 to 91.00, for Northern Railway at an estimated cost of Rs.613.72 crore.
- G.** Your Company has entered into a Memorandum of Understanding on 26th March 2018 with the Rail Land Development Authority (RLDA) for transfer of lease hold rights to Ircon for commercial development on the land parcel admeasuring 4.3 (four point three) Hectare at Bandra East, Mumbai, Maharashtra, against the payment of Upfront Lease Premium. In consideration of its roles and responsibilities, Ircon shall be entitled to receive from RLDA, an amount equivalent to a total of 3% (three percent) of the Upfront Lease Premium. In order to pay upfront lease premium equivalent to guidance price as approved by RLDA, GST, Stamp Duty and Registration Charges a tripartite a loan agreement has been signed amongst Ircon, RLDA and Indian Railway Finance Corporation Limited (IRFC) on 28th March 2018. RLDA has agreed to pay to Ircon such amounts as maybe required by Ircon to meet their debt servicing obligations as and when due under this Agreement. Further the Ministry of Railways also has agreed to provide corresponding amounts to RLDA.

H. On-going major Projects in India:

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

I. New Projects secured after the close of the year:

After the close of the year 2017-18, your Company secured following projects in India:

1. Construction of New BG Electrified Rail line between Dharamjaigarh to Korba (Urga) of Chhattisgarh East Railway Limited (CERL-II), at an estimated project cost Rs.260 crore as per approved DPR.
2. Construction of Corridor-III of East West Corridor between Gevra Road to Pendra Road in the State of Chhattisgarh for CEWRL for additional value of Rs. 260 crore on account of revised contract value.



Proposed Safdarjung Station, New Delhi

3. Survey, Feasibility study, Detailed Design and Construction of various identified Rail Coal Connectivity Project(s), for Jharkhand Central Railway Limited (JCRL), at an estimated project cost Rs. 1,139 crore as per approved DPR.
4. Survey, Feasibility study, Detailed Design and Construction of various identified Rail Coal Connectivity Project(s), for Mahanadi Coal Railway Limited (MCRL), at an estimated project cost of Rs. 1,079 crore.
5. Execution of rail connectivity projects identified by Bastar Railway Private Limited (BRPL), at an estimated project cost of Rs. 1,513 crore.
6. Construction of Eight Lane Vadodara Kim Expressway from Km 323.00 to Km 355.00 (Sanpa to Padra Section of Vadodara Mumbai Expressway) in the State of Gujarat under NHDP Phase-VI on Hybrid Annuity Mode (Phase IA-Package II), for Ircon Vadodara Kim Expressway Limited (IrconVKEL) at a value Rs.1,865 crore.

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

A brief background on the subsidiaries (including the newly formed wholly-owned subsidiary --Ircon Vadodara Kim Expressway Limited incorporated on 16th May 2018) and joint ventures companies of Ircon along with their financials and performance is given at **Appendix – B**.

5. CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the provisions of Section 129(3) of the Companies Act, 2013, your Company has prepared its Consolidated Financial Statements [as per line by line method] with its four subsidiaries viz. IrconISL, IrconPBTL, IrconSGTL, and IrconDHHL; and [as per equity method] with seven joint venture companies viz. IRSDC, ISTPL, CERL, CEWRL, MCRL, JCRL, and BRPL. The accounts of un-incorporated joint ventures have been included in the standalone financial statements for the financial year 2017-18.

The Board of Directors of your Company has, at its meeting held on 3rd August 2018, approved the Financial Statements for 2017-18 (Standalone and Consolidated).

Your Company would make available audited financial statements (standalone and consolidated) of Ircon and accounts / financial statements of its subsidiaries

(IrconISL, IrconPBTL, IrconSGTL and Ircon DHHL) at its website (www.ircon.org).

A statement containing the salient features of the financial statements of four subsidiaries and seven joint venture companies in Form AOC-1 is attached with the Financial Statements.

6. COMPLIANCES

A. Presidential Directive:

During the year, one presidential directive was received from Railway Board vide letter dated 24th November 2017, for implementation of pay revision of Board level and below Board level executives and non-unionised supervisors of Ircon w.e.f. 1st January 2017. The same was implemented during the year.

B. Official language:

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

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

In addition, regular quarterly meetings of Official Language Implementation Committee and workshops for effective use of the unicode system and official language are being conducted. Employees are being encouraged through various incentive schemes for the implementation of the Annual Programme of the Official Language Department. Bilingual facility has been introduced for computer systems and mobile phones used by officials of the Company. Officers and staff are being encouraged through various incentive schemes for implementation of the annual program of the Official Language Department. Bilingual formats have been made available at Ircon's internal website for use by the employees.

C. Right to Information Act, 2005:

As per the requirements of the RTI Act, necessary updated information including the names of Appellate Authority, Central Public Information Officer, Assistant

Public Information Officer and State Level Public Information Officers and are posted on Ircon's website. Queries received have been replied within the stipulated time. The queries mostly related to service matters/recruitments, finance, contract, and projects. The details of RTI cases have been forwarded to the Ministry of Railways for publication on Central Information Commission (CIC) website on quarterly as well as annual basis.

During the year 2017-18, 185 applications and 30 first appeals were received and at the beginning of the year 10 applications and 3 first appeals were under process. Out of this, 185 applications (including 3 appeals at the beginning of the year) were processed / disposed off. As on 31st March 2018, 10 applications were under process for disposal within the allowable time limit.

D. Compliance of MSME Guidelines for implementation of Purchase Preference Policy:

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

Your Company has requested Ministry of MSME (through Ministry of Railways) in terms of letter dated 21st September 2017 for exemption from achieving mandatory target of 20% for the financial year 2016-17. The same was approved by the Ministry of MSME on 1st March 2018.

The achievement of procurement from MSEs in compliance to Public Procurement Policy during the financial year 2017-18 is placed below:

Sl.No.	Particulars	2017-18
1.	Total annual procurement (in Rs. Crore)	263.11
2.	Target %age of annual procurement (20%) (in Rs. Crore)	52.62

3.	Total value of goods and services procured from MSEs (including MSEs owned by SC/ST entrepreneurs) (in Rs. Crore)	35.34
4.	Total value of goods and services procured from only MSEs owned by SC/ST entrepreneurs	-
5.	% age of procurement from MSEs (including MSEs owned by SC/ST entrepreneurs) out of total procurement	13.43%
6.	% age of procurement from only MSEs owned by SC/ST entrepreneurs out of total procurement	-

During the year 2017-18, your Company has conducted six (06) Vendor Development Programmes for MSEs.

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

Your Company's Board is duly constituted and is in compliance with the requirements of the Companies Act, 2013 and DPE Guidelines on Corporate Governance, 2010.

The following Directors & KMP were appointed during the year 2017-18:

1	Dr. C.B. Venkataraman Part-time (Non-Official) Director [DIN:03179171]	w.e.f. 28.09.2017
2	Mr. Narinder Singh Raina Part-time (Non-Official) Director [DIN:07968391]	w.e.f. 17.10.2017
3.	Mr. Ved Pal Part-time (Official) Director [DIN: 07902760]	w.e.f. 22.11.2017
4.	Mr. Ashok Kumar Ganju Part-time (Non-Official) Director [DIN: 07014589]	w.e.f. 08.03.2018
5.	Ms. Iti Matta Company Secretary, Compliance Officer & KMP	w.e.f. 01.11.2017
6.	Ms. Ritu Arora Company Secretary, Compliance Officer & KMP	w.e.f. 04.01.2018

The details of the aforesaid four directors appointed during

the year 2017-18 and noting / approval of their appointment at the ensuing Annual General Meeting (AGM) are contained in the accompanying Notice convening the ensuing AGM of the Company.

The following Directors & KMP ceased to hold office during the year 2017-18:

1	Mr. S.C. Jain Part-time (Official) Director [DIN: 07564584]	w.e.f. 17.11.2017 due to change in nomination by the Ministry of Railways.
2	Mr. Hitesh Khanna Director Works [DIN 02789681]	w.e.f. 28.03.2018 due to pre-mature termination of tenure by the Ministry of Railways on his own request.
3.	Ms. Sumita Sharma Company Secretary & KMP	w.e.f. 27.10.2017 resigned from the post of Company Secretary
4.	Ms. Iti Matta Company Secretary, Compliance Officer & KMP	w.e.f. 04.01.2018 relinquished charge of the post of Company Secretary

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

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

1	Mr. Sanjay Kumar Singh Part-time (Non-Official) Director [DIN: 00003695]	w.e.f. 02.07.2018 due to termination of tenure by the Ministry of Railways
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8. MEETINGS OF THE BOARD OF DIRECTORS AND AUDIT COMMITTEE

During April 2017 to March 2018, ten meetings of the Board of Directors and thirteen meetings of the Audit Committee were held.

The details of meetings of the Board of Directors, Audit Committee, and other Board level committees are given at para 3 of the Corporate Governance Report.

9. INTERNAL CONTROL SYSTEM AND RISK MANAGEMENT

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

10. WHISTLE BLOWER POLICY / VIGIL MECHANISM

During the year, the Company has approved a revised Whistle Blower Policy under which there is a vigil mechanism in place for the Employees and Directors of the Company to report to the Management, concerns about unethical behavior, actual or suspected fraud, or violation of the Company's code of conduct.

11. PERSONNEL DEVELOPMENT

Cordial and harmonious industrial relations prevailed in the Company during the year. The total manpower strength as on 31st March 2018 stood at 1,622, which included 1,179 regular employees, 49 deputationists, and 394 employees on contract (including service contract). 832 employees of the Company were technically and professionally qualified. The total number of women employees was 63. There were a total of 205 scheduled caste / scheduled tribe employees as on 31st March 2018.

During the year, the strength of total new employed personnel stood at 329, which included 104 regular employees, 14 deputationists, and 211 employees on contract (including service contract). Out of these new recruits, 112 employees are technically and professionally qualified, 6 are women employees, and 19 scheduled caste / scheduled tribe employees.

Your Company has been continuously taking steps for building capacity of its human resource through training in functional and general management areas, contract & arbitration, leadership, information technology, as well as soft skills. External faculty is arranged wherever required and officials are nominated for workshops, seminars, etc. with reputed institutes. During the year 2017-18, a total 912 man-days training was imparted to officials of Ircon through workshops, seminars, conferences, in-house trainings and training in external institutes, etc.

Your Company has various schemes for staff welfare like educational scholarships, 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 group 'C' and 'D' employees, etc. facility of homeopathy and allopathy treatment at Corporate office. Other

facilities like immediate financial assistance and guidance are being provided to employees and their family members in case of any medical exigency, lumpsum ex-gratia payment to family members in case of death of serving employee.

Your Company aims to provide congenial and safe working atmosphere to women employees. The Company has a complaints committee for prevention of sexual harassment at work place. Further, provision pertaining to prohibition of sexual harassment has also been incorporated in Ircon Conduct, Disciplinary, and Appeal Rules. No complaints relating to sexual harassment has been received by the Company during the year. On International Women's day, the company organized a workshop exclusively for women employees by Delhi Police, at the Corporate office of the Company.

The 42nd Annual Day of the Company was celebrated on 28th April 2018 with traditional fervor and gaiety. On this occasion, exemplary work done by employees in Indian as well as foreign projects and select projects were appreciated and rewarded. Educational awards to meritorious children of the employees were also given on this occasion.

12. QUALITY, ENVIRONMENT, AND HEALTH & SAFETY MANAGEMENT

Quality Management System (QMS) has been successfully sustained and continually improved since 1996 when the Company as a whole was first certified for ISO-9002-1994 by TUV SUD Private Limited. Your Company has continued the certification and sustained the system as per latest revised code ISO 9001:2015 (by periodical re-certification audit after expiry of every three years). Latest re-certification audit has been conducted in March 2017, whereby the Company has been re-certified by TUV-SUD for a period of another three years i.e. up to June 2020

The Company has developed the mobile phone / web based video library, for Personal Safety & safety in construction in 2D format. This mobile / internet based application has been released in English and Hindi and is available on Ircon's internal website.

During the year, the Company has started an initiative to share technical knowledge and technical papers based on IS/IRC/IRS/ASTM Standards, Standard Construction practices and experiences. The topics

were, CAR and PII & PLI Policies; Railway Doubling projects – Work Procedure; Working Adjacent to Railway Track – Safety Guidelines; Comparison between IS: 383- 1970 versus IS: 383 - 2016; The Slings - Vital And Weak Links in Lifting & Hoisting Operations; Bolt and Nuts - Engineering Aspects; High Strength Concrete - Concrete with Mineral Additives.

Your Company established an **Environment Management System (EMS)**, and was certified for ISO 14001:2004 in October 2011. The latest re-certification audit for ISO 14001-2015 has been conducted in March 2017 whereby the Company has been re-certified for another three years i.e. up to May 2020.

During the year, QMS was updated in the month of June 2017 and EMS in the month of May 2017, quite before the last updation date of September 2018, which is an improvement over the past practices in the Company.

The Company nominates Environment officers at major Indian projects to monitor EMS at their respective projects who complies with the environmental laws and monitor air quality. This is an ongoing process until completion of the project. Environmental checklists have been developed and maintained by all projects. In addition, the Company has a fully operational environmental lab in Jammu for study of impact on environment by the construction activities.

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

environment by initiating indoor air quality monitoring in the Corporate Office building. Tree plantation is also undertaken by corporate office and project offices.

Your Company has also been certified for **Occupational Health & Safety Management System** (OHSAS – BS 18001:2007) in December 2012 by TUV SUD South Asia. The re-certification audit was conducted in October 2015, whereby the Company had been re-certified for another three years i.e. up to December 2018.

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

13. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, AND UPGRADATION

On energy conservation front, your Company has completed work of Design, Supply, Installation, Testing and Commissioning of grid connected solar power plant of 2MW capacity with all the electrical and associated equipment including civil works at Rail Coach Factory, Rae Bareli (U.P.), at a value of Rs. 15.60 crore. The plant is fully operational, and meets about 21% of electrical energy requirement for the factory. The Company has procured 1 MW additional Solar Power Plant at Rail Coach Factory, Rae Bareli in addition to earlier installed 2 MW Solar Power Plant.

Additional 10 KW Roof Top Grid Connected Solar Power Plant has been made operational as a step to conserve energy. This Solar Power Plant is in addition to existing capacity of 80 KW, and has been implemented after energy audit contributing to environment through usage of Green Energy.

Further, additional capacitor banks have been installed at Corporate Office building to improve power factor which would further reduce the Electrical Energy consumption.

Technology absorption and upgradation

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

For the first time in Indian Railways, Overhead Equipment (OHE) design for Railway Electrification Project is being carried out by using Drone camera for picking the coordinates through Differential Global Positioning System (DGPS). The OHE layout plans are then prepared with the help of Autocad. Ircon has also planned for use of Drone Camera for Katni Singrauli Doubling project.

During the year, development of Circular OHE foundation in situ and Precast was done in Mathura – Kasganj – Kalyanpur Section for Railway Electrification Project.

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

Uncommon technique of launching of girder by cantilever method was used at 2nd Bhairab Bridge in Bangladesh by utilizing the benefit of river water. The barge of 250 tonne capacity was used to mount the road crane as well as the members of the truss. The whole barge was brought parallel to the working span and members were erected by the road crane when the barge was properly anchored. With this process of cantilever launching time cycle was reduced from 45 days to 30 days for erection of truss bridge of 102.4 meter in length. This also economized the cost by saving the extra material to be welded on the bottom chord.

Further, New Austria Tunnelling Method (NATM) is proposed to be adopted for construction of tunnels in Sivok–Rangpo project. This method is very useful in complex diversified geological condition where forecasting of the rock mass is difficult due to rapidly changing geology.

14. RESEARCH & DEVELOPMENT (R&D)

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

During the year, the Company has used drone technology for development of OHE layout plan of the value Rs. 55.10 lakhs for 339 RKM.

15. INFORMATION TECHNOLOGY AND DEVELOPMENT OF ERP

With an objective to enable IT facility in all domain, efforts were directed to enable IT in all domain.

The Company has established SAP ECC 6.0 based Finance-Controlling module to incorporate additional functionalities like fixed asset accounting for calculation of depreciation as per Indian Income Tax Act, Bank Reconciliation System, FOREX reporting in Functional currency, local currency and reporting currency, Implementation of IndAS functionality (age analysis and discounting of Financial Asset and liability), reports for quarterly and annual financial statements as per schedule III of the Companies Act, 2013. A new tool from SAP called Business Objects (SAP BO) has been introduced to automate the financial reporting of the organisation. This reporting tool takes the real-time data from SAP ECC and prepares the publishable reports namely Balance Sheet, Statement of Profit & Loss, Statement of changes in equity, Cash Flow etc. on demand basis. This automation has led to drastic reduction in the time and effort required to prepare and finalize the books at the end of the quarter / year. The Company has implemented e-Recruitment system on SAAS model with functionalities like on-line submission of application with payment gateway, generation of admit card and communication through SMS / e-mail with the applicants, conducting on-line written test, instant publication of results etc. Video conferencing system is used for conducting review meetings with Project Heads, training, promotion interviews etc. SAP servers are hosted on cloud to ensure high availability security and flexibility for capacity augmentation.

During the year online Annual Performance Appraisal System and Leave application CL/RH system has been

developed and launched. The official website of the Company has been revamped to provide well planned information architecture, mobile compatibility, fast access, browser consistency and effective, easy navigation. Enhancement of SAP ERP FI-CO module has been done for improved transparency and financial control and maintaining books of accounts fixed assets, MIS, P&L for all projects. Visitor Management System has been upgraded to ensure proper maintenance of visitor details and visitors convenience at corporate office. Besides this, two mobile apps for CSR and Recruitment related information has been launched and available on google play store. Three more mobile applications are under development. The Company has upgraded its Network Infrastructure at Corporate Office to ensure state of art setup for digital transactions and projects connectivity. Keeping in view the need for Information and Cybersecurity, the Company has nominated Chief Information Security Officer (CISO).

To reduce paper usage and transparent working, use of IT has been enhanced in all the functional domains.

16. VIGILANCE ACTIVITIES

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 Vigilance Department ensures implementation of laid down guidelines / procedures through preventive checks of tenders and contracts, execution of works, and other functions as well as carries out investigations into complaints. During the year, five preventive inspections were carried out on high value tenders floated from Corporate Office. Complaints raised against officials, procedures etc. by various authorities (like CVC, Railway Board Vigilance), and received from other sources were investigated to their logical conclusion. A total of 21 complaints were received from 1st April 2017 till June 2018. Out of these 21 complaints, 1 complaint was forwarded by CVC for investigation & report and 11 complaints were disposed off (including CVC referred complaint). The nature of these complaints includes irregularities during tendering, execution of contract, anonymous

and pseudo anonymous one and quality related issues. Based on the outcome thereon, circulars on system improvements were issued in different spheres of working related to tenders, contracts, finance, etc. and also project management to avoid recurrence of irregularities / procedural errors and to plug loopholes. In addition, steps were taken for closure of paras raised by the Chief Technical Examiner's Organisation (CTEO) and advice of CVC on disciplinary matters pertaining to delinquent employees. Scrutiny of immovable property returns of employees; creating awareness on rules/ procedures/ common irregularities in execution through workshops/ trainings, debate, competitions, etc. have been the prime activities of the Department.

As a step towards 'leveraging technology' for better transparency, submission of online Immoveable Property Returns by the officers was started in 2012-13 and the process is running successfully; online Vigilance Clearance started w.e.f. 1st April 2014 in the organization through intranet portal www.irconnet.com; vigilance section / portal on website www.ircon.org with a facility for online receipt of complaints is in place since December 2012; e-procurement has already been started w.e.f. 1st July 2013 in the organization in a comprehensive manner for achieving transparency for all value of the work.

Vigilance department strives to achieve its objective of promoting an impartial, fearless, and transparent environment in functioning of the organisation by ensuring implementation of laid down procedure / guidelines as framed and taking steps to prevent unethical practices.

Your Company has implemented integrity pact as recommended by CVC, a move aimed at maintaining complete transparency, integrity and accountability in all its major procurement and contracts.

17. AWARDS

Your Company had received following awards during the year 2017-18:

1. Dun & Bradstreet Infra Awards 2017, in the category of "Construction & Infrastructure Development (Railways)". The award was presented by Mr. Nitin Gadkari, Hon'ble Minister of Road Transport & Highways, Shipping and Water Resources, River



Dun & Bradstreet Infra Awards 2017

Development and Ganga Rejuvenation and received by Mr. S.K. Chaudhary Chairman & Managing Director, Ircan at a function held in Mumbai on 2nd November 2017.

2. Governance Now 5th PSU Awards 2017 in the Financial category (Consistent Growth). The award was presented by Ms. Krishna Raj, Hon'ble Union Minister of State of Agriculture & Farmers Welfare, India and received by Mr. Yogesh Kumar Misra, Chief General Manager (Business Development), Ircan at a function held in New Delhi on 27th February 2018.
3. Dainik Bhaskar India Pride Awards 2017-18 in the category of "Central PSU: Miniratna-Category-I". The award was presented by Mr. Shivraj Singh Chouhan, Hon'ble Chief Minister of Madhya Pradesh and Mr. Dharmendra Pradhan, Hon'ble Minister for Petroleum & Natural Gas and Minister of Skill Development & Entrepreneurship and received by Mr. S.K. Chaudhary Chairman & Managing Director, Ircan at a function held in New Delhi on 28th March 2018.



Dainik Bhaskar India Pride Awards 2017-18

4. CIDC Partners in progress Trophy 2018 from Construction Industry Development Council (CIDC) for achieving targets of “Mission Skilling India” under various CIDC initiatives. The award was presented at a function held in New Delhi on 7th March 2018.

Your Company had received the following awards after the close of the year 2017-18:

1. Institute of Economic Studies Excellence Award to Ircon and Udyog Rattan Award to CMD, Ircon. Both these awards were presented by Mr. B.P. Singh, former Governor of Sikkim and Mr. Shekhar Dutt, former Governor of Chhattisgarh and received by Mr. S.K. Chaudhary Chairman & Managing Director, Ircon at a function held in New Delhi on 14th April 2018.



Excellence Award & Udyog Ratan Award

18. OTHER DISCLOSURES

A. Particulars of Loans, Guarantees or Investments:

The details of investments made, loans granted, and guarantees extended by your Company in terms of section 186 of the Companies Act, 2013 during the year 2017-18 forms part of the notes to the financial statements [note no. 40(c)] provided in the Annual Report.

B. Disclosure on remuneration of directors and employees:

As per provisions of section 197 of the Companies Act, 2013 read with the Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the company is required to disclose the details of the remuneration of the Directors etc. in the Directors' Report. However as per Notification No. GSR 463(E) dated 5th June, 2015 issued

by the Ministry of Corporate Affairs, Government Companies are exempted from complying with provisions of section 197 of the Companies Act, 2013. Ircon being a government company, such particulars are not included as part of Directors' Report.

C. Compliance with Secretarial Standards on Board, General Meeting and Dividend:

During the year, the Company is generally in compliance with the Secretarial Standards on Meetings of the Board of Directors (SS-1), General Meetings (SS-2), and Dividend (SS-3) issued by the Institute of Company Secretaries of India, except as otherwise stated in the Secretarial Audit Report.

D. Deposits:

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

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

No order has passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company and its operations in future.

F. Material changes and commitments affecting the financial position between end of the financial year and the date of report:

No material changes and commitments affecting the financial position of the Company during the financial year 2017-18.

G. Change in the nature of business:

There was no change in the nature of business of the Company during the financial year 2017-18.

H. Qualification, reservation or adverse remarks in the Auditor's Reports, Secretarial Auditor Report

The Management Response on qualification contained in the Auditors' Report 2017-18 (Standalone and Consolidated) is placed as **Appendix-I**.

The Management Response on the qualification in the Secretarial Auditor Report 2017-18 is placed below:

“The minutes of the 18th Nomination and Remuneration Committee (NRC) meeting dated 21-12-2017 entered in the minutes book 27-02-2018 and noted at the 19th NRC meeting dated 7-3-2018 and 242nd Board of Directors (BoD) meeting dated 7-3-2018.

The minutes of the 19th Nomination and Remuneration Committee meeting dated 7-3-2018 and adjourned 19th NRC meeting dated 8-3-2017 have been entered in the minutes book on 21-06-2018 and noted at the 21st NRC meeting held on 21-08-2018 and 244th BoD meeting held on 3-8-2018.”

19. INTEGRAL REPORTS

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

1. **“Report on CSR and Sustainability Activities”** provides a brief outline of the company’s CSR and Sustainability policy, the composition of CSR & Sustainability Committee, average net profit of the Company for the last three financial years, prescribed CSR expenditure, and details of CSR spent on the activities / projects undertaken during the financial year etc. [**Appendix – C**].
2. The **“Management Discussion and Analysis Report”** provides an overview of the affairs of the Company, its legal status and autonomy, business environment, vision and mission, sectoral and segment-wise operational performance, strengths, opportunities, constraints, strategy and risks and concerns, as well as human resource and internal control systems [**Appendix – D**].
3. The **“Corporate Governance Report”** highlights the philosophy of Corporate Governance and Key Values of the Company, composition of Board of Directors and its Committees, their details including profile of directors who joined the Board during 2017-18, attendance and remuneration of directors etc., other relevant disclosures, CMD / DF Certification, and general information for shareholders, etc. [**Appendix – E**]. It is supplemented by following compliance certificates:
 1. Certificate signed by the Chairman & Managing Director affirming receipt of compliance with the Code of Conduct and Key Values from all Board members and Senior Management personnel during the year 2017-18 (placed at **Annexure – E1**);
 2. Certificate from Chairman & Managing Director and Director Finance with respect to the truth and fairness of the Financial Statements, due compliances, and financial reporting (placed at **Annexure – E2**); and

3. Certificate of compliance of Corporate Governance provisions signed by a practising company secretary (placed at **Annexure – E3**).
4. The Secretarial Audit Report from the secretarial auditor is at **Appendix – F**. The Management Response on the qualification contained in the Secretarial audit Report 2017-18 is placed at para 18H above.
5. The **“Extract of Annual Return”** in Form MGT-9, pursuant to section 134(3)(a) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, placed at **Appendix – G**.
6. The **“Disclosure of Related Party Transactions”** in Form AOC-2, pursuant to Section 134(3) (h) of the Companies Act, 2013 and Rule 8 (2) of the Companies (Accounts) Rules, 2014, is at **Appendix – H**.
7. The Management Response on qualification contained in the Auditors’ Report 2017-18 (Standalone and Consolidated) is placed as **Appendix – I**.

20. DIRECTORS’ RESPONSIBILITY STATEMENT

The Board of Directors of the Company confirms:

- i. that in the preparation of the financial statements, the applicable accounting standards had been followed except as otherwise stated in the annual financial statements and there has been no material departure;
- ii. that such accounting policies were selected and applied consistently and such judgments and estimates were made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company for the financial year ended on 31st March 2018 and of the profit of the Company for the financial year 2017-18;
- 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; and
- v. that proper systems had been devised to ensure

compliances with the provisions of all applicable laws and that such systems were adequate and operating effectively.

21. AUDITORS

A. Statutory and Branch Auditors:

The Auditors of the Company appointed by the Comptroller & Auditor General of India for 2017-18 are:-

Statutory Auditors:

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

Gupta Gupta & Associates, Srinagar	All projects at Jammu & Kashmir Region
KDS & Co., Mumbai	All projects under Mumbai Region
K S Bothra & Co., Kolkata	All projects under Eastern Region
Jindal & Co., New Delhi	All projects under Northern Region
B. Gupta & Co., Patna	All projects under Patna Region

Branch Auditors for projects Abroad:

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

B. Cost Auditor:

The Board of Directors have appointed M/s. Chandra Wadhwa & Co., Cost Accountants, as Cost Auditor of your Company for the financial year 2017-18 for conducting the audit of cost records maintained by the Company as per the applicable Rules / Guidance Note, etc.

C. Secretarial Auditor:

The Board of Directors have appointed M/s. Vishal Agarwal & Associates, Practising Company Secretary

as Secretarial Auditor for conducting Secretarial Audit of your Company for the financial year 2017-18.

D. Internal Auditors:

The Board of Directors have appointed following Internal Auditors for 2017-18:

Internal Auditors for Indian Projects

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

Internal Auditors for Foreign Projects

The Internal Audit for projects abroad viz. Bangladesh, Algeria, and South Africa was undertaken in-house by the officials of the Company for the financial year 2017-18.

ACKNOWLEDGEMENT

We record our appreciation and thanks to the Ministry of Railways, Ministry of External Affairs, DIPAM and other Ministries; various banks, Reserve Bank of India, EXIM Bank; Export Credit and Guarantee Corporation; Embassies; Protector of Immigration; Passport Authority; Doordarshan; and our esteemed clients both in India and abroad for their continued interest in and support to the Company.

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

For and on behalf of the Board of Directors

Sd/-

(S.K. Chaudhary)

Date: 31st August 2018 **Chairman & Managing Director**
Place: New Delhi **(DIN: 00515672)**

ON-GOING MAJOR PROJECTS IN INDIA

(Rs. in crore)

Sl. No.	Name of the Project	Project/ Revised Value
1.	Katra-Qazigund section including Dharam-Qazigund section, Km 73.00 to 91.00, and USBRL Project, for Northern Railway.	10,135
2.	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)	3,273
3.	Setting up of new Rail Coach Factory at Rae Bareli, including additional works, for Ministry of Railways.	2,973
4.	i) Doubling projects for East Central Railway at - (a) RDUM-TAL-RJO (Rampur Dumra Tal Rajendrapul) project; (b) Kiul-Gaya project; (c) Hajipur-Bachwara; ii) Doubling projects for West Central Railway at Katni-Singrauli project.	1,369 (RDUM-TAL-RJO); 757 (Kiul Gaya); 459 (Hajipur-Bachwara); 348 (Katni-Singrauli)
5.	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)	2,106
6.	Construction of Corridor-I of East Corridor between Kharsia to Dharamjaygarh and Spur Line in the State of Chhattisgarh, for Chhattisgarh East Railway Limited (CERL).	1,961
7.	Sivok-Rangpo New Rail Line Project, for North Frontier Railway.	1,339
8.	Construction of Road Over Bridges (RoBs) in the State of a) Bihar (Phase – I & II), for Ministry of Railways and Government of Bihar b) Rajasthan, for Ministry of Railways and Government of Rajasthan	1,341 (Bihar), 634 (Rajasthan)



Inspection by CMD at Modern Coach Factory, Raebareli



ROB at Jodhpur, Rajasthan



Tunnel work Sivok - Rangpo Project, Silliguri, West Bengal

Sl. No.	Name of the Project	Project/ Revised Value
9.	Six-Laning of Davanagere-Haveri (from Km. 260+000 to Km. 338+923) of NH-48 in the State of Karnataka for IrconDavanagereHaveri Highway Limited (IrconDHHL) on Hybrid Annuity Project on DBOT Annuity under NHDP – Phase V – EPC Cost, for National Highways Authority of India (NHAI).	1,027
10.	Implementation of PMGSY in Bihar State for Government of Bihar	1,012
11.	RAPDRP – Part B Project under Jammu province (Cluster – I, Jammu left), (Cluster-II, Jammu Right), and (Cluster IV) (Akhnoor, Rajouri, Poonch, Udhampur, Doda, Kishtwar&Bhaderwah), for J&K Power Development Department.	682
12.	Widening and Strengthening of existing Bikaner-Phalodi section to Four-lane from Km. 4.200 to Km. 55.250 and Two-Lane with paved shoulder from Km. 55.250 to Km. 163.500 of NH-15 on BOT (Toll) basis in the State of Rajasthan, for Ircon PB Tollway Limited (IrconPBTL).	681
13.	Four-laning of Shivpuri to Guna from Km 236.00 to Km 332.100 (Package-I) in the State of Madhya Pradesh to be executed on BOT (Toll) on DBFOT pattern under NHDP Phase-IV), for IrconShivpuriGuna Tollway Limited (IrconSGTL).	670
14.	Katni Grade Seperator / By pass line (21.50 Km) Project, for West Central Railway.	582
15.	Construction / upgradation of Rural roads and bridges in 5 districts of Jharkhand – PMGSY Project, for Ministry of Rural Development, Government of India and State Government of Jharkhand.	525
16.	Construction of rail link between Jayanagar (India) – Bijalpura (Nepal) (Gauge conversion) with extension up to Bardibas on India-Nepal Border, for East Central Railway.	504
17.	Mathura-Kasganj-Kalyanpur Railway Electrification Project with Signalling, for North Eastern Railway	401
18.	Construction of Rail Link between Jogbani (Bihar) India to Biratnagar (Nepal), for North Frontier Railway.	372
19.	Design, Drawing and Construction of External Development works & External Services at National Institute of Technology (NIT), Mizoram.	330

Sl. No.	Name of the Project	Project/ Revised Value
20.	The work of system improvement, strengthening and augmentation of distribution system to bring down AT&C losses and improve quality of consumer supply of Meerut town of Uttar Pradesh, to be carried out under RAPDRP Part-B scheme on turnkey basis including supply of material, for PVVNL	329
21.	Construction of Railway Siding for proposed 3.0 MTPA Integrated Steel Plant at Nagarnar Near Jagdalpur, Chhattisgarh' for NMDC Limited: a) Package I - Execution of Civil & Railway Allied works b) Package-II - Execution of Civil, Signalling & Telecommunication, Mechanical and Structural works	283 (Package-I) and 79 (Package-II)
22.	Design, supply, installation, testing & commissioning of receiving-cum-traction and auxiliary main sub-station including high voltage cabling from grid sub-station and augmentation works for existing receiving sub-station under CE-6, Lot-1, for DMRC, for Delhi MRTS project, Phase-III.	272
23.	Re-development of Safdarjung Railway Station, for RLDA and Ministry of Railways.	262
24.	Railway electrification work for Katni-Singrauli, for West Central Railway.	258
25.	Akhaura – Agartala Rail Link project, for North Frontier Railway.	263
26.	Setting up of three electric loco sheds to home 200 three phase Locos one each at Bondamunda (for South Eastern Railway) and Daund (for Central Railway).	179
27.	Development of circulating area at Santragachi and essential passenger amenities and road connectivity to Kona Expressway, for South Eastern Railway.	311
28.	Development of coaching terminal at Shalimar by provision of essential passenger amenities, for South Eastern Railway.	251
29.	Contract CT-1-A – Supply, Installation, Testing and Commissioning of Ballastless Track of Standard Gauge, Part-1 Corridor of sections of Mukundpur – Lajpat Nagar (excluding) Line-7 in elevated and underground sections along with ballasted / ballastless tracks in Mukundpur Depot for Delhi MRTS Project of Phase-III), for DMRC.	203



Shivpuri - Guna 4 Lane Highway Project



DMRC 66KV Sub Station at INA, Delhi



Bikaner-Phaludi Highway Project



Railway bridge No. 17, Chhatisgarh

Sl. No.	Name of the Project	Project/ Revised Value
30.	Construction of New Block Station, Staff Quarters and associated P-Way, OHE and S&T works in connection with construction of Railway siding for the proposed 3.0 MTPA Integrated Steel Plant at Nagarnar, Chhattisgarh (Package No.- IV), for NMDC Limited.	84
31.	Visakhapatnam (Diesel Loco shed) – Augmentation of shed for homing 100 HHP locomotives, for East Coast Railway.	62
32.	Railway Tracks (In-plant) Package (Package No. 50) for 3.0 MTPA Integrated Steel Plant at Nagarnar, for NMDC Limited.	53
33.	Civil, Building & Track Works of Western Dedicated Freight Corridor Contract package CTP-11 JNPT – Vaitarana Section (IRCON share 60%), for Dedicated Freight Corridor Corporation of India Limited (DFCCIL).	43
34.	Survey, Feasibility Study, Detailed Design and Construction of various identified Rail Coal Connectivity Project(s), for Mahanadi Coal Railway Limited (MCRL).	35
35.	Construction of New Howrah Divisional Railway Office Building, for Eastern Railway	58
36.	DPR and Detailed Engineering Project Management & Construction of Coal Transportation System including Associated Electrical Package for Darlipali Super Thermal Power Project, Stage-I (2×800 MW) in the State of Orissa	26
37.	DPR & Detailed Engineering, Project Management and Construction of Railway Siding connecting MGR system of Dulanga mine-Darlipali STPP with Mahanadi Coal Limited's Siding, for Darlipali Super Thermal Power project, Stage-I (2×800 MW), for NTPC Limited	10

For and on behalf of the Board of Directors

Place: New Delhi
Date: 31st August 2018

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

SUBSIDIARY AND JOINT VENTURES COMPANIES

A. Subsidiary Companies:

1. Ircon Infrastructure & Services Limited (IrconISL)

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

During the year 2017-18, IrconISL has executed two consultancy project of Ministry of External Affairs viz. (a) Project Management Consultancy (PMC) for construction of 69 Bridges in Tamu-Kyigone-Kalewa section of Trilateral Highway in Myanmar (b) Consultancy project for Construction of Two Lane Road on NH Specifications from Paletwa to India-Myanmar Border (Zorinpui) from km 0.00 to km 109.2 in Chin State of Myanmar.

IrconISL has secured four PMC projects viz. (i) construction of Jawahar Navodaya Vidyalaya (JNV) at two locations, one at Sabarkantha (Gujarat) and other at Agar Malwa (Madhya Pradesh) from Navodaya Vidyalaya Samiti (ii) establishment of Haryana Vishwakarma Skill University at Dudhola, Palwal, Haryana (iii) construction of new State-of-Art Building of Department of Science & Technology at Technology Bhawan, New Mehrauli Road, New Delhi (iv) construction of Multi Modal Logistics Park (MMLP) at Paradip (Odisha) for Container Corporation of India Limited. IrconISL has also secured various projects under CSR and Swachh Bharat Abhiyaan from Power Grid Corporation of India Limited (PGCIL). After the close of the year, IrconISL secured one PMC work for engagement of consultants for setting up of MMLP near new Bhaupur on Eastern Dedicated Freight Corridor in Distt. Kanpur, UP for Container Corporation of India Limited (CONCOR).

Out of 24 MFCs undertaken by IrconISL, 23 MFCs have been sub-leased to operators out of these 6 sub-lease agreements have been terminated due to non-payment of lease rent by sub-lessee.

Financials of IrconISL:

The authorized, subscribed, and paid-up share capital of IrconISL is Rs.65 crore, as on 31st March 2018.

During the year, IrconISL had achieved an operating income of Rs.32.36 crore, and earned profit before tax of Rs.18.11 crore and profit after tax of Rs.13.65 crore.

2. Ircon PB Tollway Limited (IrconPBTL)

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

NHAI had declared 14th October 2015 as the appointed date for commencement of construction, with construction period of 910 days, for which Ircon is EPC contractor. The construction work is in advanced stage of completion, however, the completion is likely to be delayed due to non-availability of encumbrance free land for about 4 km. land stretch.

The Commercial Date of Operations would be notified after completion of construction and issue of completion certificate by NHAI for operationalization of toll plaza at three locations and levy of toll fees.

Financials of IrconPBTL:

The authorised share capital of IrconPBTL is Rs. 175 crore and its subscribed and paid-up share capital is Rs. 165 crore as on 31st March 2018. As on 31st March 2018, out of the total NHAI grant of Rs.327 crore, total amount of Rs.133.48 crore has been released, which is in proportion to the loan utilized for the project.

During the year, IrconPBTL had achieved revenue from operations (operating turnover) of Rs.277.54 crore, and earned profit before tax of Rs.1.25 crore and profit after tax of Rs.0.83 crore.

3. Ircon Shivpuri Guna Tollway Limited (IrconSGTL)

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

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

NHAI had declared 25th January 2016 as the appointed date for commencement of construction, with construction period of 910 days, for which Ircon has been appointed as EPC contractor. The Commercial Date of Operations (COD) was scheduled on 23rd July 2018. However, the COD has been achieved one and a half months ahead of the schedule i.e. on 6th June 2018. Thus, operation of toll plaza and collection of revenue has been started on the project w.e.f. 7th June 2018. The expected monthly revenue is between Rs.6 to 6.5 crore initially.

Financials of IrconSGTL:

The authorised share capital of IrconSGTL is Rs.150 crore and its subscribed and paid-up share capital is Rs. 150 crore as on 31st March 2018.

During the year, IrconSGTL had achieved revenue from operations (operating turnover) of Rs.381.93 crore, and earned profit before tax of Rs.0.018 crore and profit / (loss) after tax of Rs.(0.065) crore.

4. Ircon Davanagere Haveri Highway Limited (IrconDHHL)

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

IrconDHHL has entered into concession agreement with NHAI on 19th June 2017. IrconDHHL is still to submit relevant documents to NHAI to achieve financial close. Execution of the project would be taken up after achieving financial close and intimation of appointed date by NHAI. In terms of the concession agreement, the total bid project cost is Rs.1,177 crore plus escalation and First year O&M cost is Rs. 10 crore. The total EPC contract cost is Rs.1,026.96 crore out of which 40% shall be reimbursed by NHAI and 60% shall be arranged by SPV.

Financials of IrconDHHL:

The project construction cost of Rs.720.05 crore is proposed to be funded by equity and loan of Rs.217.05 crore and Rs. 503 crore respectively. The authorised Share Capital of IrconDHHL is Rs.217.05 Crore and its subscribed and paid-up capital is Rs.20.05 crore as on 30th June 2018.

IrconDHHL is yet to start its operations. Presently, the project is in construction phase and the operation and

maintenance phase shall commence on completion of construction. Ircon has been appointed as EPC contractor for execution of the project.

5. Ircon Vadodara Kim Expressway Limited (IrconVKEL)

After the close of the year, your Company has formed another wholly-owned subsidiary company by the name 'Ircon Vadodara Kim Expressway Limited' (IrconVKEL) on 16th May 2018, pursuant to conditions of award of Vadodara Kim Expressway Project in the State of Gujarat by NHAI.

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

IrconVKEL has signed the concession agreement with NHAI on 25th May 2018. IrconVKEL shall have to achieve financial close by 12th October 2018. Execution of the project would be taken up after achieving financial close and intimation of appointed date by NHAI.

Financials of IrconVKEL:

The authorized share capital of IrconVKEL is Rs.10 crore and its subscribed and paid-up share capital is Rs. 1 crore.

B. Joint Venture Companies (JVCs):

6. Ircon-Soma Tollway Private Limited (ISTPL)

A joint venture company called 'Ircon-Soma Tollway Private Limited' (ISTPL) was incorporated on 19th April 2005, with 50% equity participation by both Ircon and Soma Enterprise Limited (a construction company in private sector), for executing BOT project for four laning of Pimpalgaon-Dhule section of NH-3 from km 380 to km 265 in Maharashtra for NHAI.

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

During the year, Soma Enterprise Limited have transferred 6,38,69,999 equity shares out of total 6,38,70,000 equity shares held by them in Ircon-Soma Tollway Private Limited to its subsidiary company i.e.

Soma Tollways Private Limited and only one share is held by Soma Enterprise Limited. Subsequent to the said share transfers, entering into supplementary promoters agreement between Ircon, Soma Enterprise Limited and Soma Tollway Private Limited is under process.

Financials of ISTPL:

The authorized share capital of ISTPL is Rs. 130 crore and its subscribed and paid-up share capital is Rs. 127.74 crore (Ircon's share being Rs. 63.87 crore) as on 31st March 2018.

During the year 2017-18, ISTPL has achieved operating turnover of Rs.175.87 crore as compared to Rs.153.34 crore achieved during the previous year, and earned profit after tax of Rs.9.34 crore against profit of Rs.11.70 crore incurred during the previous year.

Your Company had entered into a tripartite pledge agreement with ISTPL and Punjab National Bank (PNB) to pledge 30% of its shareholding in ISTPL, in favour of PNB; a non-disposal undertaking with respect to 21% of its shareholding; and to make good 50% of any shortfall in dues, if any, to PNB in the event of the termination of the Concession Agreement. The said pledge agreement and non-disposal undertaking had been, executed as 50% equity partner in ISTPL, in connection with a loan of Rs. 521.53 crore availed by ISTPL in 2011-12. The said loan has been repaid by ISTPL to PNB on 31st December 2017 and pledge has been released on 17th January 2018. The details regarding this loan and related undertakings have also been disclosed in Note no. 7.1 forming part of the Standalone Financial Statements.

7. Indian Railway Stations Development Corporation Limited (IRSDC)

IRSDC a joint venture company of Rail Land Development Authority (RLDA) and Ircon was incorporated on 12th April 2012 and obtained a Certificate of Commencement of Business on 9th May 2012. The main objects of IRSDC is to develop / re-develop the existing / new railway station(s) which will consist of upgrading the level of passenger amenities by new constructions/ renovations including re-development of the station buildings, platform surfaces, circulating area, etc., to better standards so as to serve the need of the passengers in India, and commercial development of land/ air space.

In terms of letter dated 10th April 2017 of the Ministry of Railways to restructure and strengthen IRSDC, Ircon has during the year transferred 1% equity stake of IRSDC [out of total Rs.20.40 crore (51%) held by Ircon] to RLDA [holding Rs.19.60 crore (49%)] so as to make IRSDC a 50:50 JV Company.

IRSDC has been entrusted 13 stations located at Chandigarh, Habibganj (Bhopal), Shivaji Nagar (Pune), Bijwasan (New Delhi), Anand Vihar (Delhi), Surat, Sabarmati, Gandhinagar (Gujarat), Gandhinagar (Jaipur), Amritsar, Gwalior, Nagpur and Baiyappanhalli (Benguluru) for development/re-development. The status of re-development of railway station by IRSDC is as follows:

- (i) Chandigarh Railway Station – DPR for Chandigarh station has been approved by UT administration with commercial development of approx. 25 lacs sqft. The EPC tender for the station has been invited on 15.03.2018 and is scheduled to be opened on 04.05.2018. The tender for integrated facility management of the Chandigarh station has also been invited. The cost of station development as per EPC mode is Rs. 172 Cr. The cost of commercial development is anticipated as Rs. 680 Cr.
- (ii) Habibganj Railway Station - The physical progress of Habibganj is 25%.. Project is scheduled for completion by December 2018.
- (iii) Shivajinagar Railway Station – The master plan for Shivaji Nagar has been cleared by Pune Municipal Corporation on 02.03.2017 as per local development control norms with huge parking requirement. The re-development of Shivaji Nagar station will be taken up with Pune station for viability of the project.
- (iv) Bijwasan and Anand Vihar Railway Station – EPC tenders for both stations have been invited on 15.03.2018 and are in progress. Commercial development of land will be taken up after the land lease conditions are modified or land converted to freehold with the approval of cabinet for which a proposal has been submitted to Union Cabinet. The tender for integrated facility management has also been called for Anand Vihar is scheduled to be opened on 06.04.2018.
- (v) Surat Railway Station – Redevelopment of Surat Station has been taken up through SPV named as

Surat Integrated Transportation Development Corporation Limited (SITCO), which is a joint venture company incorporated on 17th October 2017 with equity participation by IRSDC, Gujarat State Road Transport Corporation (GSRTC) and Surat Municipal Corporation (SMC) in the ratio of 63:34:3 respectively, for development of a multi modal Transport Hub at Surat on a total land plot of 2.5 lakh sq. mtr. by pooling land parcels of the Railways, the GSRTC and the SMC. Ministry of Railway has agreed for a lease period of 90 years for this project in line with the policy of the Government of Gujarat. The cost of Multi Modal Transport Hub as per revised Master Plan is anticipated as Rs. 1,185.88 Cr. and commercial development is anticipated to be of approximately Rs. 1,365 Crore.

- (vi) Gandhinagar Railway Station – The physical progress of Civil Work at Gandhi Nagar Project is about 45%. The project is scheduled for completion by December 2018.
- (vii) Amritsar & Gandhinagar Jaipur Railway Station – Amritsar and Gandhinagar Stations are planned for Design Build EPC mode of tendering.
- (viii) Nagpur, Gwalior & Baiyappanhalli- International design competition was called on 06.11.2017 in two stages. Work awarded for technical services for Gwalior and Baiyappanhalli to M/s Voyant Solutions Pvt. Ltd. and for Nagpur to M/s Enia Architects.
- (ix) Sabarmati Railway Station- The Station has been entrusted on 08.12.2017. The work is to be done by integrating the high speed station at Sabarmati with the existing railway stations. Limited Tender invited for the empanelment of architects.

Financials of IRSDC

The authorized share capital of IRSDC is Rs. 100 crore. Its subscribed and paid-up share capital is Rs. 40 crore as on 31st March 2018 (Ircon's share being Rs.20 crore). During the year, Ircon has made a further investment of Rs. 20 crores towards the equity share capital of IRSDC for which the shares are still to be allotted.

8. Chhattisgarh East Railway Limited (CERL)

A joint venture company called 'Chhattisgarh East Railway Limited' (CERL) was incorporated on 12th March 2013,

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

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

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

A revised DPR with GST implications of CERL-II has been approved by Zonal Railways with inflated mileage of 60% on chargeable distance of 62 km for five years as approved by Ministry of Railways on 12th June 2018. Land demarcation, identification work and registration process for forest clearance has been completed. Forest clearance papers are to be submitted by September 2018 so that the process of financial closure is completed by December 2018.

Financials of CERL:

The authorized share capital of CERL is Rs.650 crore and its subscribed and paid-up share capital is Rs. 306 crores (Ircan's share being Rs. 83.58 crore) as on 31st March 2018. CERL is yet to start commercial operations.

9. Chhattisgarh East-West Railway Limited (CEWRL)

A joint venture company called 'Chhattisgarh East-West Railway Limited' (CEWRL) was incorporated on 25th March 2013, with equity participation by South Eastern Coalfields Limited (SECL), Ircan, and Chhattisgarh State Industrial Development Corporation Limited (nominee of Government of Chhattisgarh) in the ratio of 64:26:10 respectively, for development of coal connectivity corridor i.e. East-West Corridor (length 135 Km) in the State of Chhattisgarh. CEWRL had obtained the Certificate for Commencement of Business on 7th May 2013.

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

Financials of CEWRL:

The authorized share capital of CEWRL is Rs. 1,110 crore and its subscribed and paid-up share capital is Rs. 504 crore (Ircan's share being Rs. 131.17 crore) as on 31st March 2018. CEWRL is yet to start commercial operations.

10. Mahanadi Coal Railway Limited (MCRL)

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

MCRL has signed project execution agreement with Ircan on 19th April 2016. Angul-Balram-Jharpada new rail corridor has been identified by the Company for implementation. DPR of this project has been in principle approved by East Coast Railway (ECoR) on 29th January 2018. The previously acquired land by MCL is yet to be transferred in the name of ECoR in accordance of Railway Amendment Act 2008 and the

project is yet to be approved as special Railway Project by the Ministry of Railways. The Ministry of Railways has approved inflated mileage of 60% for the project.

Financials of MCRL:

The authorized, subscribed, and paid-up share capital of MCRL is Rs. 5 lakhs as on 31st March 2018.

11. Jharkhand Central Railway Limited (JCRL)

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

JCRL had signed project execution agreement with Ircon on 28th March 2016. Ministry of Railways on 6th April 2016 has granted in-principle approval for project transferring Broad Gauge Single Railway Line connecting Shivpur to Kathautia from km 41.5 to km 90.7 in the State of Jharkhand, having a total route length of 49.2 km and track length of 68.7 km to JCRL. Detail Project Report (DPR) has been approved by Ministry of Railways. An inflated mileage of 60% on chargeable distance of 49.085 km has been approved by the Ministry of Railways for a period of 5 years from 13th June 2018. Concession agreement and financial closure is expected to be completed by August 2018. The construction of the project is expected to be started by December 2018 at an estimated construction cost of Rs.1,445 crore. Compliance of observation for Stage-I clearance of forest land uploaded on Ministry of Environment, Forest and Climate change (MoEFCC) web portal. Distribution of compensation for Raiyati Land is under process in both the districts i.e. Hazaribag and Chatra.

Financials of JCRL:

The authorized share capital of JCRL is Rs. 500 crore and its subscribed and paid-up share capital is Rs. 50 crore as on 31st March 2018.

12. Bastar Railway Private Limited (BRPL)

A joint venture company called 'Bastar Railway Private Limited' (BRPL) was incorporated on 5th May 2016, with equity participation by NMDC Limited (NMDC),

Ircon, Steel Authority of India Limited (SAIL) and Chhattisgarh Mineral Development Corporation (CMDC) (nominee of Government of Chhattisgarh) in the ratio of 43:26:21:10 respectively, with the main object to build, construct, operate and maintain Rowghat to Jagdalpur (via Narayanpur, Kondagaon) new railway line, in the State of Chhattisgarh.

Shareholders Agreement for BRPL has been entered on 20th January 2016. During the year, the shareholding pattern of NMDC, Ircon, SAIL and CMDC was revised to 52:26:12:10, and the revised shareholders agreement was entered amongst the shareholders on 25th May 2018.

As per the Articles of Association of the Company, Ircon is the implementation agency for the project and project execution agreement was signed on 19th July 2017. Detailed Project Report (DPR) has been approved by the Ministry of Railways with 50% inflated mileage. Tender for execution of formation, structures and station building works Jagdalpur-Bastar section (Km 0.00 to Km 23.00) is targeted for finalization by August 2018.

State Government has issues compensation award for Land Acquisition in Bastar District and compensation amount of Rs.188 crore paid to district administration to commence the R&R activity. Issue of compensation award for Kondagaon district is also in advance stage. Proposal for Forest Clearance in Bastar & Kondagaon district are ready for submission and clearance is likely to be achieved by September 2018.

Financials of BRPL:

The authorized share capital of BRPL is Rs. 300 crore and its subscribed and paid-up share capital is Rs. 3.60 crore (Ircon's share being Rs. 1.18 crore) as on 31st March 2018.

For and on behalf of the Board of Directors

Sd/-

(S.K. Chaudhary)

Chairman & Managing Director

(DIN: 00515672)

Date: 31st August 2018

Place: New Delhi

CORPORATE SOCIAL RESPONSIBILITY (CSR) AND SUSTAINABILITY REPORT

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

Corporate Social Responsibility (CSR) and Sustainability is Ircon's commitment to its stakeholders to conduct business in an economically, socially and environmentally sustainable manner that is transparent and ethical.

The thrust of Ircon's CSR and Sustainability is on capacity building, empowerment of communities, inclusive socio-economic growth, environment protection, promotion of green and energy efficient technologies, development of backward regions, and up-liftment of the marginalized and under-privileged sections of the society.

As per the provisions of the Companies Act, 2013 and relevant guidelines of DPE for the CSR, Ircon has framed its CSR & Sustainability Policy which aims to bring qualitative social changes to empower the society in all aspects through its social impact. The objective of the CSR & Sustainability Policy is to focus on the activities impacting society, economy and environment for betterment and growth. The policy gives the opportunity to work in diversified fields of social sector to meet the basic necessary requirements by promoting a healthy and sound livelihood and social security for the community through its CSR efforts.

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

In the course of fulfilling its social obligations, Ircon operates to enhance value creation in the society as a whole and particularly in the communities where it works. It plays an active role to promote sustained growth along with a broad objective of improving the quality of life of the people it works with and works for. The CSR initiatives of Ircon have touched the lives of

common people, addressing their most fundamental needs, thus making an impactful difference to their lives.

Ircon has undertaken a multitude of CSR initiatives in diverse domains like promotion of education, promoting gender equality and women empowerment, ensuring environment sustainability, employment enhancing vocational skills and welfare activities for SC/ST/OBCs, minorities and women etc.

The financial year 2017-18 observed a range of CSR initiatives targeting sectors like capacity building, empowerment of communities, inclusive socio-economic growth, environment protection through promotion of green and energy efficient technologies, development of backward regions and up-liftment of the marginalized and under-privileged groups. Apart from these, the following initiatives were taken up during the year:

- Environment protection and sustainability through plantation of more than 31,000 trees in the states of Jammu & Kashmir and Uttar Pradesh and provision of solar lights in Uttar Pradesh & Delhi and provision of safe drinking water facility.
- Health initiatives for Cancer patients, general public through medical camps and promoting health & fitness through gymnasium along with company's perpetual CSR activity of providing medical facilities through our PHCs established at Ramban, J&K; Sivok Rangpo, West Bengal; and Raebareli, Uttar Pradesh.
- Promoting education through various programs in Chhattisgarh, Delhi, Jammu & Kashmir, Maharashtra, Gujarat, Bihar, Himachal Pradesh, Jharkhand and Orissa.
- Enhancing Skills and developing competency through Skill Development Training programs in the states of Jammu & Kashmir, Madhya Pradesh, Chhattisgarh, Punjab, Maharashtra, Delhi and Jharkhand.

Ircon has also been actively working towards sanitation and cleanliness by constructing toilets

(public convenience) for the community, school students and public in general. As a responsible entity, the Company has been also contributing to the National Movements like Swachh Bharat Kosh and Clean Ganga Fund for the developmental growth of the nation.

The following were the notable achievement for the projects undertaken during the year 2017-18, which have been appreciated at various levels:

- (i) Upgrading the infrastructure facilities of Janta Adarsh Andh Vidyalaya, Sadiq Nagar, New Delhi, through installation of 30 KW roof top Solar Panels and LED Lighting on the rooftop of the school building. This is a residential school for visually challenged and is currently serving 120 children from class I to VIII standard. As an outcome of this CSR initiative by Ircon, the school would be able to save around Rs.23,000/- per month i.e saving of Rs.2.76 Lakhs annually of electricity bills which will eventually be utilized for the education of the blind students;
- (ii) Eight Divyang (differently abled) students in Jalgaon, Maharashtra have qualified for competitive exams in the last six months with the help of Ircon's CSR programme called 'Project Manobal'. These students have cleared examinations of MPSC, MSRTC, CDPO, and BMC. Some of these successful candidates have resumed their jobs too;
- (iii) Under the initiative of employment oriented training and skill development program for unemployed youth / SC / ST / OBC women and EWS categories by Construction Industry Development Council (CIDC), the Company has provided skill training in three trades to 200 unemployed youth and also placement to 98 candidates, further another 112 candidates became self-employed;
- (iv) The Company provided skill training to 179 youths at Chhattisgarh which provided placements to 128 youth. This CSR initiative was executed in association with National Backward Classes Finance and Development Corporation (NBCFDC);
- (v) Ircon with an aim of promoting healthcare and rural development established gymnasiums in 10 villages of Muzaffarpur district of Uttar Pradesh;
- (vi) Skill training to 120 especially abled youth at Madhya Pradesh providing placement to 38 candidates and another 38 candidates became self-employed. This initiative was executed in association with National Handicapped Finance and Development Corporation;
- (vii) A successful batch of 120 young women aiming to become entrepreneurs completed their training in three trades under the skill development initiative for women through Bisnouli Sarvodaya Gramudyog Sewa Sansthan at Gurdaspur district of Punjab;
- (viii) Ircon's CSR initiative for skill development for weaker sections were appreciated and awarded with CIDC Partners in Progress Trophy 2018 for its contribution in 'Mission Skilling India' by Construction Industry Development Council (CIDC).

The Company has launched 'CSR App' for providing a transparent outlook of CSR Activities and its functions through a platform for reaching our maximum beneficiaries through modern technology.

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

2. Composition of CSR Committee:

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

- a) **CSR and Sustainability Committee** has been constituted in terms of the Companies Act, 2013, and DPE CSR and Sustainability Guidelines, 2014.

A brief background on the constitution of Committee, its mandate, along with details of meetings held during 2017-18 are given in Para 7.4 of the Corporate Governance Report. As on the date of this report, the Committee is headed by

- Mr. Avineesh Matta, Independent Director; with Dr. Narinder Singh Raina, Independent Director; Mr. Rajiv Chaudhry, Government Nominee (Part-time Official) Director; and Mr. Deepak Sabhlok, Director (Projects); as its members.
- b) During the year 2017-18, the Committee has been assisted by Ms. Anupam Ban, Chief General Manager (HRM), as the Nodal Officer along with Mr. Surajit Dutta, Chief General Manager (Finance) and team of officials.
3. The average net profit of the Company from Indian projects in the last three financial years is Rs. 383.57 crores.
 4. The CSR Budget for the financial year 2017-18 has been Rs. 7.67 crores which is 2% of the average of the net profits earned by IRCON from its Indian projects during the last three financial years.
 5. During the year 2017-18, the Company utilized an amount of Rs. 8.73 crore on its CSR & Sustainability activities against Rs. 8.58 crore, the allocated CSR & Sustainability budget for the year.
 6. The CSR & Sustainability Committee confirms that the implementation and monitoring of the CSR & Sustainability policy is in compliance with the CSR objectives and policy of the company.



Mobile Computer Lab for Computer literacy in Korba Chhattisgarh, under CSR



Residential Training Programme for specially abled students under CSR, Jalgaon, Maharashtra

Details of Amount spent on CSR Activities for Financial Year 2017-18

(Amount in Rs. Lacs)

Sl. No.	CSR Project / Activity identified	Sector in which the Project is covered	Projects or Programs (1) Local area or other (2) State and District where projects or programs was undertaken	Amount outlay (Budget) Project or Programs wise		Amount Spent on the Projects or Programs during 2017-18			Cumulative expenditure up to 2017-18	Amount Spent (Direct or through implementing agency)
				Total	During 2017-18	(1) Direct expenditure on projects or programs	(2) Overheads	(3) Total		
1	Construction of two community toilets at Dullhapur railway station building and railway crossing near station of district Ghazipur, Uttar Pradesh		(1) Other (2) Uttar Pradesh, Ghazipur	50.00	36.91	36.91	-	36.91	50.16	Through Sulabh International Social Service Organisation
2	Construction of compound and toilet at Govt. Higher Sec School		(1) Local (2) Chhattisgarh, Madanpur	5.50	4.40	4.40	-	4.40	4.40	Direct
3	Construction of 3 community toilets	Swachh Bharat [S. No. (i) of Sch VII]	(1) Other (2) Uttar Pradesh, Ghazipur	85.23	85.23	42.62	-	42.62	42.62	Through Sulabh International Social Service Organisation
4	Provision of 200 Dustbins at Agra Division		(1) Local (2) Agra Division	23.00	23.00	21.85	-	21.85	21.85	Through Northern Railway Division
5	Contribution to Swachh Bharat Mission		Swachh Bharat Kosh, Deptt. Of Expenditure (Min. of Finance)	145.00	145.00	145.00	-	145.00	145.00	Direct
6	Plantation of fruit trees and other trees at Raebareli project site.	Environment [S. No. (iv) of Sch VII]	(1) Local (2) Uttar Pradesh, Raebareli	8.60	7.40	6.88	-	6.88	8.08	Direct
7	Provision of drinking water facilities in different places by installing tube wells	Drinking Water [S. No. (i) of Sch VII]	(1) Local (2) Bihar, Purnia	14.96	4.49	4.39	-	4.39	14.86	Direct
8	Environment sustainability through plantation in Reasi, J&K	Environment [S. No. (iv) of Sch VII]	(1) Local (2) Reasi, J&K	43.70	43.70	17.72	-	17.72	17.72	Direct
9	Up gradation of facilities for solar grid and LED Lighting at Janta Adarsh Andh Vidyalaya in New Delhi	Environment [S. No. (iv) of Sch VII]	(1) Local (2) Delhi	20.00	20.00	18.82	-	18.82	18.82	Direct
10	Contribution to Clean Ganga Fund	Environment [S. No. (iv) of Sch VII]	National Mission for Clean Ganga	145.00	145.00	145.00	-	145.00	145.00	Direct
11	Running of Vocational training centre for Tailoring & Embroidery at Bankoot (Banihal) and in Ashar, Jammu & Kashmir	Employment Enhancing Education [S. No. (ii) of Sch VII]	(1) Local (2) J&K, Ramban	2.00	2.00	0.57	-	0.57	0.57	Direct

(Amount in Rs. Lacs)

Sl. No.	CSR Project / Activity identified	Sector in which the Project is covered	Projects or Programs (1) Local area or other (2) State and District where projects or programs was undertaken	Amount outlay (Budget) Project or Programs wise		Amount Spent on the Projects or Programs during 2017-18			Cumulative expenditure up to 2017-18	Amount Spent (Direct or through implementing agency)
				Total	During 2017-18	(1) Direct expenditure on projects or programs	(2) Overheads	(3) Total		
12	Running and maintenance cost of the 3 health units existing at Banihal, Lalganj, Sivok	Health [S. No. (i) of Sch VII]	(1) Local (2) J&K, Banihal, Madhya Pradesh, Sivok, Uttar Pradesh, Lalganj				-	-		
	Banihal			8.00	8.00	6.83	-	6.83	6.83	Direct
	Lalganj			5.00	5.00	4.11	-	4.11	4.11	
	Sivok			12.00	12.00	4.53	-	4.53	4.53	
13	Imparting skill Development training through National Handicapped Finance & Development Corporation in Madhya Pradesh	Employment Enhancing Education for Differentlyabled [S. No. (ii) of Sch VII]	(1) Local (2) Madhya Pradesh, Shivpuri- Guna	20.07	20.07	16.06	-	16.06	18.06	Through National Handicapped Finance & Development Corporation in Madhya Pradesh
14	Cancer Screening and Awareness Camps in poor localities of Santragachi, Shalimar, Behala, Sonagachi, Khidirpur, Chetla and nearby localities of West Bengal for women.	Health [S. No. (i) of Sch VII]	(1) Local (2) West Bengal, Santragachi, Shalimar, Behala, Sonagachi, Khidirpur, Chetla	4.50	1.12	1.13	-	1.13	4.50	Through Global Cancer Concern India
15	Contribution to NBCFDC for skilled development training programmes for backward classes youths of Chhattisgarh	Employment Enhancing Education [S. No. (ii) of Sch VII]	(1) Local (2) Chhattisgarh, Raigarh	33.60	23.52	19.99	-	19.99	30.07	Through National Backward Class Finance and Development Corporation
16	Providing Computer literacy to Ekal Vidyalayas through Mobile Computer lab in Chhattisgarh	Education [S. No. (ii) of Sch VII]	(1) Local (2) Chhattisgarh	27.00	27.00	21.66	-	21.66	21.66	Through EKAL Gramotthan Foundation
17	Providing ambulances to Bikaner and Ajmer Divisions under Passenger Amenities	Health [S. No. (i) of Sch VII]	(1) Local (2) Rajasthan, Ajmer	30.00	5.71	1.04	-	1.04	25.39	Direct
18	Improvement of water supply system in villages adjacent to the project site.	Health & Sanitation [S. No. (i) of Sch VII]	(1) Local (2) J&K, Banihal	20.00	10.55	11.21	-	11.21	20.66	Direct
19	Community improvement works in the vicinity of the project area in villages such as Khari area, Sangladan, Sumber, Dharam, Barala, Guni etc of J&K.	Infrastructure Development [S. No. (x) of Sch VII]	(1) Local (2) J&K, Khari area, Sangladan, Sumber, Dharam, Barala, Guni	50.00	13.95	13.81	-	13.81	49.86	Direct

(Amount in Rs. Lacs)

Sl. No.	CSR Project / Activity identified	Sector in which the Project is covered	Projects or Programs (1) Local area or other (2) State and District where projects or programs was undertaken	Amount outlay (Budget) Project or Programs wise		Amount Spent on the Projects or Programs during 2017-18			Cumulative expenditure up to 2017-18	Amount Spent (Direct or through implementing agency)
				Total	During 2017-18	(1) Direct expenditure on projects or programs	(2) Overheads	(3) Total		
20	Providing furniture in schools in village in the project area districts of Ramban and Reasi of J&K	Education [S. No. (ii) of Sch VII]	(1) Local (2) J&K, Banihal	15.00	15.00	-	-	13.48	Direct	
21	Employment for rural women through SHGs and provision of sanitary napkins disposal machines	Health [S. No. (i) of Sch VII]	(1) Local (2) Maharashtra, Dhule-Pimpalgaoni	26.00	26.00	16.41	-	16.41	Through Vatsalya Foundation	
22	Vocational training for rural women in three trades at one centre in Gurdaspur, Punjab through BSGSS	Employment Enhancing Education [S. No. (ii) of Sch VII]	(1) Other (2) Punjab, Gurdaspur	20.17	20.17	10.92	-	10.92	Through Bisnouli Sarvodya Gram Sewa Sanstha	
23	Contribution to GODHULI for education of street children	Education [S. No. (ii) of Sch VII]	(1) Local (2) Delhi	4.00	4.00	3.60	-	3.60	Through GODHULI	
24	Contribution to RAN/ HMCPP for treatment of BPL cancer patients	Health [S. No. (i) of Sch VII]	Contribution to RAN/HMCPP, Ministry of Health & Family Welfare	30.00	30.00	30.00	-	30.00	Direct	
25	Setting up of library in each identified backward /tribal identified schools of Maharashtra and Gujarat	Education [S. No. (ii) of Sch VII]	(1) Local (2) Gujarat, Navsari Maharashtra, Vangaon	15.09	15.09	12.82	-	12.82	Direct	
26	Project Ankur - Training to Supervisors and Anganwadi teachers in Thane, Maharashtra	Employment Enhancing Education [S. No. (ii) of Sch VII]	(1) Local (2) Maharashtra, Thane	20.00	20.00	9.00	-	9.00	Through Quality Education Support Trust	
27	Distribution of school bags, electrical fans and teachers table at Jayanagar, Bihar	Education [S. No. (ii) of Sch VII]	(1) Local (2) Bihar, Jayanagar	4.26	4.26	3.05	-	3.05	Direct	
28	Provision of Rice cooker and roller conveyor for Mid day Meal at Mathura	Health [S. No. (i) of Sch VII]	(1) Other (2) Uttar Pradesh, Mathura	21.50	21.50	19.35	-	19.35	Through Akshaya Patra Foundation	
29	Contribution to 100 Ekal vidyalayas in each of states of	Education [S. No. (ii) of Sch VII]	(1) Local (2) Himachal Pradesh, Dhera (Kangra)	20.00	20.00	18.00	-	18.00	Through Bharat Lok Shiksha Parishad	

(Amount in Rs. Lacs)

Sl. No.	CSR Project / Activity Identified	Sector in which the Project is covered	Projects or Programs (1) Local area or other (2) State and District where projects or programs was undertaken	Amount outlay (Budget) Project or Programs wise		Amount Spent on the Projects or Programs during 2017-18			Cumulative expenditure up to 2017-18	Amount Spent (Direct or through implementing agency)
				Total	During 2017-18	(1) Direct expenditure on projects or programs	(2) Overheads	(3) Total		
30	Jharkhand		(1) Local (2) Jharkhand, Giridih	20.00	20.00	18.00	-	18.00	Through Friends Tribal Society	
31	Contribution to 100 Ekal vidyalayas in Raigarh and Korba districts of Chhattisgarh	Education [S. No. (ii) of Sch VII]	(1) Local (2) Chhattisgarh, Raigarh & Korba	20.00	20.00	18.00	-	18.00	Through Bharat Lok Shiksha Parishad	
32	Conducting 40 medical camps through M/s Arogya Foundation in the State of J&K	Health [S. No. (i) of Sch VII]	(1) Local (2) J&K, Kishtwar, Bhadenwah, Doda, Ramban, Udhampur, Rammagar, Reasi, Rajouri, Kathua, Basoli and Akhnoor.	10.00	10.00	10.00	-	10.00	Through Arogya Foundation	
33	Construction of computer lab and provisions of computers at Navgaon, Chhattisgarh	Education [S. No. (ii) of Sch VII]	(1) Local (2) Chhattisgarh, Navgaon	18.15	18.15	5.66	-	5.66	Direct	
34	To provide financial assistance for establishing training centre for specially abled and poor youth by M/s Deepstambha Foundation	Education [S. No. (ii) of Sch VII]	(1) Local (2) Maharashtra, Jalgaon	50.00	50.00	25.00	-	25.00	Through Deepstambha Foundation	
35	Employment oriented training and skill development program for unemployed youth/ SC/ ST/ OBC women and EWS of society by M/s CIDC	Employment Enhancing [S. No. (ii) of Sch VII]	(1) Local (2) Jharkhand, Ranchi	93.12	93.12	64.25	-	64.25	Through Construction Industry Development Council	
36	Interactive Multimedia for English Literacy in Subject Employability skills by M/s SNDT Women's University	Education [S. No. (ii) of Sch VII]	(1) Local (2) Maharashtra, Mumbai	25.00	25.00	10.00	-	10.00	Through SNDT Women's University	
37	Contribution for quality education of 100 tribal students through M/s Kalinga Institute of Social Sciences	Education [S. No. (ii) of Sch VII]	(1) Local (2) Orissa, Bhubaneswar	30.00	30.00	15.00	-	15.00	Through Kalinga Institute of Social Sciences	
38	Skill Development training for 20 BPL students in Ayurvedic Panchakarma Therapy through M/s Santhigiri	Employment Enhancing [S. No. (ii) of Sch VII]	(1) Local (2) Delhi	18.60	18.60	4.85	-	4.85	through Santhigiri Ashram	

(Amount in Rs. Lacs)

Sl. No.	CSR Project / Activity identified	Sector in which the Project is covered	Projects or Programs (1) Local area or other (2) State and District where projects or programs was undertaken	Amount outlay (Budget) Project or Programs wise		Amount Spent on the Projects or Programs during 2017-18			Cumulative expenditure up to 2017-18	Amount Spent (Direct or through implementing agency)
				Total	During 2017-18	(1) Direct expenditure on projects or programs	(2) Overheads	(3) Total		
39	Provision of 1 gymnasium each in 10 villages of Muzaffarnagar, UP	Health [S. No. (i) of Sch VII]	(1) Local (2) Uttar Pradesh, Muzaffarnagar	15.00	15.00	12.65	-	12.65	12.65	Direct
40	Evaluation for CSR Works for FY 2016-17 and survey, printing compendium etc.	Health, Education, Sanitation, Skill Development and administration cost etc.	(1) Local (2) Bihar, Chhattisgarh, Delhi, J&K etc.	15.00	15.00	-	22.07	22.07	22.07	Direct
	Total			1,244.05	1,134.94	851.09	22.07	873.15	996.86	

For and on behalf of the Board of Directors

sd/-
(Deepak Sabhlok)
Director Projects &
Member, CSR and Sustainability
Committee
(DIN 03056457)

sd/-
(Avinesh Matta)
Independent Director & Chairperson, CSR and
Sustainability Committee
(DIN 00011749)

sd/-
(S K Chaudhary)
Chairman & Managing Director
(DIN 00515672)

Place: New Delhi
Date: 31st August 2018

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

AN OVERVIEW

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

Your Company has executed many landmark construction projects in the last 42 years both in India and abroad. It has actively focused on becoming a diversified infrastructure player, both in terms of sector and geographical coverage. After commencing business as a railway construction company it diversified progressively since 1985 into entire spectrum of construction activities and infrastructure services; Railways and Highway Construction, Tunnels & Bridges, Railway Workshops, EHV sub-station, Railway Electrification, City Power Distribution Network and Signaling & Telecommunication and MRTS being the core competence areas. It has been one of the few construction companies in the public sector to have earned substantial foreign exchange for the Country and paid dividend without fail every year to the Government.

Over the years, the company has extended its operations to other geographies including countries like Algeria, Bangladesh, Iran, Iraq, Malaysia, Nepal, South Africa, Bhutan, Myanmar and Afghanistan. The Company has so far completed more than 127 projects in more than 25 countries across the globe, and more than 380 projects in India. In India, in particular, it has also been undertaking projects even in difficult terrains and disturbed regions. While, the Company already has its presence in many states in India, it intends to further expand its domestic operations across India as part of its business growth model.

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

LEGAL STATUS AND AUTONOMY

The Company, a legal entity separate from the Government, is legally, functionally, and financially autonomous, operates under the corporate laws as an independent commercial enterprise, does not receive any

budgetary or financial support from the Government, and is not a dependent agency of the Government. However, the Government of India through the Ministry of Railways and the Department of Public Enterprises under the Ministry of Heavy Industries and Public Enterprises, monitors its performance through a system of Memorandum of Understanding (MOU) as regards targets to be achieved every year as part of accountability to the Parliament in respect of all government companies. Government can issue and does issue guidelines to regulate and bring about some uniform pattern in the functioning of the Company as a public sector enterprise. However, no Government department has any supervisory authority to exercise control over the Company which is managed and run under the superintendence, control, and direction of its Board of Directors as per the Companies Act.

BUSINESS ENVIRONMENT

As per the second advanced estimates released by Central Statistics Officer (CSO), the growth rate of Indian economy is estimated to be 6.7% in 2017-18, which is lower than the growth rate of over 7.1% in 2016-17. Even this lower growth for 2017-18, GDP Growth has averaged 7.3% from the period from 2014-15 to 2017-18 which is the highest among the major economies of the world. The growth has been achieved in the milieu of lower inflation, improved current account balance and reduction in the fiscal deficits to GDP ratio. In addition, introduction of goods & service tax (GST), the year also witnessed the significant steps being undertaken towards resolution of problems associated with non-performing assets of the banks, further liberalization of FDI etc. thus strengthening the momentum of reforms.

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

The Government has been increasing its investment over time on building infrastructure to support India's long-

term growth. Some of the initiatives of infrastructure development which may yield business opportunities to your Company are given below:

Railways:

Government is taking various initiative for Railways sector which includes prioritizing investments in important areas, viz. dedicated freight corridors, high speed rail, high capacity rolling stock, last mile rail linkages, port connectivity, and attracting private and foreign direct investment.

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

Roads:

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

In order to facilitate implementation of more road projects the Government has introduced and adopted Hybrid Annuity Model (HAM) in addition to Engineering, Procurement and Construction (EPC) mode for execution of the projects. In HAM mode, the capital expenditure is shared by the client and requires lesser amount of funds by the developer during construction years in comparison to projects on EPC mode. More over the risk of tolling is taken by the Government, thus, making the easier availability of funds from the financial institutions. Further, initiatives such as monetization of projects through the Toll-Operate in Transfer model, securitization of toll

revenue, adopting the Infrastructure Investment Trusts route, and other innovative financing options such as LIC, Long Term Pension Funds etc., have been taken up to attract fresh capital from the market on the strength of already operational projects.

An estimated outlay of Rs.5,35,000 crore has been proposed for construction of around 24,800 km road under the Bharatmala Pariyojana for the highways sector. The program aims to achieve optimal resource allocation for a holistic highway development.

In International arena opportunities exist in countries like Malaysia, Bangladesh, Bhutan, Sri Lanka, Iran and African countries.

Present Project Profile:

Presently, Ircan is executing construction of railway line in J&K, Sivok-Rangpo, Jayanagar (India) to Bijalpura (Nepal), Jogbani to Biratnagar, etc.; setting of new rail coach factory at Rae Bareli; doubling projects for Katni Singrauli; Rampur Dumra Tal Rajendrapul, Kiul-Gaya and Hajipur Bachwara; Akhaura-Agartala Rail Link projects; setting up of three electric loco sheds at Bondamunda, Daund and Mughalsarai; Road over Bridges in Bihar and rural roads in Jharkhand under Pradhan Mantri Gram Sadak Yojana (PMGSY); Design and Construction of Civil, Building and Track Works of Vaitarna-Sachin section and JNPT Vaitrana Section of DFC project; Construction of Railway Siding at Nagarnar, in Chhattisgarh and for Darlipali Super Thermal Power project; Re-development of Safdarjung Railway Station; Electrical works under RAPDRP-Part B Project in the State of Jammu & Kashmir and Uttar Pradesh; Katni Grade Separator; Railway Electrification projects for Mathura-Kasganj-Kalyanpur, Katni-Singrauli etc.; Design, Supply, Installation, testing and commissioning of receiving-cum-traction and auxiliary main sub-station for Metro works Rail Corporation Phase-III; development work at NIT, Mizoram; etc.

Your Company has secured road projects from NHAI in the last three years (i.e. 2015-16 to 2017-18) for which three wholly owned subsidiary companies as Special Purpose Vehicles (SPVs) have been incorporated viz. Ircan PB Tollway Limited [for widening and strengthening of the existing Bikaner - Phalodi section of NH-15 on DBFOT pattern in the State of Rajasthan], Ircan Shivpuri Guna Tollway Limited [for four laning of Shivpuri-Guna section of NH-3 on DBFOT pattern under NHDP Phase-IV in the State of Madhya Pradesh] and Ircan Davanagere Haveri Highway Limited [for six laning of Davanagere-Haveri section on HAM

basis in the State of Karnataka]. Your Company further secured road project viz. for eight lane Vadodara Kim Expressway from Km 323.00 to Km 355.00 in the State of Gujarat] project from NHAI during the year 2017-18, for which another wholly owned subsidiary company has been incorporated viz. Ircon Vadodara Kim Expressway Limited, after close of the year.

Additionally, the Company is a stakeholder in five SPVs to undertake rail connectivity projects for coal movement. Three such SPVs viz. 'Chhattisgarh East Railway Limited', 'Chhattisgarh East-West Railway Limited' and 'Bastar Railway Private Limited' are in the State of Chhattisgarh; and one each in the State of Odisha and Jharkhand viz. 'Mahanadi Coal Railway Limited' and 'Jharkhand Central Railway Limited' respectively.

Your Company is having active presence in Nepal, South Africa, Algeria, and Bangladesh.

OUTLOOK

The Vision and Mission of the Company are as follows:

A. Vision

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

B. Mission

- i) To effectively position the Company so as to meet the construction needs of infrastructure development of the changing economic scene in India and abroad.

- ii) To earn global recognition by providing high quality products and services in time and in conformity with the best engineering practices.

FINANCIAL PERFORMANCE

The total income of the Company during 2017-18 stood at Rs.4,123 crore as compared to Rs.3,254 crore in 2016-17. About 95% of the total income i.e. Rs.3,896 crore, has arisen from operations, out of which about 15.43% i.e. Rs.601 crore has been contributed by foreign projects.

Operating income from foreign projects has increased by 83.83% over the previous year. The main reason being contribution of turnover by the projects at South Africa, Bangladesh and Algeria. There had been a corresponding increase of 0.33% in Profit before tax from Rs.531.54 crore in 2016-17 to Rs.533.31 crore in 2017-18. Profit after Tax has increased by 5.97% from Rs.368.85 crore in 2016-17 to Rs.390.86 crore in 2017-18. Net Worth has decreased by 1.99% during the year, whereas earnings per share have increased by 7.35% from Rs.37.27 (restated) in 2016-17 to Rs.40.01 in 2017-18.

Turnover of the Company is showing increasing trend and the Company has secured new projects whereby the order book stands increased to Rs. 22,407 crore approx. at the close of the financial year 2017-18.

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

OPERATIONAL PERFORMANCE

A. Sectoral Performance:

Railways continued to be the primary sector of interest contributing highest to the operating income. Highways and Electrical have been the other two important sectors contributing 21.79% and 2.28% respectively to total operating income during 2017-18. A sector-wise comparative position for the last three years is given below: (Rs.in crore)

Sectors	2017-18		2016-17*		2015-16*	
	Operating Income	%	Operating Income	%	Operating Income	%
Railways	2,904	74.54	2,098	69.25	1,922	79.12
Highways	849	21.79	592	19.67	239	9.80
Electrical	89	2.28	255	8.45	199	8.23
Buildings	48	1.23	78	2.60	67	2.77
Others	6	0.16	1	0.03	3	0.08
Total	3,896	100	3,024	100	2,430	100

* Figures have been re-grouped.

B. Segment-wise Performance:

Contribution of foreign projects to total income has increased from 10% in 2016-17 to 15% in 2017-18. A comparative position for the last three years is given below:

(Rs.in crore)

Segments	2017-18		2016-17*		2015-16*	
	Total Income	%	Total Income	%	Total Income	%
Foreign	622	15	339	10	506	18
Domestic	3,501	85	2,915	90	2,354	82
Total	4,123	100	3,254	100	2,860	100

* Figures have been re-grouped.

STRENGTHS

The Company has rich experience of timely execution of a large number of international projects, especially in developing countries. Its key strengths continue to be impressive financials (reflected in the consistent profitability and healthy balance sheet of the Company), established credentials, and competent manpower. The Company has shown consistent good performance to the satisfaction of its customers.

Your Company has developed some of the best processes and methodologies to provide economic solutions and quality output while meeting tight schedules on the most challenging projects. With its expertise and professional approach to work, your Company has not only widened its horizons of work, but also propelled itself to traverse the physical boundaries of the country. The broad geographical coverage has helped the company to diversify to DBFOT/EPC/HAM/Annuity and other contracts as well as project development and operations through JVs / SPVs. The Company has formed three project specific SPVs for implementation of highway projects in the State of Rajasthan, Madhya Pradesh, and Karnataka.

Additionally, your Company's sustained marketing efforts in open market and expertise available for execution of various highway projects, has resulted in securing project for Eight lane Vadodara – Kim Expressway (Package-II) on HAM basis from National Highways Authority of India (NHAI), in the State of Gujarat for which project specific SPV was formed after close of the year.

OPPORTUNITIES

A number of macro level and sectoral initiatives undertaken to improve economic growth coupled with

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

Over fiscals 2019-2022, CRISIL Research expects the construction sector to increase 54% to Rs.22.2 trillion. Of this about 93% is contributed by infrastructure investments while the rest is from Industrial. This growth in infrastructure investments is driven by government initiatives and budgetary support especially in sectors such as Roads, Irrigation, Urban Infrastructure and Railways. Over the next 4 years, the construction opportunity in Railways is expected to double to Rs.3.1 trillion driven by investments by public as well as private sector especially in Network decongestion, expansion and Safety which account for over half of the total investments in railways during this period. Investments in key segments such as new lines, gauge conversion, doubling, track renewals, and electrification will account for Rs.2.3 trillion (73%) of the construction opportunity during fiscals 2019-2022 with doubling accounting for the highest share at 31% during this period. CRISIL Research also expects the investments in railway sector to increase by about 77% from Rs.3.9 trillion in fiscals 2015-2018 to Rs.6.8 trillion in fiscals 2019-2022.

Your Company has experience in construction of Railways projects, highways and roads in accordance with the international standards, both in India and abroad. With the Government proposing to increase spending in this sector, your Company is having opportunities in the areas of

Metro Rail projects; Construction of National Highways in Indian states in areas such as connectivity of secondary cities, ports and various regions; Connecting habitations with rural roads through Pradhan Mantri Gram Sadak Yojana (PMGSY); Bharatmala Pariyogana for the highways sector; Commissioning of Broad Gauge lines; Stations Redevelopment programme which is envisaged to be done by leveraging commercial development of near the stations;etc.

A large number of high value projects are coming on EPC, DBFOT, HAM, and Annuity basis. Your Company has formed four wholly-owned subsidiaries as SPVs for execution of projects on BOT/DBFOT/HAM basis and holds strategic share in joint venture companies formed for coal connectivity projects in three states of India. With this experience, the Company is geared up to undertake turnkey projects under new project execution models including EPC HAM and Annuity in the Railways and Highways sector. Further, the Company also has a dedicated team to focus on such projects.

On the international front, the commitment of Government of India for new lines of credit amounting to USD 10 billion for Africa and USD 4.5 billion for Bangladesh, would provide opportunities for securing works in countries like Thailand, Ghana, Kenya, Ethiopia, Bangladesh etc. Opportunities also exists for undertaking mega Railway projects on Government to Government basis with Ministry of Transport, Malaysia and Government of Iran.

Adoption of new technology and construction methodology will ensure competitive edge over the competitors and thus would establish credibility and result in enhancement of order value, customer satisfaction and in turn would have impact on the revenues of the company. Company plans to thus train its manpower and take up some of the infrastructure projects which require new/latest technology. In such projects, there will be limited competitiveness and the margins could be high, however due diligence is also desired as the associated risks will also be higher. Particularly the tunneling with TBM and segmental viaduct construction could be the immediate area where Ircan can form JV with International Companies and take up projects in domestic market. Another area could be the civil works of the projects of Nuclear Plant Construction. There are areas where there is requirement of new technology and real professional input which Ircan possess due to its vast repository of experienced people.

CONSTRAINTS

Although every organization has to work within a certain legal framework, the Company as a public sector company faces more constraints (not applicable to private sector companies) which puts it at a disadvantage in a competitive market.

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

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

The Company is operating in a highly competitive and price cutting environment of the construction industry where profit margin is diminishing due to increased market competition in the traditional areas of operation. With the changes in the Government policy as well as proposed disinvestment of shares by the Government to be offered to private parties, there is likelihood of reduction of new work orders coming on nomination basis from Indian Railways and other government agencies. Hence, the Company has to prepare itself to expand its footprint in high technology and high value projects like High Speed Railway projects and PPP investment projects.

STRATEGY

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

The Company is diversifying its areas of operations both sectoral and geographical coverage. It is focused towards strategic business development to sustain and improve its order book position by giving a thrust to its areas of core competence and international business. The Company is focusing on undertaking projects having high order value

and further consolidating its core competence namely, Railways, Highways, Electric sub-stations, S&T, and Railway Electrification. The revenue generation streams of the company are widened with portfolio of BOT/DBFOT/EPC and coal connectively projects undertaken by its subsidiaries and joint venture companies.

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

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

The Company is undertaking turnkey projects on BOT / DBFOT basis and is geared up to undertake projects under new project execution model viz. hybrid annuity mode (HAM) introduced by the government.

The Government interest in infrastructure, particularly in the railway sector, has opened up opportunities for the Company to secure more business. The Company is leveraging its established project executing track record and diversifying its infrastructure work expertise into transportation engineering, civil and industrial construction, and other infrastructure projects. With the focused project execution focusing on performance quality and continuing development, the Company is likely to have new business opportunity in the coming years.

Your Company intends to focus on undertaking projects

having a high order value, which consider to be projects above ₹5,000 million. In principle, projects having high order value typically have a smaller percentage of overhead cost as a percentage of total cost and therefore provide a greater potential for profit. In addition, projects having high order value are also, in the current market, subject to less competition. Your Company believes that these pre-qualification requirements make such type of projects an attractive sector to participate. The Company's strategy is to firmly establish it as a player in the market for high value projects by successfully executing the high order value projects on which the Company is currently working so that the advantage of these higher entry barriers can be taken.

RISKS AND CONCERNS

A. Project Risk Management

The Company has a Risk Management Committee of Whole-time Directors, a Rapid Action Group at Chief General Manager / Executive Director (below board) level, business group, and internal audit to ensure its implementation. Risk Management Policy, Risk Management Processes, and MIS reports formats including MIS reports on Risk Management have been evolved in accordance with the Framework. Reports from Rapid Action Group and internal audit are required to be submitted through the Risk Management Committee to the Audit Committee for review.

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

B. Treasury Risk Management

Your Company was assigned a 'CARE AAA' rating by Credit Analysis & Research Limited (CARE) for long-term non-fund based credit facilities and an 'A1+' rating for short-term non-fund based credit facilities in 2008-09 based on BASEL II norms of the Reserve Bank of India. These rating have been re-affirmed in an annual surveillance review by CARE in January 2018.

Ircon conducts its business in various countries and,

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

INTERNAL CONTROL SYSTEM

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

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

The internal audit framework provides scope of Internal Audit covering areas from tendering to statutory compliances. The same has been issued for

implementation to internal auditors so as to make the internal audit system more effective and project specific. Projects are closely monitored through online/offline reporting formats and the key performance indices are monitored by the Management on monthly basis in addition to the Departmental inspection by in-house professionals.

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

The Company has in place SAP ECC 6.0 based Finance-Controlling module, no changes are allowed in SAP after the entries are made therein. Enhancement of SAP ERP FI-CO module has been done for improved transparency and financial control and maintaining books of accounts fixed assets, MIS, P&L for all projects. During the year online Annual Performance Appraisal System and Leave application CL/RH system has been developed and launched.

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

HUMAN RESOURCE

The Company aims to achieve the right size and right mix of human resource/ employees for the organization. Since your Company is a project based company, there are

fluctuations in the manpower requirements which are being taken care by recruiting employees on deputation, contract, and service contract. Recruitment strategies have been re-engineered to tune them with the overall strategy of the Company to keep cost of supervision and establishment at optimum level. Training programmes are designed so as to enhance both technical and managerial skills of employees.

The Company offers post superannuation benefits of Contributory Provident Fund, Gratuity, and Post retirement indoor medical benefits through a Medical Trust to all its employees. During the year, your Company organized 2nd Corporate Ircon Inter Project Quiz covering a wide range of topics, as a tool for employee learning and engagement. Further, Ircon started Ircon Corporate Quiz which focused only on Quality and OHSAS compliances and other aspects of the Company.

The total manpower strength as on 31st March 2018 was 1,622 employees. The attrition rate during 2017-18 was 3.15%, with 37 employees leaving the organization.

With an aim to build competency based framework for

managing human resources, training programmes are being identified and customize to align the skills of organisation's human resources with that of the company's present and future needs.

During the year, as a part of employee development, total 2,194 mandays trainings was imparted to the employees. The Company has envisioned an ambitious growth plan for Human Resources for the next few years, and training programs are specially designed for 3-5 days for Senior Management from best Management institute of India like ISB Hyderabad, HBS (India Centre), Mumbai etc.

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

For and on behalf of the Board of Directors

Place: New Delhi
Date: 31st August 2018

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

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE & KEY VALUES

1.1 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."

1.2 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

2.1 Composition and category of the Board:

Pursuant to Section 2(45) of the Companies Act, 2013, Ircan is a 'Government Company' as 99.715% of the paid-up share capital of the Company is held by the Central Government through the President of India.

As on 31st March 2018, Our Board comprised of three whole-time directors [Chairman & Managing Director, Director (Finance) and Director (Projects)], two Government nominated [part-time (official)] directors, and six Independent [part-time (non-official)] directors (including one-woman director).

2.2 Attendance of each Director at the Board Meetings held during 2017-18 and the last AGM.

Name and Designation of the Director	No. of Board Meetings		Attendance at last Annual General Meeting (held on 28.09.2017)
	Held during their respective tenure	Attended	
Functional Directors (Whole-time)			
Mr. S.K. Chaudhary Chairman & Managing Director	10	10	Yes
Mr. Deepak Sabhlok Director Projects	10	9	Yes
Mr. Hitesh Khanna Director Works [upto 28.03.2018 (FN)]	10	8	Yes
Mr. M. K. Singh Director Finance	10	10	Yes
Government Nominee (Part-time Official) Directors			
Mr. Rajiv Chaudhry	10	8	Yes
Mr. S.C. Jain (upto 17.11.2017)	6	3	Yes
Mr. Ved Pal (w.e.f. 22.11.2017)	4	2 [#]	*
Independent (Part-time Non-Official) Directors			
Mr. S. K. Singh	10	10	Yes
Mr. Avineesh Matta	10	10	Yes
Prof. Vasudha V. Kamat	10	8 [#]	Yes

Name and Designation of the Director	No. of Board Meetings		Attendance at last Annual General Meeting (held on 28.09.2017)
	Held during their respective tenure	Attended	
Dr. C. B. Venkataramana (w.e.f. 28.09.2017)	6	6	Yes
Dr. Narinder Singh Raina (w.e.f. 17.10.2017)	5	1	*
Mr. A. K. Ganju (w.e.f. 08.03.2018)	1	1	*

* denotes the respective person was not a Director of Ircon as on last AGM date.

The 242nd Meeting of the Board of Directors held on 07.03.2018 continued on 08.03.2018 (adjourned & held on 20th March 2018 continued on 21st March 2018) has been counted as one meeting. Mr. Ved Pal and Prof. Vasudha V. Kamat were granted leave of absence for the meetings held on 07.03.2018 and 21.03.2018 respectively. Their presence has been counted for the said meeting.

2.3 Details of Directorships, Committee Memberships and Committee Chairmanship in other companies as on 31st March 2018.

Name and Designation of the Director	Directorships held in Companies/ Body Corporates (excluding Ircon)	Committee Memberships held in Companies / Body Corporates (including Ircon)	
		As Chairman	As Member
Functional Directors (Whole -time)			
Mr. S.K. Chaudhary Chairman & Managing Director	NIL	NIL	NIL
Mr. Deepak Sabhlok Director Projects	7	1	4
Mr. M. K. Singh Director Finance	3	1	2
Government Nominee (Part-time Official) Directors			
Mr. Rajiv Chaudhry	1	NIL	2
Mr. Ved Pal (w.e.f. 22.11.2017)	1	NIL	4
Independent (Part-time Non-Official) Directors			
Mr. Avineesh Matta	2	1	3
Mr. Sanjay Kumar Singh	6	2	7
Prof. Vasudha V. Kamat	NIL	1	3
Dr. C. B. Venkataramana (w.e.f. 28.09.2017)	NIL	1	4
Mr. Narinder Singh Raina (w.e.f. 17.10.2017)	NIL	NIL	2
Mr. A. K. Ganju (w.e.f. 08.03.2018)	NIL	NIL	3

- None of the Directors on the Board hold directorships in more than ten public companies (within the overall maximum limit of 20 Companies).
- The Committees covered under the last two columns are Audit Committee, Nomination & Remuneration Committee, Independent Directors Committee, CSR & Sustainability Committee, Stakeholders Relationship Committee, and Project Review Committee.
- The number of committee memberships of directors is within the maximum limit of ten including the permitted limit of five chairmanships under the DPE Corporate Governance Guidelines, 2010. Only Audit Committee and Stakeholders Relationship Committee as per DPE Corporate Governance Guidelines has been counted for the said limit.
- None of the Directors, are related to each other.

2.4. DISCLOSURES ABOUT DIRECTORS

As per the disclosures made by the directors in terms of section 184 of the Companies Act, 2013, read with Companies (Meetings of Board and its Powers) Rules, 2014, no relationship exists between directors inter-se. Two nominee directors (part-time official) who are officials from the Ministry of Railways, and thus related to the promoter.

Ministry of Corporate Affairs (MCA) has exempted unlisted government companies (wherein at least 51% paid-up share capital is held by the government) from the requirement of retirement of its directors by rotation vide notification dated 13th July 2017 amending earlier notification dated 5th June 2015. Accordingly, no agenda item has been proposed in the notice of AGM for appointment of directors as per section 152 of the Companies Act, 2013, which require determining not less than 2/3rd of the directors as persons whose period of office is liable to determination by retirement of directors by rotation at a general meeting.

The performance evaluation of functional directors as well as the Company is done through system of Annual Performance Appraisal Report (APAR) by Ministry of Railways and Memorandum of Understanding entered with Ministry of Railways respectively, and the said evaluation is submitted to Department of Public Enterprises through the Administrative Ministry.

2.5 No. of Board Meetings held, dates on which held:

- a) The Board of Directors met 10 times during the financial year 2017-18 on:
- 25th April 2017 (adj. and held on 25th April 2017), 24th May 2017, 29th June 2017, 21st September 2017, 28th September 2017, 8th November 2017, 29th November 2017, 14th December 2017, 21st December 2017, 7th March 2018 continued on 8th March 2018 & adjourned and held on 20th March 2018 continued on 21st March 2018.

2.6 Board Independence

All the Independent Directors have given the declaration that they meet the criteria of Independence as per the provisions of the Companies Act, 2013.

2.7 Code of Conduct

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

The declaration signed by Chairman & Managing Director affirming receipt of compliance with the Code of Conduct and Key Values from Board of Directors and Members of Senior Management team during 2017-18 is placed as **Annexure – E1**.

2.8 Board Charter

- a) The Company has in place a BoD approved Formal Board Charter with Corporate Governance objectives & approach and Role & Responsibility of BoD (including Whole-time Directors, Independent Directors, Government Directors), and Management (Senior Management) since 2012. The same is to be revised in line with the new Companies Act, 2013.
- b) This BoD Charter sets out essentially the composition & structure and role & responsibilities of the Board of Directors of the Company keeping the Corporate Governance objectives and approach in perspective.

- c) To facilitate the independent directors and part-time (official) directors to discharge their responsibilities, one independent office room for the Independent Directors and one independent office room for Part-time (Official) Directors have been earmarked at the registered office of the Company.

2.9 Brief Resume of four new Directors who joined the Company during 2017-18:

- a) **Dr. C. B. Venkataramana [DIN 03179171]**, aged 62 years, is an Independent [Part-time (Non-Official)] Director of our Company. He holds a master's degree in commerce from Sri Venkateswara University, Master's degree in Arts (Economics) from University of Madras and a master's degree in health science from the John Hopkins School of Hygiene and Public Health, Baltimore, MD, USA. He also holds a doctorate in public health from University of Illinois at Chicago, USA and is a retired officer of the Indian Administrative Services. He has experience in the public services sector and has been on the board of our Company since September 28, 2017.
- b) **Mr. Narinder Singh Raina [DIN 07968391]**, aged 52 years, is an Independent [Part-time (Non-Official)] Director of our Company. He holds a bachelor's degree and a master's degree in science (forestry) from Dr. Yashwant Singh Parmar University of Horticulture and Forestry. Prior to joining our Company, he was posted as the range officer grade 1, Jammu and Kashmir, Department of Forest and then as the assistant professor agroforestry with Sher-e-Kashmir University of Agricultural Sciences and Technology of Jammu. He is experienced in education sector and is presently working as an associate professor with Sher-e-Kashmir University of Agricultural Sciences and Technology of Jammu. He has been on the board of our Company since October 17, 2017.
- c) **Mr. Ved Pal [DIN 07902760]**, aged 59 years, is the Government Nominee (Part-Time Official) Director of our Company. He holds a bachelor's degree and a master's degree in electrical engineering from University of Roorkee. He also holds a bachelor's degree in law from Barkatullah Vishwavidyalaya, Bhopal and is an officer of Indian

Railway Service of Electrical Engineers. Presently, he is posted as an Additional Member (Planning), Railway Board, Ministry of Railways and is experienced in the railway sector particularly in preparation of annual reports, budgets and feasibility reports for projects of various railway zones, planning and monitoring safety works, port connectivity and coal connectivity projects, planning of infrastructure for long term planning, maintenance of electric locomotives, production and technology. He has been on the board of our Company since November 22, 2017.

- d) **Mr. Ashok Kumar Ganju [DIN 07014589]**, aged 66 years, is an Independent [Part-time Non-Official] Director of our Company. He holds a bachelor's degree in science (civil engineering) from University of Delhi and a Master's degree in Technology (Water Resources) from Indian Institute of Technology, Delhi. He also holds a post-graduate diploma in hydraulics from IHE Delft Institute for Water Education, Netherlands. Presently, he is providing consultancy on water resources development projects to PSUs. He was ex-officio additional secretary to the Government of India and retired as a member, design and research, Central Water Commission in 2012. He was the Chairman of Ganga Flood Control Commission, Patna from May 2010 to August 2011. He has experience in the planning and designing of water resources development, flood management, hydro and thermal projects, dam safety inspections, resolution of disputes between the project authorities and contractors and advising on construction related problems. He has been on the board of our Company since 8th March, 2018.

3. COMMITTEES OF THE BOARD

Since, Company is in the process of getting listed, the terms of reference of committee of the Board are also in accordance with the requirements of the SEBI (LODR) Regulations, 2015.

A. Audit Committee:

i) Terms of Reference:

The terms of reference of the Board Level Audit Committee specified by the Board are in conformity

with the requirements of Section 177 of the Companies Act, 2013 as well as the SEBI (LODR) Regulations, 2015. The major terms are as follows:

1. Recommending remuneration of statutory auditors including payment of fees for any others services rendered by the auditors except the services covered under Section 144 of the Companies Act, 2013;
2. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
3. Approval or any subsequent modification of transactions of the company with related parties and to review the statement of related party transactions submitted by management;
4. Scrutiny of inter-corporate loans and investments;
5. Evaluation of internal financial controls and risk management systems;
6. 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;
7. Reviewing, with the management, the annual financial statements and Auditors 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 report in terms of clause (c) of section 134(3) 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 legal requirements relating to financial statements;
 - vi. Disclosure of any related party transactions; and

- vii. Qualifications in the draft audit report.
8. Reviewing with the management, the quarterly financial statements and Auditors report thereon before submission to the Board for approval;
9. Discussion with the auditors- both internal and statutory auditors- to address significant issues and areas of concern.
10. Reviewing, with the Management, performance of statutory and internal auditors and adequacy of the internal control systems and function including the structure and working of internal audit department and internal audit report;
11. Considering such other item/ matters as may be decided by the Board/ Audit Committee;
12. Carrying out any other function as may be mentioned in the terms of reference of the Audit Committee under the Companies Act, 2013, DPE Corporate Governance Guidelines, 2010 and SEBI (LODR) Regulations, 2015 as amended from time to time.

ii) Composition:

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

On 31st March 2018, the Audit Committee comprised of the following directors:

Mr. Avineesh Matta, Independent Director	–	Chairman
Mr. Ved Pal, Part-time (Official) Director	–	Member
Mr. Vasudha V. Kamat, Independent Director	–	Member
Mr. S. K. Singh, Independent Director	–	Member
Dr. C. B. Venkataramana, Independent Director	–	Member

Our Company Secretary, Ms. Ritu Arora acts as the Secretary to the Committee.

The Audit Committee was re-constituted on 2nd August 2018. As on date of this report, the Committee

comprises of the following Directors:

Dr. C. B. Venkataramana, Independent Director	–	Chairman
Mr. Ved Pal, Part-time (Official) Director	–	Member
Mr. Ashok Kumar Ganju, Independent Director	–	Member

iii. Meetings and Attendance:

The Audit Committee met 13 times during the financial year 2017-18 on:

24th April 2017 (adjourned and held on 24.04.2017 and 25.04.2017), 23rd May 2017, 18th July 2017, 24th August 2017, 13th September 2017, 18th September 2017, 21st September 2017, 28th September 2017, 1st November 2017, 28th November 2017, 21st December 2017, 10th January 2018 and 6th March 2018. The attendance details of said meetings are:

Member	Status	Meetings held (during their respective tenures)	Meetings attended
Mr. Avineesh Matta	Chairman	13	13
Mr. S. K. Singh	Member	13	13
Prof. Vasudha V. Kamat	Member	13	11
Mr. Ved Pal	Member	NIL	-
Dr. C. B. Venkataramana	Member	NIL	-

B. Nomination & Remuneration Committee

i. Terms of Reference:

During 2015-16, the Board renamed its existing Remuneration Committee as Nomination & Remuneration Committee (NRC) and widened its terms of reference so as to include areas specified by section 178 of the Companies Act, 2013, along with existing terms of reference under DPE-OM dated 26th November 2008. In brief, the scope / terms of reference of the Nomination and Remuneration Committee are:

1. To continue with the existing scope of deciding the annual bonus/ variable pay pool and policy for its distribution across executives and non-unionized

supervisors within the limits prescribed in the DPE OM dated 26th November 2008.

2. To review the policies for selection and removal of persons in senior management (one level below the Director) and other employees as per DPE and other Government Guidelines and recommend the same for approval to the Board.
3. Any other work as may be included by Companies Act, 2013 or DPE Guidelines from time to time.

ii. Composition:

This has been reconstituted as and when there has been a change in directors. On 31st March 2018, the Nomination and Remuneration Committee comprised of the following directors:

Mr. S. K. Singh, Independent Director	–	Chairman
Mr. Ved Pal, Part-time (Official) Director	–	Member
Prof. Vasudha V. Kamat, Independent Director	–	Member
Dr. C. B. Venkataramana, Independent Director	–	Member
Mr. A. K. Ganju, Independent Director	–	Member

Our Company Secretary, Ms. Ritu Arora acts as the Secretary to the Committee.

The Nomination and Remuneration Committee was re-constituted on 2nd August 2018. As on date of this report, the Committee comprises of the following Directors:

Mr. Ashok Kumar Ganju, Independent Director	–	Chairman
Mr. Ved Pal, Part-time (Official) Director	–	Member
Dr. C. B. Venkataramana, Independent Director	–	Member

Our Company Secretary, Ms. Ritu Arora acts as the Secretary to the Committee.

iii. Meetings and Attendance

The Nomination and Remuneration Committee met 9 times during 2017-18 on:

24th April 2017, 22nd May 2017, 28th June 2017, 24th August 2017, 13th September 2017, 28th September 2017, 29th November 2017, 21st December 2017, 7th March 2018 (adj. and held on 8th March 2018). The attendance details of said meetings are:

Member	Status	Meetings held (during their respective tenures)	Meetings attended
Mr. S.K. Singh	Chairman	9	9
Prof. Vasudha V. Kamat	Member	9	9
Mr. Rajiv Chaudhry	Member	9	7
Dr. C. B. Venkataramana	Member	NIL	-
Mr. A. K. Ganju	Member	NIL	-

iv. Remuneration Policy

Being a government company, the whole-time directors are appointed by the President of India

through the Ministry of Railways and draw remuneration as per Industrial Dearness Allowance (IDA) pay scales pre-determined by the Government and as per the terms and conditions of their appointment issued by the Government.

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

The Shareholders, at their 31st Annual General Meeting held on 26th September 2007, had authorized the Board of Directors to fix remuneration payable to part-time non-official (independent) directors by way of sitting fees within the ceiling prescribed by Rule 10-B of the Companies (Central Government's) General Rules and Forms. Accordingly, The Board of Directors, at its 215th meeting held on 28th January 2015, has fixed the sitting fee for independent directors at Rs. 12,000/- for every meeting of the Board of Directors and its Committee(s) thereof.

v. Details of remuneration of Whole-time Directors during 2017-18 are given below:

(in Rs.)

Sl. No.	Name of the Directors***	Salary & Allowances	Other Benefits & Perks	Performance Linked Incentive	Retire-ments Benefits	Bonus/ Commission/ Ex-gratia	Stock Option during the year	Total
1	S.K. Chaudhary	38,57,312.00	6,16,088.00	-	5,60,038.00	-		50,33,438.00
2	Deepak Sabhlok	43,51,238.00	8,45,766.00	6,00,336.00	3,49,182.00			61,46,522.00
3	Hitesh Khanna, (Upto 28.03.2018)	59,11,518.00	7,97,805.00	5,90,852.00	3,39,978.00			76,40,153.00
4	M. K. Singh	35,57,537.00	5,73,301.00	-	3,15,711.00			44,46,549.00

vi. Details of payments made to Independent Directors [Part-time Non-official] Directors during 2017-18:

(in Rs.)

Sl. No.	Name of the Independent Directors / Part-time (Non-official) Directors	Sitting Fee		Total
		Board Meetings	Committee Meetings	
1.	Mr. Sanjay Kumar Singh	1,32,000.00	2,88,000.00	4,20,000.00
2.	Mr. Avineesh Matta	1,32,000.00	2,52,000.00	3,84,000.00
3.	Prof. Vasudha Vasant Kamat	1,08,000.00	3,24,000.00	4,32,000.00

Sl. No.	Name of the Independent Directors / Part-time (Non-official) Directors	Sitting Fee		Total
		Board Meetings	Committee Meetings	
4.	Dr. C. B. Venkataramana (w.e.f. 28.09.2017)	84,000.00	12,000.00	96,000.00
5.	Dr. Narinder Singh Raina (w.e.f. 17.10.2017)	12,000.00	12,000.00	24,000.00
6.	Mr. Ashok Kumar Ganju (w.e.f. 08.03.2018)	12,000.00	-	12,000.00

C. Stakeholders' Relationship Committee

i. Terms of Reference

The Stakeholders' Relationship Committee shall be responsible for, amongst other things, as may be required by stock exchanges from time to time, the following:

- (i) To look into the mechanism of redressal of grievances of shareholders, debenture holders and other security holders;
- (ii) To consider and resolve grievances of the security holders of the company, including complaints in respect of transfer of shares, non-receipt of annual report and non-receipt of declared dividends, etc;
- (iii) To carry out any other function contained in the Companies Act, 2013, SEBI (LODR) Regulations, 2015, as and when amended from time to time.

ii. Composition:

Our Stakeholders Relationship Committee was constituted on March 21, 2018. The members of the said Committee are as follows:

Dr. C. B. Venkataramana, Independent Director	– Chairperson
Mr. Ved Pal, Part-time (Official) Director	– Member
Mr. M. K. Singh, Director Finance	– Member

Our Company Secretary, Ms. Ritu Arora acts as the Secretary to this Committee.

D. CSR & Sustainability Committee

I. Terms of Reference

CSR & Sustainability Committee has been constituted

as per the requirements specified under section 135 of the Companies Act, 2013, and DPE Guidelines on CSR and Sustainability, 2014. The terms of the Corporate Social Responsibility and Sustainability Committee, *inter-alia*, include –

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

ii. Composition

The Committee has been reconstituted as and when there has been a change in directors. The CSR & Sustainability Committee comprised of the following directors on 31st March 2018:

Prof. Vasudha V. Kamat, Independent Director	– Chairperson
Mr. Avineesh Matta, Independent Director	– Member
Mr. Rajiv Chaudhry, Part-time (Official) Director	– Member
Dr. Narinder Singh Raina, Independent Director	– Member
Mr. Deepak Sabhlok, Director Projects	– Member

Our Company Secretary, Ms. Ritu Arora acts as the Secretary to this Committee.

The CSR & Sustainability was re-constituted on 2nd August 2018. As on date of this report, the Committee comprises of the following Directors:

Mr. Avineesh Matta, Independent Director	– Chairman
Dr. Narinder Singh Raina, Independent Director	– Member
Mr. Rajiv Chaudhry, Part-time (Official) Director	– Member
Mr. Deepak Sabhlok, Director Projects	– Member

iii. Meetings and Attendance

The Committee met 6 times during 2017-18 on:

23rd May 2017, 28th June 2017, 17th July 2017, 18th September 2017, 14th December 2017 and 7th March 2018. The attendance details for said meetings are:

Member	Status	Meetings held (during their respective tenures)	Meetings attended
Prof. Vasudha V. Kamat	Chairman	6	6
Mr. Rajiv Chaudhry	Member	6	4
Mr. Deepak Sabhlok	Member	6	6
Mr. Avineesh Matta	Member	6	6
Dr. Narinder Singh Raina	Member	NIL	-

E. Independent Directors Committee

In terms of provisions mentioned under Section 149 and Code of Independent Directors of the Companies

Act, 2013, SEBI (LODR) Regulations, 2015 and DPE Guidelines, the Board has re-constituted its Independent Directors Committee (known as 'ID Committee') on 21st March 2018 with all the Independent Directors as may be appointed by the Ministry of Railways from time to time as its members and the Chairman of the Committee shall be elected by the members of the ID Committee.

The terms of reference of said ID Committee are as per Schedule IV of the Companies Act, 2013 and DPE-OM dated 28th December 2012 (as amended vide DPE-OM dated 20th June 2013).

During 2017-18, one meeting of the ID Committee was held on 1st November 2017 which was attended by all the Independent Directors.

F. Committee for Issue of Renewed/ Duplicate Share Certificates.

The Board had constituted a Committee for Issue of Renewed/ Duplicate Share Certificates on 23rd June 2016 in terms of the Companies Act, 2013 read with Companies (Share Capital and Debentures) Rules, 2014, for issue of duplicate shares in replacement of those which are lost or destroyed, mutilated, torn or old, decrepit, worn out, or where the pages on the reverse for recording transfer have been utilized.

The Committee was last re-constituted in December 2016 as under:

Mr. M. K. Singh, Director Finance	– Chairman
Mr. Rajiv Chaudhry, Part-time (Official) Director	– Member
Mr. Deepak Sabhlok, Director Projects	– Member

Our Company Secretary, acts as the Secretary of this Committee.

G. Project Review Committee

During the year, the Board had constituted a Project Review Committee (known as 'PR Committee') so as to review all projects of the Company (including closed projects) and to address possible roadblocks in the smooth execution of project.

On 31st March 2018, the Committee comprised of the following members:

Mr. Deepak Sabhlok, Director Projects	– Chairman
Mr. Rajiv Chaudhry, Part-time (Official) Director	– Member
Mr. Avineesh Matta, Independent Director	– Member
Dr. C. B. Venkataramana, Independent Director	– Member
Mr. Ved Pal, Part-time (Official) Director	– Member
Mr. A. K. Ganju, Independent Director	– Member

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

The Project Review Committee was last re-constituted on 2nd August 2018. As on date of this report, the Committee comprises of the following Directors:

Mr. Avineesh Matta, Independent Director	– Chairman
Mr. Rajiv Chaudhry, Part-time (Official) Director	– Member
Mr. Ashok Kumar Ganju, Independent Director	– Member

Mr. Deepak Sabhlok, Director Projects	– Member
Director Works	– Member

Our Company Secretary, acts as the Secretary to this Committee.

COMPLIANCE OF PROVISIONS RELATING TO SUBSIDIARY (IES)

Presently, Ircon has following five wholly owned subsidiaries:

- Ircon Infrastructure & Services Limited (IrconISL)
- Ircon PB Tollway Limited (IrconPBTL)
- Ircon Shivpuri Guna Tollway Limited (IrconSGTL)
- Ircon Davanagere Haveri Highway Limited (IrconDHHL)
- Ircon Vadodara Kim Expressway Limited (IrconVKEL) (incorporated after the close of the year on 16th May 2018).

None of the aforesaid subsidiary companies are listed.

Turnover / Net Worth of IrconISL, IrconPBTL, IrconSGTL and IrconDHHL did not exceed 20% of the turnover or net worth of Ircon (holding company) during 2017-18. Therefore, none of the above said subsidiary companies are 'subsidiary' as per the DPE Corporate Governance Guidelines.

5. GENERAL BODY MEETINGS

5.1 Date, Time and Venue of the Last three General Body Meetings:

AGM/EGM	Financial Year	Date of holding meeting	Time	Location/ Venue
41 st AGM	2016-17	28 th September 2017	12.00 P.M.	Railway Board, Rail Bhawan, New Delhi
40 th AGM	2015-16	28 th September 2016	5.00 P.M.	Railway Board, Rail Bhawan, New Delhi
39 th AGM	2014-15	22 nd December 2015	5.00 P.M.	3 rd Floor, C-4, District Centre, Saket, New Delhi-110017
8 th EGM	2017-18	21 st December 2017	1.30 P.M.	Railway Board, Rail Bhawan, New Delhi
7 th EGM	2017-18	22 nd May 2017	12.00 P.M.	3 rd Floor, C-4, District Centre, Saket, New Delhi-110017

5.2 Special Resolution(s) passed:

- Two special resolutions were passed in 39th AGM (for the year 2014-15) for amendment in Memorandum and Articles of Association of the Company so as to increase the authorized share capital of the Company from Rs.25 crore to Rs.100 crore.
- Two special resolutions were passed in the 7th Extra- Ordinary General Meeting (EGM) held on 22nd May 2017 to increase the authorized share capital of the Company from Rs. 100 crores to Rs. 400 crores.

- c) Special resolution was passed in the 8th Extra- Ordinary General Meeting (EGM) held on 21st December 2017 for amendment in Memorandum and Articles of the Company as per the Companies Act, 2013 & SEBI (LODR) Regulations, 2015.

5.3 No special resolution is proposed to be conducted through Postal Ballot in the ensuing AGM of Ircon.

5.4 Annual General Meeting of the Current Year

Date	:	14 th September 2018
Time	:	1600 Hours
Venue	:	3 rd Floor, C-4, District Centre, Saket, New Delhi-110017

6. DISCLOSURES

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

The transactions with related party are in the ordinary course of business on arms' length basis and the disclosure of the same has been made as per requirement of Companies Act, 2013 (i.e. Form AOC-2) and relevant Accounting Standard (in notes to Financial Statement of the Company).

6.2 Non- Compliance/ penalties & strictures imposed on the company by any statutory authority, on any matter related to any guidelines issued by Government, during the last three years.

There has been no instance of non-compliance of any statutory regulation or government guidelines nor there has been any penalties or strictures imposed on the Company on any matter related to the capital market and guidelines issued by Government (except as disclosed in the Statutory Auditors Report).

6.3 Whistle Blower Policy

Our Company has in place a BoD approved Whistle Blower Policy under which there is a mechanism for Employees and Directors of the Company to report to the Management, concerns about unethical behavior, actual or suspected fraud, or violation of the Company's Code of conduct. The Policy also provides for adequate safeguards against victimization of employees and directors who avail the mechanism. Complaints under this policy shall be addressed to the

Chairman and Managing Director of the Company or in exceptional cases i.e. in respect of complaint against officer of E-9 grade, or where complainant apprehends victimisation, to the Chairman of the Audit Committee. Complaints against the Board Level Executives shall be made to the Vigilance Directorate of the Ministry of Railways, Government of India, for further processing.

A copy of the Whistle Blower Policy has also been placed on the website of the Company.

6.4 Details of Compliance with the requirements of these guidelines.

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

Ircon has secured, based on self-evaluation, an annual score of '97.71' out of 100 which falls under 'Excellent' grade for compliance of DPE Corporate Governance Guidelines for the year 2017-18.

6.5 Presidential Directives

1. One presidential directive was received from Railway Board vide letter dated 29th April 2016, regarding final dividend for 2015-16 and dividend for 2016-17. The same has been complied with for the year 2015-16 and 2016-17.
2. One presidential directive was received from the Railway Board vide letter dated 24.11.2017 for implementation of pay revision of Board level and below Board level executives and non-unionised supervisors of Ircon w.e.f. 1st January 2017. The same was implemented during the year.

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

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

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

During the year, no expenses have been incurred by the Company which are personal in nature for the directors and top management except for the remuneration paid to directors which is as per

government approved pay and perks (details given in para 4 of this report and also disclosed in note no. 41 forming part of the standalone financial statement.

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

Other Expenses (Administrative) and office expenses as a percentage of total expenses vis-a-vis financial expenses are given below:

Particulars	2017-18	2016-17	Remarks
Other Expenses (Administrative) (Rs. in crore)	41.92	32.50	Nil
Bank & Other Finance Charges (Rs. in crore)*	6.18	8.34	
Total Expenses (Rs. in crore)	3,589.75	2,796.58	
Administration expenses / Total expenses (in %)	1.17	1.16	
Bank & Financial Charges/ Total expenses (in %)	0.17	0.30	

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

7. Means of Communication

Information, latest updates and announcements regarding the Company can be accessed at company's website: www.ircon.org including the following:

- a) Apart from the annual report, etc., being sent to the shareholders before the Annual General Meeting, periodical reports on the progress of projects of the Company including financial performance vis-a-vis the targets are being sent to the Administrative Ministry, Government of India.
- b) The Annual Report including the audited financial statements for the year 2017-18 of Ircon and its subsidiaries would be available on the website of the Company.
- c) The following have also been displayed on the Company's website:
 - i) Shareholding pattern of the Company.
 - ii) Important corporate governance policies like Fraud Prevention and Detection Policy; and

Whistle Blower Policy along with confidential e-mail-ids of CMD/ Chairman Audit Committee.

- iii) In accordance with the applicable provisions of the SEBI (LODR) Regulations, 2015 and other applicable law, various policies have been formulated like Policy on maintenance, preservation and archival of Documents; Policy on 'Material' Subsidiary; Policy on disclosure of Material Events or Information; Related Party Transactions Policy; Policy for determination of Materiality for Disclosure of Events or Information;
 - iv) CSR & Sustainability Policy; Sustainability Report for previous years; Status of CSR Activities for last seven years and glimpse of Ircon's CSR; etc.
 - v) Code of Conduct for Board Members and Senior Management and Key Values of the Company.
 - vi) Terms and Conditions of appointment of Independent Director.
- d) E-mail ID of the Company Secretary and Compliance Officer exclusively for the purpose of registering complaints by investors has been displayed on the website under the head "Investor Relations → Investor Contact."

8. Audit Qualifications

For Audit Qualifications, the Independent Auditor's Report submitted by K. G. Somani & Co., Chartered Accountants on the financial statements for the year ending 31st March 2018 may be referred to. For the secretarial audit qualifications, the Secretarial Audit Report for the year ended 31st March 2018 by M/s Vishal Agarwal & Associates may be referred to.

9. Training of Board Members

- 9.1 The Company has a Board approved Training Policy for Board Members. According to the Policy, the Company has a practice of imparting introductory training to new Board Members. They are also given documents about the Company which includes the Company's Profile, Memorandum and Articles of Association; Brochure; Annual Report; MoU targets and achievements; a paper on "Ethics & Governance"-a

perspective by CVC; Board approved policies; DPE Guidelines on Corporate Governance and CSR & Sustainability; Terms of reference of all Committees of Board; Provisions on duties, responsibilities, disqualification, etc. of Directors under Companies Act, 2013, and DPE Guidelines; etc.

9.2 The Board members, based on their requirement attended various seminars, conferences, training programs from time to time. During 2017-18, Ircon's Directors were nominated / had attended various

training programs/ seminars organized by SCOPE, ASSOCHAM, DPE, IREE, Institute of Permanent Way Engineers, Ministry of Railways & World Bank, Institute of Directors (IOD) etc.

10 Record Date for payment of Dividend

Dividend would be paid for the year 2017-18 to all such shareholders whose name appear in the Register of Members as on 31st August 2018, the record date.

11 Distribution of Shareholding as on 31.03.2018

Category	No. of shares held (Rs. 10/- each)	Percentage of shareholding
Central Government in the name of the President of India and his ten nominees	9,37,83,574*	99.715
Indian Railway Finance Corporation Limited	2,44,000	0.259
Bank of India	24,000	0.026
Total	9,40,51,574	100

* The percentage of shareholding of President of India changed due to buy-back of 4928426 Equity Shares of Rs. 10/- each. Consequently, the subscribed & paid-up share capital and shareholding pattern has also undergone a change.

12 Plant Locations/ Operating Units

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

13 Address for correspondence with the Registered Office

(Regarding Corporate Governance matters covered under this report)

Ms. Ritu Arora
Company Secretary and Compliance Officer,
Ircon International Limited,
C-4, District Centre, Saket, New Delhi - 110017
Telephone: 91-11-26530456;
Fax: 91-11-26522000 / 26854000
E-Mail: cosecy@ircon.org; Website : www.ircon.org

14. COMPLIANCE ON CORPORATE GOVERNANCE

This Report duly complies with the legal requirements in respect of data that should be disclosed in a Corporate Governance Report for the year 2017-18.

Certificate obtained from a Practising Company Secretary regarding compliance of the conditions of Corporate Governance is placed as **Annexure – E3** to this Report.

For and on behalf of the Board of Directors

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

Place : New Delhi
Date : 31st August 2018

DECLARATION BY CHAIRMAN & MANAGING DIRECTOR REGARDING COMPLIANCE WITH THE CODE OF CONDUCT BY BOD MEMBERS AND SENIOR MANAGEMENT DURING THE FINANCIAL YEAR 2017-18.

I, S.K. Chaudhary, Chairman & Managing Director, Ircan International Limited, do hereby declare that all the members of the Board of Directors and the Senior Management Team of the Company have affirmed their compliance of the Code of Conduct and Key Values of the Company during 2017-18.

Sd/-

(S.K. Chaudhary)

Chairman & Managing Director

(DIN : 00515672)

Place: New Delhi

Date : 31st August 2018

CHAIRMAN & MANAGING DIRECTOR AND FINANCE HEAD CERTIFICATION

We have reviewed the Financial Statements [i.e. the Balance Sheet, Statement of Profit & Loss, Cash Flow Statement, Statement of Changes in Equity and Notes thereto] for the financial year 2017-18 and to the best of our knowledge and belief:

- (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
- (iii) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal, or violative of the Company's code of conduct;
- (iv) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting. We have disclosed to the auditors and the Audit Committee deficiencies in the design or operation of such internal controls of which we are aware and the steps we have taken or propose to take to rectify these deficiencies;
- (v) We have indicated to Auditors and the Audit Committee changes in Accounting Policies during the year, and that the same have been disclosed in the Notes to the Financial Statements; and
- (vi) There was no instance of fraud of which we are aware nor there has been involvement of the Management or an employee having a significant role in the Company's internal control system over financial reporting.

Sd/-

(M. K. Singh)

Director Finance

(DIN: 06607392)

Place : New Delhi

Date : 31st August 2018

sd/-

(S.K. Chaudhary)

Chairman & Managing Director

(DIN: 00515672)

**CERTIFICATE ON COMPLIANCE OF DPE GUIDELINES
ON CORPORATE GOVERNANCE
FOR THE FINANCIAL YEAR 2017-2018**

The Members,
Ircan International Limited.

We have examined the compliance of Guidelines on Corporate Governance for Central Public Sector Enterprise, 2010 as issued by DPE from time to time, of your Company.

The Compliance of Guidelines on Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the Guidelines on Corporate Governance. It is neither an audit nor an expression of opinion on financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us by the management, we certify that the Company has complied with the DPE Guidelines on Corporate Governance.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Agarwal S. & Associates,**
Company Secretaries,

CS Sachin Agarwal
Partner

FCS No. : 5774
CP No. : 5910

Place : New Delhi
Date : 20th August 2018



Vishal Agarwal & Associates
COMPANY SECRETARIES

39/2068, Naiwala, 315, Dakha Chamber
Karol Bagh, New Delhi-110005
Tel. : 45065638, 28755638, Mob.: 9313835638
Email : info@csvishal.com, csvishal21@gmail.com
website: www.csvishal.com

Form No. MR-3

Secretarial Audit Report

(For the Financial year ended on 31st March 2018)

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of
the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
IRCON INTERNATIONAL LIMITED
CIN: U45203DL1976GOI008171
Plot No. C-4, District Centre, Saket
New Delhi-110017

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **IRCON INTERNATIONAL LIMITED** (hereinafter called "**The Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we do hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **IRCON INTERNATIONAL LIMITED** ("**The Company**") for the period ended on March 2018 according to the provisions of:

(i) The Companies Act, 2013 (**the Act**) and the Rules made thereunder;

- (ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment and External Commercial Borrowings.
- (v) The following Regulations and Guidelines prescribed under the Securities Exchange Board of India, Act, 1992, ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 / Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (effective 28th October 2014);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.
- (vi) Following laws and rules made thereunder have been identified as specifically applicable to the company by the Management:
- (a) Department of Public Enterprises Guidelines are issued by Ministry of Heavy Industries and Public Enterprises dated 14th May 2010.
- (b) Income Tax Act, 1961
- (c) Service Tax Law
- (d) Goods and Services Tax Act, 2017
- (e) VAT/Central Sales Tax Act/WCT
- (f) The Customs Act, 1962
- (g) Central Excise Act, 1944
- (h) Air Prevention and Control of Pollution Act, 1981
- (i) Environment Protection Act, 1986
- (j) Water Prevention & Control of Pollution Act, 1974
- (k) Information Technology Act, 2000 and the rules made thereunder
- (l) Indian Stamp Act, 1999
- (m) Right to Information Act, 2005
- (n) Negotiable Instrument Act 1881
- (o) Other Labour Laws and rules made thereunder:
- Apprentice Act, 1961
 - Child Labour Act, 1986
 - Contract Labour (Regulation and Abolition) Act, 1970
 - Workmen Compensation Act, 1923
 - Employees Provident Fund and Miscellaneous Provisions Act, 1952
 - Construction Workers (Regulation of Employment and condition of Service) Act, 1996
 - Equal Remuneration Act, 1976
 - Factories Act, 1948
 - Electricity Act, 2003
 - Maternity Benefits Act, 1961
 - Minimum Wages Act, 1948
 - Employee State Insurance Act, 1948
 - Payment of Wages Act, 1936
 - Payment of Gratuity Act, 1972
 - Payment of Bonus Act, 1965
 - Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
 - Commercial Shops and Establishment Act
- We have also examined compliance with applicable clauses of the following:
- (i) The Secretarial Standards issued by the Institute of Company Secretaries of India and notified by the Central Government with respect to Board and General Meeting has been complied by the company without any material non-compliances.
- We further report that no observation in respect of compliances by the Company with the following is required:
- (ii) No Listing Agreement was entered into by the company with any of stock exchange(s) as the company is not listed with any of stock exchange and therefore no observation in respect of compliance is required.
- We further report that during the period under review the company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above without any material non-compliances and subject to the following observations:
1. The Acts, Rules, Regulations, Agreements and Guidelines mention in clause(s) (ii), and (v) above do not require any observation as the company is an unlisted entity and hence these are not applicable.
 2. The Acts, Rules and Regulations mention in clause (iii) and (iv) above does not require any observation as no such event has occurred during the period under consideration.
- We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines, subject to the following observations:

In respect of other laws specifically applicable to the company mentioned in clause (vi) above we observed that systems and processes are based on certifications from various department/projects/regional heads in the company who are responsible to monitor and ensure compliances with all applicable laws, rules, regulations and guidelines.

We further report that during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

- (i) The Minutes of 18th Nomination & Remuneration committee dated 21-12-2017 were signed on 27-02-2018 after 68 days from the date of conclusion of the meeting & the Minutes of 19th Nomination and Remuneration Committee dated 7-3-2018 adjourned to 8-3-2018 were signed on 20-6-2018 after 104 Days from the date of conclusion of the meeting in violation of Section 118 read with Rule 25 of Companies Act, 2013.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director. It is understood that appointment is being done by the Government.

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.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance except for the

shorter notice where requisite compliance has been made, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

The Company has obtained all necessary approvals under the various provisions of the Act; and the Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel;

We further report that during the audit period the company has bought back securities 4928426 Nos. of equity shares @ Rs. 10/- at a premium of Rs. 386.72 each total amounting to Rs. 190,59,20,903/-.

We further report that during the audit period the Board of the company has decided to get the share listed on Stock Exchange.

For **Vishal Agarwal & Associates**
Company Secretaries

Place: New Delhi
Date: 11th August 2018

(CS Vishal Agarwal)
FCS No.: 7242
CP No. : 7710

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



Vishal Agarwal & Associates
COMPANY SECRETARIES

39/2068, Naiwala, 315, Dakha Chamber
Karol Bagh, New Delhi-110005
Tel. : 45065638, 28755638, Mob.: 9313835638
Email : info@csvishal.com, csvishal21@gmail.com
website: www.csvishal.com

To,
The Members
IRCON INTERNATIONAL LIMITED
CIN: U45203DL1976GOI008171
Plot No. C-4, District Centre, Saket
New Delhi-110017

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 records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have relied on report of Statutory Auditors, Tax auditors and Cost Auditors for compliances of the applicable Financial Laws including Direct and Indirect Tax Laws, Accounting Standards, the correctness and appropriateness of Financial Records, Cost Records and Books of Accounts of the company since the same have been subject to review by respective Auditors and other designated professionals.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules, regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For **Vishal Agarwal & Associates**
Company Secretaries

Place: New Delhi
Date: 11th August 2018

(CS Vishal Agarwal)
FCS No.: 7242
CP No.: 7710

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

[As on 31.03.2018]

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

I. REGISTRATION AND OTHER DETAILS

- | | | |
|--|---|---|
| 1 Corporate Identity Number (CIN) | : | U45203DL1976GOI008171 |
| 2 Registration Date | : | 28 th April 1976 |
| 3 Name of the Company | : | Ircon International Limited |
| 4a) Category of the Company | : | Public Company |
| 4b) Sub-category of the Company | : | Government Company, Limited by Shares, and Company having share capital. |
| 5 Address of the Registered office & contact details | : | Plot No. C-4, District Centre, Saket, New Delhi - 110017
Ph. No.: 011-26530456
Fax No. : 011-26522000
Email id: cosecy@ircon.org |
| 6 Whether Listed Company (Yes/ No) | : | No. The Company is in the process of listing. Draft Red Herring Prospectus (DRHP) has been filed with SEBI on 27 th March 2018. |
| 7 Name, Address & contact details of the Registrar & Transfer Agent, if any. | : | Karvy Computershare Private Limited
Karvy Selenium Tower B Plot 31-32, Gachibowli Financial District, Nanakramguda Hyderabad 500 032 Telangana, India
Telephone: +91 40 6716 2222
Email: einward.ris@karvy.com |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of Main Products / Services	NIC Code of the Product/service	% to total turnover of the Company
1	Railways	4,210	70.40%
2	Highways	4,210	20.58%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

[No. of Companies for which information is being filled - 11 Companies]

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

Note:

1 For details pertaining to IRSDC, please refer sl. no. B(7) of Appendix-B (i.e. Subsidiaries and Joint Venture Companies)

IV. SHARE HOLDING PATTERN:

(Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% Change during the year
	Demat ¹	Physical	Total	Demat ¹	Physical	Total	
A. Promoters	Not Applicable						
(1) Indian	Not Applicable						
a) Individual/HUF	-	-	-	-	-	-	
b) Central Government ²	9,87,12,000	9,87,12,000	99.729	9,37,63,574	20,000	9,37,83,574	99.715 (0.014)
c) State Government(s)	-	-	-	-	-	-	
d) Bodies Corporate	-	-	-	-	-	-	
e) Banks / Financial Institution(s) [F(s)]	-	-	-	-	-	-	
f) Any Other	-	-	-	-	-	-	
Sub-total (A) (1)	9,87,12,000	9,87,12,000	99.729	9,37,63,574	20,000	9,37,83,574	99.715 (0.014)
(2) Foreign							
a) NRIs - Individuals	-	-	-	-	-	-	
b) Other- Individuals	-	-	-	-	-	-	
c) Bodies Corporate	-	-	-	-	-	-	
d) Banks / F(s)	-	-	-	-	-	-	
e) Any Other	-	-	-	-	-	-	
Sub-total (A) (2)	-	-	-	-	-	-	
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	9,87,12,000	9,87,12,000	99.729	9,37,63,574	20,000	9,37,83,574	99.715 (0.014)
B. Public Shareholding	Not Applicable						
(1) Institutions	Not Applicable						
a) Mutual Funds	-	-	-	-	-	-	
b) Banks/ F(s) --	-	-	-	-	-	-	
Bank - Bank of India	24,000	24,000	0.024	24,000		24,000	0.026
F(s) - Indian Railway Finance Corporation Limited	2,44,000	2,44,000	0.247	2,44,000		2,44,000	0.259
c) Central Government	-	-	-	-	-	-	
d) State Government	-	-	-	-	-	-	
e) Venture Capital Funds	-	-	-	-	-	-	
f) Insurance Companies	-	-	-	-	-	-	
g) FIs	-	-	-	-	-	-	
h) Foreign Venture Capital Funds	-	-	-	-	-	-	
i) Others (specify)	-	-	-	-	-	-	
Sub-total (B)(1):	2,68,000	2,68,000	0.271	2,68,000	-	2,68,000	0.285
Sub-total (B)(1):	2,68,000	2,68,000	0.271	2,68,000	-	2,68,000	0.014

Category of Shareholders	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% Change during the year
	Demat ¹	Physical	Total	Demat ¹	Physical	Total	
(2) Non-Institutions	Not Applicable						
a) Bodies Corporate:							
i) Indian	-	-	-	-	-	-	
ii) Overseas	-	-	-	-	-	-	
b) Individuals	-	-	-	-	-	-	
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	-	-	-	-	-	-	
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh.	-	-	-	-	-	-	
c) Others (specify)	-	-	-	-	-	-	
Sub-total (B)(2):	-	-	-	-	-	-	
Total Public Shareholding (B) = (B)(1) + (B)(2)	2,68,000	2,68,000	2,68,000	2,68,000	2,68,000	2,68,000	0.285
C. Shares held by Custodian for GDRs & ADRs	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	
Grand Total (A + B + C)	Not Applicable	9,99,80,000	9,99,80,000	100	9,40,31,574	9,40,51,574	100
	Not Applicable						NIL

Note:

1. 9,37,63,574 equity shares of Rs. 10/- each held in the name of President of India, 24,000 equity shares of Rs. 10/- each held in the name of Bank of India and 2,44,000 equity shares of Rs. 10/- each held in the name of Indian Railway Finance Corporation Limited have been dematerialised during the year 2017-18.
2. 9,37,63,574 equity shares of Rs. 10/- each are held in the name of President of India, and 2000 shares of Rs. 10/- each are held by each of the ten nominees (who are Government Officials) of the President of India.

ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged /encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged /encumbered to total shares	
1	President of India and his nominees*	9,87,12,000	99.729	Nil	9,37,83,574	99.715	Nil	(0.014)
	Total	9,87,12,000	99.729		9,37,83,574	99.715		

* List of shareholdings by President of India and his nominees, as on 31st March 2018, are attached as Annexure G1.

iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Particulars	Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	9,87,12,000	99.729	9,87,12,000	99.729
2	Date wise Increase / (Decrease) in Promoters Share holding during the year specifying the reasons for increase / (decrease) (e.g. allotment / transfer / bonus/ sweat equity etc):		Nil	(49,28,426) Buy-back of 49,28,426 equity shares of Rs.10/- each held by President of India on 26.12.2017	(0.014)
3	At the End of the year	9,37,83,574	99.715	9,37,83,574	99.715

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Particulars	Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For each of the top 10 Shareholders				
1	Indian Railway Finance Corporation Limited				
a)	At the beginning of the year	2,44,000	0.247	2,44,000	0.247
b)	Date wise Increase / (Decrease) in Share holding during the year specifying the reasons for increase / (decrease) (e.g. allotment / transfer / bonus/ sweat equity etc):		Nil	Nil	0.012 *
c)	At the End of the year	2,44,000	0.259	2,44,000	0.259
2	Bank of India				
a)	At the beginning of the year	24,000	0.024	24,000	0.024
b)	Date wise Increase / (Decrease) in Share holding during the year specifying the reasons for increase / (decrease) (e.g. allotment / transfer / bonus/ sweat equity etc):		Nil	Nil	0.002*
c)	At the End of the year	24,000	0.026	24,000	0.026

* Consequent upon Buy-back of 49,28,426 equity shares of Rs.10/- each by POI on 26.12.2017 and decrease in total number of shares, the % of shareholding of BOI and IRFC has changed. Though there is no change in the number of shares held by BOI and IRFC.

v) Shareholding of Directors and Key Managerial Personnel (KMP):

Sl. No.	Particulars	Shareholding at the beginning of the year		Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
For each of the Directors and KMP					
1	At the beginning of the year	Not Applicable³		Not Applicable³	
2	Date wise Increase / (Decrease) in Promoters Share holding during the year specifying the reasons for increase / (decrease) (e.g. allotment / transfer / bonus/ sweat equity etc):				
3	At the End of the year				

Note:

3. All the shares of Ircon are held by Central Government in the name of the President of India and his 10 nominees (99.715%), Indian Railway Finance Corporation Limited (0.259%), and Bank of India (0.026%).

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i + ii + iii)				
Change in Indebtedness during the financial year				
- Addition	-	32,00,00,00,000	-	32,00,00,00,000
- Reduction	-	-	-	-
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount	-	32,00,00,00,000	-	32,00,00,00,000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	3,07,55,068	-	3,07,55,068
Total (i + ii + iii)		32,03,07,55,068		32,03,07,55,068

VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-time Directors, and / or Manager:

Sl. No.	Particulars of Remuneration	Name of Whole-time Director				Total Amount
		S.K. Chaudhary, CMD (throughout 2017-18)	Deepak Sabhlok Director Projects (through out 2017-18)	Hitesh Kanna, Director Works (upto 28.03.2018)	M.K. Singh, Director Finance (throughout 2017-18)	
1	Gross salary					
a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	38,57,312	43,51,238	59,11,518	35,57,537	1,76,77,605
b)	Value of perquisites u/s 17(2) of the Income-tax Act, 1961	6,16,088	8,45,766	7,97,805	5,73,301	28,32,960
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	-	6,00,336	5,90,852	-	11,91,188
	- Retirement Benefits	5,60,038	3,49,182	3,39,978	3,15,711	15,64,909
	Total	50,33,438	61,46,522	76,40,153	44,46,549	2,32,66,662
	Total (A)					2,32,66,662

Ceiling as per the Act - Not Applicable⁴
B. Remuneration to other directors:

SN.	Particulars of Remuneration	Name of Directors					Total Amount
		Avineesh Matta (throughout 2017-18)	Vasudha Vasant Kamat (throughout 2017-18)	Sanjay Kumar Singh (throughout 2017-18)	C.B. Venkataramana (w.e.f. 28.09.2017)	Narinder Singh Raina (w.e.f. 17.10.2017)	
a)	Fee for attending board/ committee meetings	3,84,000	4,32,000	4,20,000	96,000	24,000	13,68,000
b)	Commission	-	-	-	-	-	-
c)	Others (please specify)	-	-	-	-	-	-
	Total (B1)	3,84,000	4,32,000	4,20,000	96,000	24,000	13,68,000
2	Other Non-executive Directors	Rajiv Chaudhry (throughout 2017-18)	S.C. Jain (upto 17.11.2017)	S.C. Jain (upto 17.11.2017)	Ved Pal (w.e.f. 22.11.2017)		
a)	Fee for attending board/ committee meetings						Nil
b)	Commission						
c)	Others (please specify)						
	Total (B2)						Nil
	Total [B= B1 + B2]						13,68,000
	Total Managerial Remuneration [A + B]						2,46,34,662

Overall ceiling as per the Act - Not Applicable⁴

C. Remuneration to Key Managerial Personnel other than MD/ Manager/ WTD (in Rs.)

Sl. No.	Particulars of Remuneration	CEO*	Key Managerial Personnel				Total Amount
			Sumita Sharma Company Secretary (for 01.04.2017 to 27.10.2017)	Iti Matta (for 01.11.2017 to 04.01.2018)	Ritu Arora (w.e.f. 04.01.2018)		
1	Gross salary						
a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	9,53,663	3,93,442	6,41,374		19,88,479	
b)	Value of perquisites u/s 17(2) of the Income-tax Act, 1961	12,984	3,274	5,130		21,388	
c)	Profits in lieu of salary under section 17(3) of the Income- tax Act, 1961	-	-	-		-	
2	Stock option	-	-	-		-	
3	Sweat Equity	-	-	-		-	
4	Commission	-	-	-		-	
5	Others, please specify: - Performance Linked Incentive - Retirement Benefits	99,317 1,08,306.50	- 60,151	- 63,766.25		99,317 2,32,223.75	
	Total (C)	11,74,270.50	4,56,867	7,10,270.25		23,41,407.75	

Ceiling as per the Act - Not Applicable⁴

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

Note:

4. Section 197 of the Companies Act, 2013, is exempt for government companies in terms of notification dated 5th June 2015 of the Ministry of Corporate Affairs.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

List of Shareholding by President of India and his ten nominees
(As on 31st March 2018)

Name of the Company: **IRCON INTERNATIONAL LIMITED**

Sl. No.	Holders Name	No. of Shares Held	% of Shareholding
1	President of India	9,37,63,574	99.695
2	Mr. Ashwani Lohani* Chairman, Railway Board	2,000	0.002
3	Mr. B.N. Mohapatra* Financial Commissioner (Railways), Railway Board	2,000	0.002
4	Mr. Mahesh Kumar Gupta* Member Engineering, Railway Board	2,000	0.002
5	Mr. Ghanshyam Singh* Member Traction, Railway Board	2,000	0.002
6	Mr. Ravindra Gupta* Member Rolling Stock, Railway Board	2,000	0.002
7	Mr. D.K. Gayen* Member Staff, Railway Board	2,000	0.002
8	Mr. Mohammad Jamshed* Member Traffic, Railway Board	2,000	0.002
9	Ms. Nalini Kak* Addl. Member (Budget), Railway Board	2,000	0.002
10	Mr. A.P. Dwivedi* Executive Director (PSU), Railway Board	2,000	0.002
11	Mr. Rakesh Choudhary* Director (Corporate Coordination), Railway Board	2,000	0.002
	TOTAL	9,37,83,574	99.715

* 2000 shares each are held for and on behalf of the President of India by his ten nominees who are Government officials from the Ministry of Railways.

FORM NO. AOC 2

Form for Disclosure of particulars of contracts / arrangements entered by the Company with related parties referred in section 188 (1) of the Companies Act, 2013, including certain arms-length transactions under third proviso thereto.

[Pursuant to Section 134 (3)(h) of the Companies Act, 2013, read with Rule 8(2) of the Companies (Accounts) Rules, 2014]

- 1 Details of contracts or arrangements or transactions not at arm's length basis : NIL
 2 Details of material contracts or arrangements or transactions at arm's length basis : As follows

Sl. No.	Name of the related party and nature of relationship*	Nature of contracts / arrangements / transactions	Duration of contracts / arrangements / transactions	Salient terms of contracts / arrangements / transactions, including the value, if any	Date of approval by the BoD, if any	Amount received/ paid as advances by Ircon, if any
1	Mahanadi Coal Railway Limited (MCRL) A Joint Venture Company	Work for preparation of feasibility report, Detailed Project Report, Design, and construction of identified project lines and Sidings.*	Date: Project Execution Agreement dated 19.04.2016. Duration: Up to Commissioning of all identified project	Ircon would be paid a percentage of cost of project for FR & DPR and actual cost of work plus specified percentage of contract addition towards overheads and profit for construction.	Not Applicable	Nil
2	Jharkhand Central Railway Limited (JCRL) A Joint Venture Company	Work for preparation of feasibility report, Detailed Project Report, Design, and construction of identified project lines and Sidings.*	Date: Project Execution Agreement dated 28.03.2016. Duration: Up to Commissioning of all identified project.	Ircon would be paid a percentage of cost of project for FR & DPR and actual cost of work plus specified percentage of contract addition towards overheads and profit for construction.	Not Applicable	Nil
3	Chhattisgarh East Railway Limited (CERL) A Joint Venture Company	Execution of East Corridor Rail Project in Chhattisgarh for CERL	Project Execution Agreement dated 18.01.2014. Duration: Till the Railway corridor becomes operational in line with the Concession Agreement.	The contract is in terms of the Concession Agreement signed by CERL with South Eastern Railways. Ircon would be paid actual cost of work plus specified percentage of contract addition towards overheads and profit.	Not Applicable	Nil
4	Chhattisgarh East-West Railway Limited (CEWRL) A Joint Venture Company	Execution of East-West Corridor Rail Project in Chhattisgarh for CEWRL	Project Execution Agreement dated 05.04.2014. Duration: Till the Railway corridor becomes operational in line with the Concession Agreement.	The contract is in terms of the Concession Agreement signed by CERL with South Eastern Railways. Ircon would be paid actual cost of work plus specified percentage of contract addition towards overheads and profit.	Not Applicable	Nil

Sl. No.	Name of the related party and nature of relationship*	Nature of contracts / arrangements / transactions	Duration of contracts / arrangements / transactions	Salient terms of contracts / arrangements / transactions, including the value, if any	Date of approval by the BoD, if any	Amount received/ paid as advances by Ircon, if any
5	Bastar Railway Private Limited (BRPL) A Joint Venture Company	Work for preparation of feasibility report, Detailed Project Report, Design, and construction of identified project lines and Sidings. *	Date: Project Execution Agreement has been entered on 19.07.2017 Duration: Up to Commissioning of all identified project.	Ircon would be paid a percentage of cost of project for FR & DPR and actual cost of work plus specified percentage of contract addition towards overheads and profit for construction.	Not Applicable	Nil
6	Ircon Infrastructure & Services Limited (IrconISL) A wholly owned subsidiary Company	a) IrconISL to provide manpower for Ircon's project in Malaysia	Agreement dated 1.04.2013 Duration: 2 years from the date of signing. [unless terminated by either party with prior 30 days written notice, this agreement will remain valid for 2 years. Unless either party so notifies the other of the termination of this agreement, it shall be renewed every 2 years]	The rates for provision of various categories of manpower stipulated in the Agreement are comparable with those charged by manpower supply agencies for international projects for similar type of manpower.	Not Applicable	Nil
		b) Leasing of office premises at C-4, District Centre, Saket, New Delhi – 110017.	Date: Lease Agreement dated 17.08.2017. Duration : 2 years from 01.04.2017	Lease Rent @ 497.18 sq. ft X Rs.270 per sq ft chargeable on monthly basis Rs.1,34,238.60/- considering charges for leased premises inside corporate office and increment of 10% on renewal.	Not Applicable	Nil
7	Indian Railway Stations Development Corporation Limited (IRSDC) A Joint Venture Company.	Sub-Leasing of office premises at Palika Bhawan, Sector- XIII, R.K. Puram, New Delhi – 110066.	Lease Agreement dated 14.02.2017. Duration: 11 months from 01.01.2017	Lease Rent @ 4,259.79 sq. ft X Rs.115.41 per sq ft chargeable on monthly basis Rs.4,91,612/-.	Not Applicable	Nil

Sl. No.	Name of the related party and nature of relationship*	Nature of contracts / arrangements / transactions	Duration of contracts / arrangements / transactions	Salient terms of contracts / arrangements / transactions, including the value, if any	Date of approval by the BoD, if any	Amount received/ paid as advances by Ircon, if any
8	Ircon-Soma Tollway Private Limited A Joint Venture Company	Leasing of office premises at C-4, District Centre, Saket, New Delhi – 110017.	Date: Lease Agreement dated 17.08.2017. Duration : 2 years from 01.04.2017.	Lease Rent @ 95.41 sq. ft X Rs.270 per sq ft chargeable on monthly basis Rs.25,760.70/- considering charges for leased premises inside corporate office and increment of 10% on renewal.	Not Applicable	Nil
9	Ircon Davanagere Haveri Highway Limited (IrconDHHL) A wholly owned subsidiary Company.	a) Engineering Procurement Construction (EPC) contract of Davanagere Haveri Highway Project for IrconDHHL	Date: EPC Agreement dated 04.01.2018 Duration: Completion period is 30 months from Appointed date or handing over of land by "IrconDHHL" whichever is later	The contract has been awarded to execute six-laning of Davanagere- Haveri from km 260+000 to km 338+923 of NH-48 (old NH-4) in the state of karnataka for a total sum of Rs. 916.93 crores plus GST @12%	Not Applicable	Nil
		b) Leasing of office premises at C-4, District Centre, Saket, New Delhi – 110017.	Date : Lease Agreement dated 14.03.2018 Duration: 1 year from 15.05.2017	Rent: Lease Rent @ 65 sq. ft X Rs.270 per sq ft chargeable on monthly basis Rs.17,550/- considering charges for leased premises inside corporate office and increment of 10% on renewal.	Not Applicable	Nil
			Date: Lease Agreement dated 09.08.2018 (Renewal) Duration: 3 years w.e.f 15.05.2018	<u>Rent:</u> Lease Rent @ 65 sq. ft X Rs.297/- per sq ft chargeable on monthly basis Rs.19,305/- considering charges for leased premises inside corporate office and increment of 10% on renewal.		

Sl. No.	Name of the related party and nature of relationship*	Nature of contracts / arrangements / transactions	Duration of contracts / arrangements / transactions	Salient terms of contracts / arrangements / transactions, including the value, if any	Date of approval by the BoD, if any	Amount received/ paid as advances by Irrcon, if any
10	Ircon PB Tollway Limited (IrconPBTL) A wholly owned subsidiary Company.	a) Execution of four Addendums to EPC Agreement (These addendums would be forming part of original EPC agreement)	EPC Agreement dated 19.01.2015 Duration: EPC Work is 30 months from the appointed date intimated by NHAI or handing over of land by IrconPBTL, whichever is later. a) Addendum 1 entered on 12.06.2015 b) Addendum 2 entered on 29.03.2016 c) Addendum 3 entered on 05.08.2016 d) Addendum 4 entered on 06.07.2017	Addendum No. 1,2,3,4 to EPC Agreements have been executed for incorporation of revised payment schedule retaining the original total cost of the project of the value of Rs. 646 crore.	Not Applicable	Nil
		b) Leasing of office premises at C-4, District Centre, Saket, New Delhi – 110017.	Date: Lease Agreement dated dated 01.10.2015 Duration: 3 years w.e.f. 01.04.2015 Date: Lease Agreement dated dated 22.06.2018 (Renewal) Duration: 2 years w.e.f. 01.04.2018	Rent: Lease Rent @ 65 sq. ft X Rs.270 per sq ft chargeable on monthly basis Rs.17,550/- considering charges for leased premises inside corporate office and increment of 10% on renewal. Rent: Lease Rent @ 65 sq. ft X Rs.297/- per sq ft chargeable on monthly basis Rs.19,305/- considering charges for leased premises inside corporate office and increment of 10% on renewal.		
11	Ircon Shivpuri Guna Tollway Limited (IrconSGTL) A wholly owned subsidiary Company.	Execution to two Addendums to EPC Agreement (These addendums would be forming part of original EPC agreement)	EPC Agreement dated 30.11.2015. Duration: EPC Work is 30 months from the appointed date intimated by NHAI or handing over of land by IrconSGTL. a) Addendum 1 entered on 29.03.2016 b) Addendum 2 entered on 22.07.2016	Addendum No. 1,2 to the EPC Agreement have been executed for incorporation of revised payment schedule retaining the original total cost of the project of the value of Rs. 642 crore.	Not Applicable	Nil

Sl. No.	Name of the related party and nature of relationship*	Nature of contracts / arrangements / transactions	Duration of contracts / arrangements / transactions	Salient terms of contracts / arrangements / transactions, including the value, if any	Date of approval by the BoD, if any	Amount received/ paid as advances by Ircon, if any
		Leasing of office premises at C-4, District Centre, Saket, New Delhi – 110017.	Date: Lease Agreement dated dated 01.10.2015 Duration: 3 years w.e.f. 01.07.2015	Rent: Lease Rent @ 65 sq. ft X Rs.270/- per sq ft chargeable on monthly basis Rs.17,550/- considering charges for leased premises inside corporate office and increment of 10% on renewal.		
			Date:Lease Agreement dated dated 27.06.2018 (Renewal) Duration: 3 years w.e.f. 01.07.2018	Rent: Lease Rent @ 65 sq. ft X Rs.297/- per sq ft chargeable on monthly basis Rs.19,305/- considering charges for leased premises inside corporate office and increment of 10% on renewal.		
12	Ircon Vadodara Kim Expressway Limited (IrconVKEL)	Leasing of office premises at C-4, District Centre, Saket, New Delhi – 110017.	Date: Lease Agreement dated 09.08.2018 Duration: 3 years w.e.f.17.05.2018	Rent: Lease Rent @ 65 sq. ft X Rs.297/- per sq ft chargeable on monthly basis Rs.19,305/- considering charges for leased premises inside corporate office and increment of 10% on renewal.	Not Applicable	Nil

* Ircon will be undertaking Feasibility Study and preparation for DPR for projects assigned to it rates 1% and 2% of project cost respectively.

Note:

- All the above said transactions have been approved by the Audit Committee of Ircon.
- Details of shareholding of JV companies are given at **Appendix - B** of Directors Report.

For and on behalf of the Board of Directors

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

Date : 31st August 2018
Place : New Delhi

ANNEXURE TO DIRECTORS' REPORT

(Replies to Comments in Auditors' Report on Standalone Financial Statements)

Sl. No.	Audit Observations on Standalone Financial Statements.	Management Reply
1.	<p>Auditor's Report (Under Emphasis of Matters)</p> <p>i) We draw attention to Note No. 33 to the standalone Ind AS financial statements</p> <p>a. The Company has made provision for tax without considering the deduction under Section 80-IA of Income Tax Act, 1961. However, the ITAT has disposed pending appeal for FY 2000-01 allowing deduction u/s 80IA and subsequently CIT(A) has allowed deduction for AY 2004-05, 2005-06, 2007-08, 2012-13, 2013-14 and 2014-15. The matters for other assessment years are contested by the company with the concerned authorities.</p> <p>b. The company is offering global income for tax in India after excluding the income earned by its permanent establishments in foreign countries having Double Taxation Avoidance Agreements (DTAA) with India. CIT (A) denied the treatment of excluding such foreign income. Accordingly, the company has subsequently paid taxes, however the matter is contested by the company with the concerned authorities.</p>	<p>The position is explained in Note No. 33(a) to the Standalone Financial Statements.</p> <p>The position is explained in Note No. 33(b) to the standalone Financial Statement.</p>
ii)	<p>We draw attention to Note No. 48 to the standalone Ind AS financial statements regarding non-provision of Rs. 4.96 crores towards foreign agency commission/ consultancy charges in respect of projects in three foreign countries pending assessment of the performance.</p>	<p>The position is explained in Note No. 48 to the standalone Financial Statement.</p>
2.	<p>Annexure B to Auditor's Report (Under Internal Financial Controls over Financial Reporting)</p> <p>According to the information and explanations given to us and based on our audit and branch auditor's audit report, the following material weaknesses have been identified as at March 31, 2018.</p>	

Sl. No.	Audit Observations on Standalone Financial Statements.	Management Reply
	<p>(a) The Company has an integrated ERP system for the preparation of the financial statements except in the foreign branches where the company is using “Tally” software instead of integrated ERP system. In the Mumbai region the branch auditor has reported that in one project integrated ERP system was not used, instead software Tally was used for preparation of Financial Statement. The ERP system should have been used at its full potential to have more effective financial control.</p> <p>(b) The Inventory records at some units is maintained manually and the inventory manual in SAP is under consideration. Further continuous identification system of surplus/ obsolete/ broken assets and material/stores is inadequate and needs to be strengthened.</p> <p>(Under Emphasis of Matters) Few cases of reduction of bills by the client and accepted by the project without noting therein full reasons/justifications have been observed for which follow up with client needs to be improved.</p>	<p>Financial accounts of foreign projects and one project in Mumbai Region which have been prepared in “Tally” software has been entered into SAP for compilation of accounts. The ERP system has been updated and the financial statements of Ircan generated from SAP are in sync with the financial statements submitted to Audit. The company proposes to bring all the foreign projects on SAP platform in 2018-19.</p> <p>The capture of inventory records in SAP is under consideration and steps in this direction has been initiated by the management.</p> <p>A system involving close monitoring and proper record maintenance for reductions being effected by the client is in place in all major projects. However, the same shall be extended to cover all projects.</p>

For and on behalf of the Board of Directors

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

Date: 3rd August 2018
 Place: New Delhi

ANNEXURE TO DIRECTORS' REPORT

(Replies to Comments in Auditors' Report on Consolidated Financial Statements)

Sl. No.	Audit Observations on Consolidated Financial Statements.	Management Reply
<p>1. Auditor's Report (Under Emphasis of Matters)</p> <p>i)</p> <p>a.</p> <p>b.</p> <p>ii)</p>	<p>We draw attention to Note No. 34 to the consolidated Ind AS financial statements</p> <p>The Company has made provision for tax without considering the deduction under Section 80-IA of Income Tax Act, 1961. However, the ITAT has disposed pending appeal for FY 2000-01 allowing deduction u/s 80IA and subsequently CIT(A) has allowed deduction for AY 2004-05, 2005-06, 2007-08, 2012-13, 2013-14 and 2014-15. The matters for other assessment years are contested by the company with the concerned authorities.</p> <p>The company is offering global income for tax in India after excluding the income earned by its permanent establishments in foreign countries having Double Taxation Avoidance Agreements (DTAA) with India. CIT (A) denied the treatment of excluding such foreign income. Accordingly, the company has subsequently paid taxes, however the matter is contested by the company with the concerned authorities.</p> <p>We draw attention to Note No. 50 to the consolidated Ind AS financial statements regarding non-provision of Rs. 4.96 crores towards foreign agency commission/consultancy charges in respect of projects in three foreign countries pending assessment of the performance.</p> <p>2. Annexure B to Auditor's Report (Under Internal Financial Controls over Financial Reporting)</p> <p>According to the information and explanations given to us and based on our audit and branch auditor's audit report, the following material weaknesses have been identified as at March 31, 2018.</p>	<p>The position is explained in Note No. 34(a) to the consolidated Financial Statements.</p> <p>The position is explained in Note No. 34(b) to the consolidated Financial Statement.</p> <p>The position is explained in Note No. 50 to the consolidated Financial Statement.</p>

Sl. No.	Audit Observations on Standalone Financial Statements.	Management Reply
	<p>(a) The Company has an integrated ERP system for the preparation of the financial statements except in the foreign branches where the company is using “Tally” software instead of integrated ERP system. In the Mumbai region the branch auditor has reported that in one project integrated ERP system was not used, instead software Tally was used for preparation of Financial Statement. The ERP system should have been used at its full potential to have more effective financial control.</p> <p>(b) The Inventory records at some units is maintained manually and the inventory manual in SAP is under consideration. Further continuous identification system of surplus/obsolete/broken assets and material/stores is inadequate and needs to be strengthened.</p> <p>(Under Emphasis of Matters) Few cases of reduction of bills by the client and accepted by the project without noting therein full reasons/justifications have been observed for which follow up with client needs to be improved</p>	<p>Financial accounts of foreign projects and one project in Mumbai Region which have been prepared in “Tally” software has been entered into SAP for compilation of accounts. The ERP system has been updated and the financial statements of Itron generated from SAP are in sync with the financial statements submitted to Audit. The company proposes to bring all the foreign projects on SAP platform in 2018-19.</p> <p>The capture of inventory records in SAP is under consideration and steps in this direction has been initiated by the management.</p> <p>A system involving close monitoring and proper record maintenance for reductions being effected by the client is in place in all major projects. However, the same shall be extended to cover all projects.</p>

For and on behalf of the Board of Directors

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

Date: 3rd August 2018
 Place: New Delhi

Financial Highlights (Stand-alone)

SI. No.	Particulars	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09
1	Operating Income	3,870	2,934	2,418	2,950	4,067	4,232	3,601	3,182	3,153	2,654
2	Add/Less: Company Share of Turnover in Integrated JVs	26	90	-	89	(9)	(13)	(23)	(7)	(13)	(27)
3	Add: Company Share of Profit/(loss) in Integrated JVs	-	-	-	2	(1)	1	2	7	2	7
4	Net Operating Income	3,896	3,024	2,418	2,864	4,057	4,220	3,580	3,182	3,142	2,634
5	Other Income	227	230	442	258	250	251	181	72	64	85
6	Total Income	4,123	3,254	2,860	3,122	4,307	4,471	3,761	3,254	3,206	2,719
7	Expenditure (Incl. increase/decrease in stock)	3,577	2,766	2,222	2,267	3,024	3,412	3,102	2,816	2,901	2,487
8	Operating Margin (PBDIT)	546	488	638	854	1,283	1,059	659	438	305	232
9	Interest Expenses	-	12	8	-	-	-	-	-	-	-
10	Depreciation	13	18	28	10	34	44	57	37	41	44
11	Exceptional items	-	(74)	-	-	-	-	-	-	-	-
12	Profit Before Tax	533	532	602	844	1,249	1,015	602	401	264	188
13	Profit After Tax	391	369	395	579	907	730	470	241	182	140
14	Dividend for the Year	192	192	168	182	182	148	94	49	37	30
15	General Reserve	3,334	3,334	3,334	3,334	2,971	2,277	1,733	1,372	1,181	1,012
16	Retained Earnings	311	390	318	-	-	-	-	-	-	-
17	Other Comprehensive Income	9	5	(5)	-	-	-	-	-	-	-
18	Foreign Project Reserve	-	-	-	-	-	-	-	-	3	28
19	Other Reserves	4	-	-	-	2	3	-	-	5	25
20	Total Reserves & Surplus	3,658	3,729	3,647	3,334	2,973	2,280	1,733	1,372	1,189	1,065
21	Net Fixed Assets	134	137	149	163	170	180	196	244	236	260
22	Inventories	141	139	141	114	119	125	135	165	373	430
23	Foreign Exchange Earnings (net)	64	24	59	418	1,042	822	444	428	264	96
24	Share Capital	94.05	98.980	19,796	19,796	19,796	19,796	9,898	9,898	9,898	9,898
25	Capital Employed	6,952	3,828	3,667	3,354	2,993	2,300	1,743	1,382	1,205	1,078
26	Government Investments	-	-	-	-	-	-	-	-	-	-
27	Net Worth	3,752	3,828	3,667	3,354	2,993	2,300	1,743	1,382	1,199	1,075
28	Profit Before Tax to Capital Employed (%)	8	14	16	25	42	44	35	29	22	17
29	Operating Margin to Capital Employed (%)	8	13	17	26	43	46	38	32	25	22
30	Profit After Tax to Share Capital (%)	416	373	1,995	2,924	4,578	3,687	4,747	2,429	1,841	1,416
31	Expenditure to Income (%)	87	86	78	73	70	76	82	87	90	91
32	Number of Employees	1,622	1,496	1,499	1,472	1,579	1,704	1,703	1,678	1,751	1,964
33	Income per Employee	2.54	2.18	1.91	2.12	2.73	2.62	2.21	1.94	1.83	1.39
34	Foreign Exchange Earning per Employee	0.04	0.02	0.04	0.28	0.66	0.48	0.26	0.25	0.15	0.05
35	Current Ratio	1.66	2.02	1.99	1.72	1.81	1.61	1.47	1.53	1.31	1.24
36	Debt/Equity Ratio	0.85	-	-	-	-	-	-	-	-	-
37	Investments	1,201	1,223	743	737	494	295	208	185	130	234

Notes: * Financial Highlights for FY 2017-18, FY 2016-17 & FY 2015-16 are as per Ind AS.

** 28 to 31 are in percentage

*** 32, 35 & 36 are not in crore rupees



Standalone

Financial Statements

2017 - 18

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED,

1. Report on the Standalone Ind AS Financial Statements

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, 2018, the Statement of Profit & Loss (including Other Comprehensive Income), the Cash Flow statement & the statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information in which are incorporated the Returns for the year ended on that date audited by branch auditors of the company's branches at Northern Region, J&K region, Eastern Region, Patna Region, Mumbai Region, South Africa, Algeria, Bangladesh, Sri-Lanka & Malaysia Region.

2. Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the State of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed 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 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.

3. Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence obtained by us & other auditors in terms of their reports referred to in others matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

4. Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at March 31, 2018, and its Profit (financial performance including other comprehensive income), its Cash Flow and the changes in equity for the year ended on that date.

5. Emphasis of Matters

- i) We draw attention to Note No. 33 to the standalone Ind AS financial statements
 - a. The Company has made provision for tax without considering the deduction under Section 80-IA of Income Tax Act, 1961. However, the ITAT has disposed pending appeal for FY 2000-01 allowing deduction u/s 80IA and subsequently CIT(A) has allowed deduction for AY 2004-05, 2005-06, 2007-08, 2012-13, 2013-14 and 2014-15. The matters for other assessment years are contested by the company with the concerned authorities.
 - b. The company is offering global income for tax in India after excluding the income earned by its permanent establishments in foreign countries having Double Taxation Avoidance Agreements (DTAA) with India. CIT (A) denied the treatment of excluding such foreign income. Accordingly, the company has subsequently paid taxes, however the matter is contested by the company with the concerned authorities.
- ii) We draw attention to Note No. 48 to the standalone Ind AS financial statements regarding non-provision of Rs. 4.96 crores towards foreign agency commission/ consultancy charges in respect of projects in three foreign countries pending assessment of the performance.

Our report is not qualified in respect of the above matters.

6. Other Matters

- i) We did not audit the financial statements/information of Ten branches included in the standalone Ind AS financial statement of the company whose financial statements/financial information reflect Total Assets of Rs. 6,302.80 Crores as at 31st March 2018, Total Revenues of Rs. 3,793.35 Crores for the year ended on that date, as considered in the standalone Ind AS financial statements. The financial statements/information of these branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosure included in respect of these branches, is based solely on the reports of such branch auditors.
- ii) The financial statements include the company's share in Profit/Loss of unincorporated Joint Venture (JVs) accounts out of which four JVs accounts have been certified by other firms of Chartered Accountants and one JV (IRCON-SPSCPL) has been certified by the management.

Our opinion is not modified in respect of these matters.

7. Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
- (2) As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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 & Loss including Other Comprehensive Income, the statement of cash flows and 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 Indian Accounting Standard (Ind AS) specified under section 133 of the Act, read with relevant rules issued thereunder.
- f) Being a government company, provision of section 164(2) of the Act are not applicable pursuant to the notification No. G.S.R.463(E) dated 5th June, 2015, issued by the Central Government of India.
- g) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.
- h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanation given to us:
- The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements-Refer Note No.29 of the standalone Ind AS financial statements.
 - The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts -Refer Note No.16.3 to the standalone Ind AS financial statements. The Company did not have any derivative contracts for which there were any material foreseeable losses.
 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

(3) As required by Section 143(5) of the Act and as per directions issued by comptroller and Auditor General of India, we report that:

Sl. No.	Directions	Auditor's Replies
(i)	Whether the company has clear title/ lease deeds for freehold and leasehold land respectively? If not please state the area of freehold and leasehold land for which title/lease deeds are not available.	Yes, the Company has clear title/ lease deed for freehold and leasehold land respectively except as reported in Mumbai region i.e. one lease hold building on railway land for 30 years in Pali hill Mumbai for which agreement is yet to be finalized.
(ii)	Whether there are any cases of waiver/write off of debts/loans/interest etc., if yes, the reasons thereof and the amount involved.	The Company has written-off bad assets of Rs. 0.29 Crores during the Financial Year 2017-18. (Refer Note: 22 of Financial Statement).
(iii)	Whether proper records are maintained for inventories lying with third parties & assets received as gift/ grants(s) from Govt. or other authorities.	Yes, proper records are being maintained for the inventories lying with third parties. No assets have been received as gift /grants(s) from Govt. or other authorities during the Financial Year 2017-18.

For K.G SOMANI & CO.
Chartered Accountants
FRN 006591N

(Ashish Kumar Batta)
Partner
Membership No.095597

Place of Signature: New Delhi
Date: 03rd August 2018

“Annexure A” to the Independent Auditors’ Report of even date on the Standalone Ind AS Financial Statements of Company for the year ended 31st March, 2018

- i. a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. In Mumbai Region, Tagging/ Numbering to be done on certain assets and assets with third parties needs to be confirmed from third party.
- b) The fixed assets were physically verified by the management during the year. There is a regular program of verification, which in our opinion, is reasonable having regard to the size of the Company and nature of its business. No material discrepancies were noticed on such verifications.
- c) The title deeds of immovable properties are held in the name of the Company, except one lease hold building at Pall Hill, documents for the same are yet to be executed in Mumbai Region.
- ii. The inventory has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on comparison of physical verification with book records were not material and have been properly dealt with in the books of account.
- iii. According to the information and explanation given to us by the management and records produced, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, paragraph 3(iii) of the Order is not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, in respect of loans, investments, guarantees and security; the provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
- v. According to the information and explanations given to us, and as per our examination of records, the Company has not accepted any deposits from public and therefore, the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provision of the Companies Act, 2013, and rules framed there under, are not applicable.
- vi. The Company has maintained cost records as required under section 148(1) of the Companies Act, 2013. However, we are neither required to carry out, nor have carried Out any detailed examination of such accounts and records.
- vii. a. The Company is generally regular in depositing undisputed statutory dues including provident fund, income tax, goods and service tax, sales tax, service-tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues applicable with the appropriate authorities. Employees’ State Insurance is not applicable to the Company. According to the information and explanation given to us, there are no undisputed statutory dues which were outstanding as on 31.03.2018 for a period of more than six months from the date the same become payable.
- b. According to information and explanation given to us, and as per our examination of records of the Company, following are the particulars of dues on account of sales tax, service tax, entry tax, trade tax, income tax, duty of customs, royalty, provident fund, duty of excise and cess matters that have not been deposited on account of dispute as on 31.3.2018.

Name of the statute	Nature of disputed Dues	Amount outstanding (in Rs. Crores)	Period to which the amount relates	Forum where dispute is pending
Customs Act 1962	Customs Duty levied on machinery import from Algeria/Iraq	5.81	1989-90	Dy Commissioner (Custom), Mumbai
Central Excise Act 1944	Levy of Excise Duty on Bracket/Cantilever Assemblies	0.66	1998-99	CESTAT (Dept. Appeal)
West Bengal State Sales Tax Act	Sales Tax	0.26	1998-99	Sr. Jt. Comm. (Appeals) Sales Tax, West Bengal
Income Tax Act, 1961	Disallowance of deduction u/s 80-IA, taxing of foreign income & provision for maintenance etc.	13.52	2015-16	Commissioner of Income Tax (Appeals), New Delhi
West Bengal VAT Act, 2003	VAT	0.71	2004-05	Asst. Comm. of Sales Tax College St Charge, Kolkata
Odisha Vat Act, 2004	VAT	1.09	2002-03	Comm. of Sales Tax, Odisha
Bihar Sales Tax Act-1981	Sales Tax	1.75	1987-88 and 1994-95	Bihar Sales Tax Tribunal, Khalgoan
West Bengal VAT Act, 2003	VAT	0.54	2006-07	Joint Commissioner, Commercial Taxes, Dharamtala Circle
West Bengal VAT Act, 2003	VAT	0.28	2005-06	WB Commercial Taxes Appellate & Revisional Board
Service Tax	Service Tax on agency Fees	12.91	2010-11 to 2014-15	CESTAT
Service Tax	Service Tax on agency Fees	5.6	2009-10 to 2013-14	CESTAT
VAT	VAT TDS	5.98	2005-06 & 2006-07	Bihar VAT Department, West Circle Patna
VAT	VAT	0.07	2010-11	Bihar VAT Department, West Circle Patna
VAT	VAT	29.2	2012-13	Bihar VAT Department, West Circle Patna
Jammu and Kashmir GST Act, 1962	Sales Tax	19.33	1999-00 to 2005-06	J&K High Court, Jammu and Deputy Comm. Sales Tax (Appeals), Srinagar
Sales Tax	Sales Tax-AGRP	2.28	2007-08 to 2012-13	The Additional Commissioner, Commercial Taxes, Ghaziabad

Name of the statute	Nature of disputed Dues	Amount outstanding (in Rs. Crores)	Period to which the amount relates	Forum where dispute is pending
Sales Tax	Entry Tax-AGRP	0.027	2009-10 to 2012-13	The Additional Commissioner, Commercial Taxes, Ghaziabad
Sales Tax	Entry Tax-AGRP	0.015	2013-14	The Additional Commissioner, Commercial Taxes, Ghaziabad
Sales Tax	UP TRADE TAX – UP 01	0.15	2004-05 (Entry Tax)	The Assessing Authority
Sales Tax	UP TRADE TAX – UP 01	3.74	2004-05 to 2007-08	The Assessing Authority
Sales Tax	UPTT-UP-01(Entry Tax)	0.16	2007-08	The Assessing Authority
Sales Tax	UPVAT ACT-UP-01	1.36	2007 – 08 (1.01.2008 – 31-03-2008)	The Assessing Authority
Sales Tax	UPVAT ACT-UP-01 (Entry Tax)	0.15	2008 – 09	The Appellate Authority
Sales Tax	UPVAT ACT-UP-01 (Entry Tax)	0.005	2009 – 10	The Appellate Authority
Sales Tax	UPVAT ACT-UP-01	0.011	2010 – 11	The Deputy Commissioner
Sales Tax	Sales Tax-BE-08	1.17	2008-09 to 2009-10	The Additional Commissioner, Appeal Noida
Sales Tax	Sales Tax-BE-08 Entry Tax	0.004	2008 - 09	The Additional Commissioner, Appeal Noida
Sales Tax	UPTT-UP-05	0.01	2005-06	High Court Allahabad
Sales Tax	UPTT-UP-05	1.31	2006-07 to 2007-08 (9 months)	Tribunal Jhansi Bench
Sales Tax	UPVAT-UP-05	3.26	2007-08 to 2009-10	Tribunal Jhansi Bench
Sales Tax	UPVAT-UP-05	1.55	2013-14	Dy. Commissioner Sales Tax authority, Orai
Sales Tax	UPVAT-UP-05	0.76	2014-15	Dy. Commissioner Sales Tax authority, Orai
Sales Tax	Sales Tax 2005-06-Godhra	5.47	2003-04 to 2005-06	Dy. Commissioner Sales Tax authority Vadodara
Sales Tax	Sales Tax 2010-11-GED	0.05	2010-11	Asst Commercial Tax Officer, Margo
Uttar Pradesh VAT Act, 2008	Demand Raised for Sales Tax	0.08	1982-83 & 1989-90	Appellate Authority, Jhansi
Rewari - Ajmer Project	Works contract Tax	1.84	2006-07 to 2010 - 11	High Court Rajasthan
Sales Tax	Sales Tax 1996-97 MRO	3.51	1995-96 to 1996-97	Bombay High Court

Name of the statute	Nature of disputed Dues	Amount outstanding (in Rs. Crores)	Period to which the amount relates	Forum where dispute is pending
Karnataka Vat	Difference in rate of tax and levy of Interest thereon	0.5	2009-10	Deputy Commissioner (Appeals), Trivndrum
Sales Tax	Sales tax 2010-11 MRO	0.29	2010-11	Sales Tax Office, Mumbai
Sales Tax	Sales tax 2011-12 MRO	3.68	2011-12	Sales Tax Office, Mumbai
Kerala VAT	Kerala VAT	0.33	2013-14	Asst. Commissioner, Commercial Tax
Sales Tax	UP- VAT	0.62	2010-11	Addl. Comm./ Sales Tax/Lucknow

- viii. The Company has not defaulted in the repayment of loans or borrowings to any financial institution, banks, Government during the year. The company did not issue any debenture during the year.
- ix. The Company has not made any public offer (including debts instruments) during the year. The term loan taken during the year was applied for the purpose for which it was taken.
- x. According to the information and explanations given to us, no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. In view of the Government Notification No. GSR 463 (E) dated 5th June, 2015, government companies are exempt from the applicability of section 197 of the Companies Act, 2013. Accordingly, clause 3(xi) of the order is not applicable to the Company.
- xii. The Company is not a Nidhi Company as specified in the Nidhi Rules, 2014. Thus, the requirements under para 3(xii) of the Companies (Auditor's Report) Order 2016 are not applicable to the Company.
- xiii. According to the information and explanations given to us, all transactions with related parties are in compliance with section 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- xv. According to the information and explanations given to us, the Company has not entered into non-cash transactions with the directors or persons connected with him, within the provisions of section 192 of the Companies Act, 2013.
- xvi. The Company is not a Non-banking finance company, hence registration under section 45-IA of the Reserve Bank of India Act, 1934 does not arise.

For K.G SOMANI & CO.
Chartered Accountants
FRN 006591N

(Ashish Kumar Batta)
Partner
 Membership No.095597

Place of Signature: New Delhi
 Date: 03rd August 2018

“Annexure B” to the Independent Auditors’ Report of even date on the Standalone Ind AS Financial Statements of Ircan International Limited for the year ended 31st March, 2018

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Ircan International Limited “the Company” as of March 31, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on, “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)”. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such

controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified Opinion

According to the information and explanations given to us and based on our audit and branch auditor's audit report, the following material weaknesses have been identified as at March 31, 2018.

- (a) The Company has an integrated ERP system which was not used at its full potential. In the foreign projects the company has not used ERP system for the preparation of financial accounts instead software "Tally" was used for the same. In the Mumbai region the branch auditor has reported that integrated ERP system is not used to its fullest potential and in one project software tally was used for preparation of Financial Statement. The ERP system should have been used at its full potential to have more effective financial control.
- (b) The Inventory records at some units is maintained manually and the inventory manual in SAP is under consideration. Further continuous identification system of surplus/obsolete/broken assets and material/stores is inadequate and needs to be strengthened.

A material weakness¹ is a deficiency, or a combination of deficiencies in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the effects/ possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, "based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

Emphasis of Matter

Few cases of reduction of bills by the client and accepted by the project without noting therein full reasons/ justifications have been observed for which follow up with client needs to be improved.

Other Matters

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to a branches/Region, is based on the corresponding report of other auditors.

For K.G SOMANI & CO.
Chartered Accountants
FRN 006591N

(Ashish Kumar Batta)
Partner
Membership No.095597

Place of Signature: New Delhi

Date: 03rd August 2018

IRCON INTERNATIONAL LIMITED
BALANCE SHEET
As at 31st March 2018

(Rs. in crore)

Particulars	Note No.	As at 31 st March 2018	As at 31 st March 2017
I. ASSETS			
1 Non-current assets			
(a) Property, Plant and equipment	3	133.58	137.08
(b) Capital work-in-progress	4	0.98	-
(c) Investment Property	5	358.67	307.34
(d) Other Intangible assets	6	0.83	1.21
(e) Financial Assets	7		
(i) Investments	7.1	984.52	973.15
(iii) Loans	7.2	806.34	339.84
(iv) Others	7.3	2,729.41	100.33
(g) Deferred tax assets (Net)	8	150.88	161.05
(h) Other non-current assets	9	141.07	403.64
Total Non-current assets		5,306.28	2,423.64
2 Current assets			
(a) Inventories	10	140.74	139.34
(b) Financial Assets	11		
(i) Investments	11.1	216.17	249.91
(ii) Trade Receivables	11.2	673.75	424.66
(iii) Cash and cash equivalents	11.3	1,525.68	1,394.70
(iv) Other Bank Balances	11.4	3,074.77	3,262.83
(v) Loans	11.5	1.87	84.77
(vi) Others	11.6	624.73	659.68
(c) Current Tax Assets (Net)	12.1	29.09	1.72
(d) Other current assets	12	1,114.86	526.37
Total Current assets		7,401.66	6,743.98
Total Assets		12,707.94	9,167.62
II. EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share Capital	13	94.05	98.98
(b) Other Equity	14	3,657.90	3,728.86
Total Equity		3,751.95	3,827.84

2	Liabilities			
	(i) Non-current liabilities			
	(a) Financial Liabilities	15		
	(i) Borrowings	15.1	3,203.08	-
	(i) Trade Payables	15.2	0.46	0.45
	(ii) Other financial liabilities	15.3	321.47	210.11
	(b) Provisions	16	75.28	76.18
	(c) Other Non-Current Liabilities	17	883.45	1,711.76
	Total Non-current liabilities		4,483.74	1,998.50
	(ii) Current liabilities			
	(a) Financial Liabilities	18		
	(i) Trade payables	18.1	512.86	363.75
	(ii) Other financial liabilities	18.2	942.66	687.28
	(b) Other current liabilities	19	2,737.28	1,968.49
	(c) Provisions	16	265.32	297.93
	(d) Current Tax liability (Net)	19.1	14.13	23.83
	Total Current liabilities		4,472.25	3,341.28
	Total Equity and Liabilities		12,707.94	9,167.62
III.	Summary of Significant Accounting policies		1 - 2	
IV.	Notes forming part of financial statements		3 - 54	-

As per our Report of even date attached

For K G Somani & Co.
Chartered Accountants
FRN : 006591N

Ashish Kumar Batta
Partner
M. No. 095597

Place : New Delhi
Date : 3rd August, 2018

For and on behalf of Board of Directors

M. K. Singh
Director Finance
DIN - 06607392

S. K. Chaudhary
Chairman & Managing Director
DIN - 00515672

Ritu Arora
Company Secretary
FCS No. 5270

IRCON INTERNATIONAL LIMITED
STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 1st APRIL TO 31st March 2018

(Rs. in crore)

Particulars	Note No.	For the year ended 31 st March 2018	For the year ended 31 st March 2017
I. Revenue :			
Revenue from operations	20	3,870.05	2,934.33
Add :- Company share of turnover in Integrated Joint operations		26.34	89.90
		3,896.39	3,024.23
II. Other income	21	226.67	230.20
III. Total Income (I + II)		4,123.06	3,254.43
IV. Expenses:			
Operating Expenses	22	3,229.12	2,478.83
Employee benefits expenses	23	231.88	150.38
Finance costs	24	64.53	60.60
Depreciation, amortization and impairment	25	12.86	17.88
Other Expenses (Administrative)	22	41.92	32.50
Proportionate share of expenses in Integrated Joint operations		9.44	56.39
Total Expenses (IV).		3,589.75	2,796.58
V. Profit Before exceptional items and Tax (III - IV)		533.31	457.85
VI. Exceptional items	27 A	-	73.69
VII. Profit before tax (V + VI)		533.31	531.54
VIII. Tax expenses:			
(1) Current tax	8		
- For the Year		174.78	118.64
- For earlier years (net)		(42.50)	(17.21)
(2) Deferred tax (net)		10.17	61.26
Total Tax Expense		142.45	162.69
IX. Profit for the year from continuing operation (VII - VIII)		390.86	368.85
X. Other Comprehensive Income	26		
A. (i) Items that will not be reclassified to profit or loss		(2.75)	4.82
(ii) Income Tax relating to Items that will not be reclassified to profit or loss		0.95	(1.67)
B. (i) Items that will be reclassified to profit or loss		4.86	16.16
(ii) Income Tax relating to Items that will be reclassified to profit or loss		(1.68)	(5.59)
		1.38	13.72
XI. Total Comprehensive Income for the year (IX + X) (Comprising profit and other comprehensive income for the year, net of tax)		392.24	382.57
XII. Earnings Per Equity Share: (For Continuing Operation)			
(1) Basic	47	40.01	37.27
(2) Diluted		40.01	37.27
XIII Summary of Significant Accounting policies	1 - 2		
XIV Notes forming part of financial statements	3 - 54		

As per our Report of even date attached

For K G Somani & Co.
Chartered Accountants
FRN : 006591N

Ashish Kumar Batta
Partner
M. No. 095597

Place : New Delhi
Date : 3rd August, 2018

For and on behalf of Board of Directors

M. K. Singh
Director Finance
DIN - 06607392

S. K. Chaudhary
Chairman & Managing Director
DIN - 00515672

Ritu Arora
Company Secretary
FCS No. 5270

IRCON INTERNATIONAL LIMITED
Cash Flow Statement
FOR THE YEAR ENDED 31st March 2018

(Rs. in crore)

		As at 31 st March 2018	As at 31 st March 2017
CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before taxation		533.31	531.54
Adjustment for :			
Items of Other Comprehensive Income		2.11	20.98
Depreciation, amortization and impairment		12.86	17.88
Profit on sale of assets (net)		(3.98)	(0.32)
Profit on Sale of Investments		-	(73.69)
Interest Income		(176.02)	(196.71)
Dividend Income		(14.01)	(3.37)
Effect of Exchange differences on translation of Foreign Currency Cash & Cash Equivalents		(1.30)	38.35
Operating Profit before working capital changes	(1)	352.97	334.66
Adjustment for :			
Decrease / (Increase) in Trade Receivables/ Financial Assets - Loans		(248.59)	101.38
Decrease / (Increase) in Inventories		(1.40)	1.28
Decrease / (Increase) in Other Assets & Financial Assets		(2,962.78)	(195.35)
(Decrease) / Increase in Trade Payables		149.11	(42.09)
(Decrease) / Increase in Other Liabilities, Financial Liabilities & Provisions		152.31	876.29
	(2)	(2,911.35)	741.51
Cash generated from operation	(1+2)	(2,558.38)	1,076.17
Income Tax Paid		(48.70)	(55.60)
NET CASH FROM OPERATING ACTIVITIES	(A)	(2,607.08)	1,020.57
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment including CWIP		(9.71)	(12.50)
Purchase of Intangible Assets		(0.07)	(0.33)
Purchase / Proceeds of Investment Property		(51.38)	(29.20)
Sale of Property, Plant and Equipments & Intangible Assets		7.82	6.03
Exchange Gain/ Loss on Property, Plant and Equipment		(3.96)	
Sale of Investments		-	79.23
Investments in Mutual Funds		33.75	(117.43)
Loan to Subsidiaries & Joint Ventures		(524.02)	(340.15)
Repayment of Loan from Subsidiaries & Joint Ventures		139.92	4.58
Interest Received		218.74	118.24
Dividend Received		14.01	3.37
Investment in Equity Shares		(11.35)	(367.89)
(Investment) / Maturity of Bank Deposits (having maturity of more than 3 months)		188.06	(1,166.75)

(Rs. in crore)

		As at 31 st March 2018	As at 31 st March 2017
NET CASH FROM INVESTING ACTIVITIES	(B)	1.81	(1,822.80)
CASH FLOW FROM FINANCING ACTIVITIES			
Loan From Indian Railway Finance Corporation		3,203.08	-
Final Dividend (including Dividend Distribution Tax) paid		(117.05)	(221.74)
Interim Dividend (including Dividend Distribution Tax) paid		(114.52)	-
Payment of Fee for increase in Authorised Capital		(1.99)	-
Payment to DIPAM for Buy Back of Shares		(234.57)	-
NET CASH FROM FINANCING ACTIVITIES	(C)	2,734.95	(221.74)
Effect of Exchange differences on translation of Foreign Currency Cash & Cash Equivalents	(D)	1.30	(38.35)
NET DECREASE IN CASH & CASH EQUIVALENT	(A+B+C+D)	130.98	(1,062.32)
CASH AND CASH EQUIVALENT (OPENING)	(E)	1,394.70	2,457.02
CASH AND CASH EQUIVALENT (CLOSING) *	(F)	1,525.68	1,394.70
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENT	(F-E)	130.98	(1,062.32)

Note: 1. Effective April 1,2017, the company has adopted the amendment to Ind-AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosures requirement. The adoption of amendment did not have any material effect on the financial statements.

2. Figures in brackets represent outflow of cash.

3. Figures of the previous year have been regrouped / recasted wherever necessary.

* Cash and Cash Equivalent as on 31 March 2018 Includes Rs. 593.55 crore earmarked for expenses for project site at Bandra (East).

As per our Report of even date attached

For K G Somani & Co.
Chartered Accountants
FRN : 006591N

Ashish Kumar Batta
Partner
M. No. 095597

Place : New Delhi
Date : 3rd August, 2018

For and on behalf of Board of Directors

M. K. Singh
Director Finance
DIN - 06607392

S. K. Chaudhary
Chairman & Managing Director
DIN - 00515672

Ritu Arora
Company Secretary
FCS No. 5270

IRCON INTERNATIONAL LIMITED
Statement of changes in equity
as at 31 March 2017

	Balance as at April 01, 2016	Shares issued during the year	(Rs. in crore) Balance as at March 31, 2017
A. Equity share capital	19.80	79.18	98.98

B. Other Equity

Particulars	Reserve & Surplus		Items of Other Comprehensive Income	Total
	General Reserves	Retained Earnings	Exchange differences on translating the financial statement of a foreign operation	
Balance as at April 01, 2016	3,333.71	318.50	(5.00)	3,647.21
Changes in accounting policy or prior period errors		-		-
Restated balance at the beginning of the reporting period	3,333.71	318.50	(5.00)	3,647.21
Profit for the year (Restated)		368.85		368.85
Other Comprehensive Income				
Remeasurment of Defined Benefit Plans		3.15		3.15
Foreign Exchange translation difference			10.57	10.57
Total Comprehensive Income for the year	-	372.00	10.57	382.57
Dividends Paid		(184.23)		(184.23)
Dividend Distribution Tax		(37.51)		(37.51)
Bonus Issue		(79.18)		(79.18)
Balance as at March 31, 2017	3,333.71	389.58	5.57	3,728.86

As per our Report of even date attached

For and on behalf of Board of Directors

For K G Somani & Co.
Chartered Accountants
FRN : 006591N

M. K. Singh
Director Finance
DIN - 06607392

S. K. Chaudhary
Chairman & Managing Director
DIN - 00515672

Ashish Kumar Batta
Partner
M. No. 095597

Ritu Arora
Company Secretary
FCS No. 5270

Place : New Delhi
Date : 3rd August, 2018

IRCON INTERNATIONAL LIMITED
Statement of changes in equity
as at 31 March 2018

			(Rs. in crore)
A. Equity share capital	Balance as at April 01, 2017	Shares buy back during the year	Balance as at March 31, 2018
	98.98	-4.93	94.05

B. Other Equity

Particulars	Reserve & Surplus			Items of Other Comprehensive Income	Total
	General Reserves	Retained Earnings	Capital Redemption Reserve	Exchange differences on translating the financial statement of a foreign operation	
Balance as at April 01, 2017	3,333.71	389.77	-	5.57	3,729.05
Changes in accounting policy or prior period errors		-0.19			-0.19
Restated balance at the beginning of the reporting period	3,333.71	389.58	-	5.57	3,728.86
Profit for the year		390.86			390.86
Other Comprehensive Income					
Remeasurment of Defined Benefit Plans		-1.80			-1.80
Foreign Exchange translation difference				3.18	3.18
Total Comprehensive Income for the year	-	389.06	-	3.18	392.24
Buy Back of Equity Shares			4.93		4.93
Less : Payment of Fee for increase in Authorised Capital		-1.99			-1.99
Less : Payment for Buy Back of Shares		-234.57			-234.57
Less : Dividends Paid		-192.40			-192.40
Less : Dividend Distribution Tax		-39.17			-39.17
Less: Bonus Issue		-			-
Balance as at March 31, 2018	3,333.71	310.51	4.93	8.75	3,657.90

As per our Report of even date attached

For K G Somani & Co.
Chartered Accountants
FRN : 006591N

Ashish Kumar Batta
Partner
M. No. 095597

Place : New Delhi
Date : 3rd August, 2018

For and on behalf of Board of Directors

M. K. Singh
Director Finance
DIN - 06607392

S. K. Chaudhary
Chairman & Managing Director
DIN - 00515672

Ritu Arora
Company Secretary
FCS No. 5270

1. Corporate Information

Itron International Limited is a public sector construction company domiciled in India (CIN :U45203DL1976GOI008171) and is incorporated under the provisions of the Companies Act applicable in India with specialization in execution of Railway projects on turnkey basis and otherwise. After commencing business as a railway construction company it diversified progressively to roads, buildings, electrical substation and distribution, airport construction, commercial complexes, as well as metro rail works. The Company caters to both domestic and international markets. The Company is an ISO certified Company for Quality, Environment and Occupational Health and Safety Management systems; a Schedule 'A' public sector company and a Mini Ratna-Category I. The registered office of the company is located at C-4, District Centre, Saket, New Delhi- 110017.

2. Significant Accounting Policy under Ind AS (Standalone)

(i). Basis of Preparation

a) Statement of Compliance

The financial statements as at and for year ended March 31, 2018 have been prepared in accordance with Indian Accounting Standards (Ind-AS) notified under section 133 of the companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and as amended.

b) Basis of Measurement

The financial statements have been prepared under the historical cost convention and on an accrual basis, except for the following item that have been measured at fair value as required by relevant Ind-AS.

- i. Defined benefit Plan and other long term employee benefits
- ii. Certain financial assets and liabilities measured at fair value.
- iii. Provisions as per para (x) (D) below, where time value of money is material.

c) Use of estimates and judgment

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application

of accounting policies and the reported amounts of assets, liabilities, disclosure of contingent assets and liabilities at the date of financial statements and the reported amount of revenue and expenses. Actual results may differ from these estimates.

Key accounting estimates:

Recognition of deferred tax assets – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.

Provisions – At each balance sheet date on the basis of the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

Revenue – The Company recognises revenue using the percentage of completion method. This requires forecasts to be made of total budgeted cost with the outcomes of underlying construction and service contracts, which require assessments and judgements to be made on changes in work scope, claims (compensation, rebates etc.) and other payments to the extent they are probable and they are capable of being reliably measured. For the purpose of making estimates for claims, the company used the available contractual and historical information.

Property, plant and Equipment – Property, plant and Equipment represent a significant proportion of the asset base of the company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of assets.

Estimates and underlying assumptions are reviewed on a periodic basis. Future results could differ due to changes in these estimates and difference between the actual result and the estimates are recognized in the period in which the results are known /materialize.

- d) All financial information presented in Indian rupees and all values are rounded to the nearest crore rupees with two decimal points except where otherwise stated.

(ii). Statement of Cash flow

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

(iii). Foreign Currency Transactions

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. (i.e. Functional Currency). The financial statements are presented in Indian rupees, which is the presentation as well as Functional currency of company.

(a) Transactions of Indian operations:

- i. All foreign currency transactions are translated into functional Currency at the rate prevalent on the date of transaction.
- ii. Property, plant and Equipment, intangibles, investment property, prepaid expenses, inventory and non-monetary items are translated at the rate on the date of initial transaction.
- iii. Monetary items (Trade receivables, trade payables, Cash and Bank, Loans and Borrowings and other receivables & payables) and contingent assets & liabilities denominated in foreign currency are translated at the prevailing closing selling rates for Liabilities and closing buying rate for Assets, at each reporting date.
- iv. Foreign Exchange Gains or Losses in respect of above transactions are recognized in Statement of profit and loss.

(b) Transactions of Foreign operations:

- i. All foreign currency transactions are translated into functional Currency at the rate prevalent on the date of transaction.
- ii. Property, plant and Equipment, intangibles, investment property, prepaid expenses, inventory and non-monetary items are translated at the rate on the date of initial transaction.
- iii. Monetary items (Trade receivables, trade payables, Cash and Bank, Loans and Borrowings

and other receivables & payables) and contingent assets & liabilities denominated in foreign currency are translated at the prevailing closing selling rates for Liabilities and closing buying rate for Assets, at each reporting date.

- iv. Foreign Exchange Gain or Losses in respect of above transactions are recognized in Statement of profit and loss.

The result and financial position of foreign operation that have a functional currency different from the presentation currency are translated in to presentation currency as follows.

- i. Assets/Liabilities - Closing selling rates for Liabilities and closing buying rate for Assets on the reporting date.
- ii. Income/Expenses – Average exchange rate during the year.
- iii. Exchange differences on translation of functional currency to presentation currency are – recognised in OCI (Other comprehensive income)
- iv. On disposal of Foreign Operation (on realization of complete receivables from client) transfer the component of OCI (Other comprehensive income) to profit or loss relating to respective foreign operation.

(iv). Property, plant and equipment

1. Freehold land is carried at historical cost. Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any.
2. The machinery spares which can be used only in connection with an item of Property, Plant and Equipment and whose use is expected to be irregular are capitalized & depreciated/amortized over the balance life of such Property, Plant and Equipment.
3. Subsequent cost relating to property, plant & equipment shall be recognized as an asset if:
 - a) it is probable that future economic benefits associated with the items will flow to the entity; and
 - b) the cost of the item can be measured reliably.
4. Cost of asset includes the following
 - i. Cost directly attributable to the acquisition of the assets

- ii. Incidental expenditure during the construction period is capitalized as part of the indirect construction cost to the extent the expenditure is directly related to construction or is incidental thereto.
 - iii. Present value of the estimated costs of dismantling & removing the items & restoring the site on which it is located if recognition criteria are met.
5. Cost of replacement, major inspection, repair of significant parts and borrowing costs for long-term construction projects are capitalized if the recognition criteria are met.
 6. An item of property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement.
 7. Amounts paid towards the acquisition of property, plant and equipment outstanding as of each reporting date and the cost of property, plant and equipment not ready for intended use before such date are disclosed under capital work- in-progress. Expenses directly attributable to project, prior to commencement of commercial operation, are considered as project development expenditure and shown under Capital Work-in-Progress.

Depreciation

- (a) Depreciation on Property, plant and Equipment is provided on Straight Line basis (SLM) over the useful life of the assets as specified in Schedule II of the Companies Act, 2013.
- (b) Each part of an item of Property, Plant and Equipment is depreciated separately if the cost of part is significant in relation to the total cost of the item and useful life of that part is different from the useful life of remaining asset.
- (c) The estimated useful life of assets for current period of significant items of property plant and equipment are as follows:

Particulars	Useful Life (yrs.)
Building/flats residential/non-residential	60
Plant and Machinery	8-15
Survey instruments	10
Computers	3-6
Office Equipment's	5
Furniture and fixtures	10
Caravans, Camps and temporary shed	3-5
Vehicles	8-10

- (d) Leasehold land and improvements are amortized over the lower of estimated useful life and lease term.
- (e) Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted prospectively, if appropriate.
- (f) Property plant and equipment acquired during the year, individually costing up to Rs. 5000/- are fully depreciated, by keeping Re. 1 as token value for identification. However, Mobile phones provided to employees are charged to revenue irrespective of its value.

(v). Intangible Assets

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at historical cost less accumulated amortization and impairment loss, if any.

Amortization of Intangible Assets

- (a) Intangible assets are amortized over their respective estimated useful lives on a straight- line basis from the date that they are available for use.

The estimated useful life of intangibles is as follows:

Intangible Assets	Useful Life	Internally generated or self-generated
Software	Finite (36 months)	Acquired

- (b) Amortization methods, useful lives and residual values are reviewed at each reporting date.
- (c) Software cost up to Rs. 1 Lakhs in each case is fully amortized in the year of purchase, by keeping Rs. 1 as token value for identification.

(vi). Investment properties

- a) Investment property comprises completed property, property under construction and property held under a finance lease that is held to earn rentals or for capital appreciation or both, rather than for sale in the ordinary course of business or for use in production or administrative functions.
- b) Investment Properties are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.
- c) The company depreciates building component of investment property over 60 years from the date of original purchase/completion of construction.
- d) Investment properties are derecognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. Difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of de-recognition.

(vii). Investments in subsidiaries and Joint Arrangements

a) Investment in Subsidiaries

Investments in subsidiaries are accounted for at cost.

b) Joint Arrangement

Investment in joint arrangement are classified as either Jointly controlled operations under work sharing arrangement (joint operation) or Contracts executed by jointly controlled entity (joint ventures). The classification depends on the contractual rights and obligations of each JV partner rather than the legal structure of the joint arrangement. Company has both joint ventures and joint operations.

i) Joint Operations

Company recognises its direct right to the assets, liabilities, revenue and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenue and expenses.

ii) Joint Venture

Income on investments is recognized when the right to receive the same is established. Investment in such joint ventures is carried at cost in separate financial statements.

(viii). Inventories

(a) Construction Work in Progress

Construction work-in-progress is valued at cost till such time the outcome of the job cannot be ascertained reliably and at realizable value thereafter. Site mobilization expenditure to the extent not written off valued at cost.

(b) Others

- (i) In Cost Plus contracts, the cost of all materials, spares and stores not reimbursable as per the terms of the contract is shown as inventory valued as per (III) below.
- (ii) In Item Rate and Lump Sum Turnkey contracts, the cost of all materials, spares (other than capitalized) and stores are charged to Statement of Profit and Loss in the year of use.
- (iii) Inventories are valued at lower of the cost arrived at on First in First out (FIFO) basis and net realizable value.
- (iv) Loose tools are expensed in the year of purchase.

(ix). Cash and Cash Equivalents

Cash and cash equivalent in the Balance sheet comprise of cash at bank, cash in hand, other short term deposits with banks with an original maturity of three months or less and highly liquid investments, that are readily convertible to known amount of cash and which are subject to insignificant risk of changes in value and Bank overdraft.

For the purpose of statement of cash flow, cash and cash equivalents consist of cash and short term bank deposits etc., as defined above, net of outstanding bank overdrafts since they are considered integral part of the company's cash management.

(x). Provisions

A- Provision for Maintenance

- a) In Cost Plus contract, no provision for maintenance is required to be made where cost is reimbursable.
- b) Item Rate and Lump Sum turnkey contracts, provision is made for maintenance to cover company's liability during defect liability period keeping into consideration the contractual obligations, the obligations of the

sub- contractors, operating turnover and other relevant factors.

- c) Provision for unforeseen expenditure during design guarantee period is made based on risk perception of management in each contract assessed at the end of each financial year. This shall, however, be subject to a minimum of Rs. 50 lakhs and maximum of the amount of Design guarantee specified in Contract Agreement with the Client.

B- Provision for Demobilization

Provision for demobilization to meet the expenditure towards Demobilisation of Manpower and Plant & Equipment is made in foreign projects.

C- Others

Provision is recognized when:

- i) The Company has a present obligation as a result of a past event,
- ii) A probable outflow of resources is expected to settle the obligation and
- iii) A reliable estimate of the amount of the obligation can be made.

Reimbursement of the expenditure required to settle a provision is recognised as per contract provisions or when it is virtually certain that reimbursement will be received. Provisions are reviewed at each Balance Sheet date.

D- Discounting of Provisions

Provision recognised as per above point a, b and c which expected to be settled beyond 12 months are measured at the present value by using pre-tax discount rate that reflects the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expenses.

(xi). Revenue Recognition

(a) Contract Revenue Recognition

Contract revenue is measured at the fair value of the consideration received or receivable recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Depending on the nature of contract, revenue is recognized as under-

- i) In cost plus contracts, revenue is worked out by including eligible items of expenditure in the bills raised on the clients and charging specified margin thereon.
- ii) In fixed price contracts, revenue is recognized using the percentage of completion method. The percentage of completion is determined as a proportion of cost incurred of work certified up to the reporting date to the total estimated cost of the contract.
- iii) When it is probable that total contract cost exceeds total contract revenue, the expected loss shall be recognized as an expense immediately. Claims/Arbitration Awards (including interest thereon) which are granted in favour of the Company, being in the nature of additional compensation under the terms of the contract are accounted as contract revenue when they are granted and where it is certain to realize the collection of such claims/awards.

Revenue does not include Sales Tax/VAT/WCT/Service/GST Tax etc.

b) Other Revenue Recognition

- i) Dividend income is recognized when the right to receive payment is established.
- ii) Interest income is recognized taking into account the amount outstanding and the interest rate applicable using Effective Interest rate Method.

(xii). Leases

a) Company as a lessee

Finance Lease:-

- (i) that transfers substantially all the risks and rewards incidental to ownership of an asset
- (ii) are capitalised at lease inception at lower of fair value or present value of minimum lease payment
- (iii) payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.
- (iv) Finance charges are recognised in finance costs in the statement of profit and loss.
- (v) Depreciated over the useful life of the asset. However, if there is no reasonable certainty to

obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating Lease: -

- (i) is classified as operating lease when significant portion of the risk and rewards are not transferred to the company.
- (ii) payments are charged to profit and loss on straight-line basis over the lease term except where lease payment are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increase.

b) Company as a lessor

Finance Lease

- (i) is recognised when substantially all of the risks and rewards of ownership transfer from the company to the lessee.
- (ii) Payment due are recorded as receivables at the company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Operating Lease

- (i) are the leases in which the company does not transfer substantially all the risks and rewards of ownership to the lessee.
- (ii) incomes are recognized as income in the statement of profit & loss on straight-line basis over the lease term except where lease payment are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increase.

(xiii). Liquidated Damages and Escalations

- (i) Liquidated damages/penalties (LD) due to delays arising out of the contractual obligations and provisionally withheld from contractors/under dispute are adjusted against contract cost only on final decision in this regard. However, LD recovered/withheld by client is accounted for on recovery/withholding & adjusted against contract revenue. Possible Liquidated Damages in cases where extension is granted by the client subject to their right for levy of

penalty is shown as contingent liability.

- (ii) Escalation receivable/payable is accounted for as per the provisions of the contract. Escalation receivable but not certified before close of project accounts is included in work-in-progress.

(xiv). Research and development Expenses

1. Research costs are expensed as incurred.
2. Development expenditures on an individual project are recognised as an intangible asset when the company can demonstrate:
 - The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
 - Its intention to complete and its ability and intention to use or sell the asset
 - How the asset will generate future economic benefits
 - The availability of resources to complete the asset
 - The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

During the period of development, the asset is tested for impairment annually.

(xv). Mobilization Expenses

The initial contract expenses on new projects for mobilisation will be recognised as construction work in progress in the year of incidence, and pro rata charged off to the project over the years at the same percentage as the stage of completion of the contract as at the end of financial year.

(xvi). Impairment of non-financial assets

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value and

impairment loss is charged to the Statement of Profit & Loss in the year in which an asset is identified as impaired. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. At each reporting date company assesses the estimate amount of impairment loss. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount and such losses either no longer exists or has decreased. Reversal of impaired loss is recognized in the Statement of Profit & Loss. For the purpose of assessing impairment, assets that cannot be tested individually are grouped in to the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or group of assets (the cash-generating units).

(xvii). Borrowing Cost

Borrowing cost in ordinary course of business are recognized as expense of the period in which they are incurred. Borrowing cost that is directly attributable to acquisition, construction or production of a qualifying asset is capitalized as part of the cost of such assets upto the commencement of commercial operations.

(xviii). Employee Benefits

a) Short Term Employee Benefits

The undiscounted amount of short term employee benefits expected to be paid for the services rendered are recognized as an expense during the period when the employees render the services.

b) Post-employment benefits & other Long Term Employee Benefits

- (i) Retirement benefits in the form of provident fund and pension fund are defined contribution schemes. The contributions to the provident fund trust and pension trust are charged to the statement of Profit and loss for the year when the contributions are due.
- (ii) The company has Defined benefit plans like Gratuity, LTC and other retirement benefits.
- (iii) The Company has created a Trust for Gratuity. The cost of providing benefit is determined on the basis of actuarial valuation using the projected unit credit method at each year-end and is charged to the Statement of Profit & Loss.

- (iv) Provision for Defined benefit plans is made based on actuarial valuation at the year end and Actuarial gains or losses are recognized through Other Comprehensive income.
- (v) Post-retirement Medical benefits are made based on actuarial valuation or amount available for contribution, whichever is less.
- (vi) Other long term employee benefit includes leave encashment. Actuarial gains or losses on other long term employee benefits are recognized through statement of profit & loss.
- (vii) Re-measurements of the net defined benefit liability (asset) recognized in other comprehensive income shall not be reclassified to profit or loss in a subsequent period.

(xix). Taxes

a) Current income tax

- (i) Taxes including current income-tax are computed using the applicable tax rates and tax laws.
- (ii) The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the company operates and generates taxable income.
- (iii) Current income tax assets and liabilities for current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. Liability for additional taxes, if any, is provided / paid as and when assessments are completed.
- (iv) Current tax related to OCI Items is recognized in Other Comprehensive Income (OCI).

b) Deferred tax

- (i) Deferred income tax is recognized using balance sheet approach.
- (ii) Deferred income tax assets and liabilities are recognized for temporary differences which is computed using the tax rates and tax laws that have been enacted or substantively enacted at the reporting date.
- (iii) Deferred income tax asset are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

- (iv) The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.
- (v) Deferred tax related to OCI Item is recognized in Other Comprehensive Income (OCI).

(xx). Operating Segment

Operating segments are reported in the manner consistent with the internal reporting provided to the chief operating decision maker. Accordingly, the Company has identified two reporting segments viz. Domestic & International.

(xxi). 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.

(xxii). Contingent Liabilities and Contingent Assets

(a) Contingent Liabilities are disclosed in either of the following cases:

- i) A present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation; or
 - ii) A reliable estimate of the present obligation cannot be made; or
 - iii) A possible obligation, unless the probability of outflow of resource is remote.
- (b) Contingent assets is disclosed where an inflow of economic benefits is probable.
 - (c) Contingent Liability and Provisions needed against Contingent Liability and Contingent Assets are reviewed at each Reporting date.
 - (d) Contingent Liability is net of estimated provisions considering possible outflow on settlement.

(xxiii). Fair Value Measurement

Company measures financial instruments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

At the reporting date, the Company analyses the

movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the accounting policies. For this analysis, the Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Company also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(xxiv). Dividend to equity holders

Dividend paid/payable shall be recognized in the year in which the related dividends are approved by shareholders or board of directors as appropriate.

(xxv). Financial instruments

A. Initial recognition and measurement

Financial Instruments recognized at its fair value plus or minus transaction costs that are directly attributable to the acquisition or issue of the financial instruments.

B. Subsequent measurement

B.1 Financial Assets

Financial assets are classified in following categories:

a). Debt instruments at Amortised Cost

Debt instrument shall be measured at amortised cost if both of the following conditions are met:

- (a) the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows and
- (b) The contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets are measured at amortised cost using effective interest rate method less impairment, if any. The EIR amortisation is included in finance income in the statement of profit and loss.

Following financial assets are measured at amortised cost: -

- (i) Trade receivable
- (ii) Security deposit
- (iii) Retention money
- (iv) Money held with client
- (v) Cash and cash equivalent
- (vi) Loan and advances
- (vii) Investment in Tax free bonds

b). Debt instruments at Fair value through Other comprehensive income (FVTOCI)

A 'debt instrument' is classified as at the **Fair value through other comprehensive income** if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent solely payment of principal and interest (SPPI).

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned is recognised using the EIR method.

c). Debt instruments at fair value through Profit & Loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instruments, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the company may elect to designate a debt instruments, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. If doing so reduces or eliminates a measurement or recognition inconsistency.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of P&L.

B.2 Financial liabilities

a) Financial liabilities at Amortised Cost

Financial liabilities at amortised cost represented by trade and other payables, security deposits and retention money are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest rate method.

b) Financial liabilities at FVTPL

The company has not designated any financial liabilities at FVTPL.

C. De-recognition

Financial Asset

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized only when the contractual rights to the cash flows from the asset expires or it transfers the financial assets and substantially all risks and rewards of the ownership of the asset.

Financial Liability

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of Profit & Loss.

D. Impairment of financial assets:

Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVTOCI debt instruments. The impairment methodology applies on whether there has been significant increase in credit risk.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/expense in the statement of profit and loss.

(xxvi). Non-current Assets (or disposal groups) held for Sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. The sale is considered highly probable only when the asset or disposal group is available for immediate sale in its present condition, it is unlikely that the sale will be withdrawn and sale is expected within one year from the date of the classification. Disposal groups classified as held for sale are stated at the lower of carrying amount and fair value less costs to sell. Property, plant and equipment and intangible assets are not depreciated or amortized once classified as held for sale. Assets classified as held for sale/ distribution are presented separately in the balance sheet.

If the criteria stated by IND AS 105 "Non-current Assets Held for Sale" are no longer met, the disposal group ceases to be classified as held for sale. Non-current asset that ceases to be classified as held for sale are measured at the lower of (i) its carrying amount before the asset was classified as held for sale, adjusted for depreciation that would have been recognized had that asset not been classified as held for sale, and (ii) its recoverable amount at the date when the disposal group ceases to be classified as held for sale.

(xxvii) Financial guarantees

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognised less cumulative amortisation.

3. Property, Plant and Equipment

(Rs. in crore)

Foot Notes	Freehold Land	Lease hold Land	Lease hold Buildings	Freehold Buildings/ Flats- Residential	Freehold Buildings/ Flats- Non-Res.	Plant & Machinery	Survey Instruments	Computers	Mobile Handset	Office Equip-ments	Furniture & Fixtures	Camps and Temp. Sheds	Vehicles	Total
	(iv)	(iii)		(i)							(v)			
Gross Carrying Amount (At Cost)														
At 31 March 2016	0.06	36.39	42.92	8.73	10.18	409.11	4.25	8.99	0.19	7.07	8.32	11.41	15.63	563.25
Additions	7.11	-	-	1.08	-	0.62	0.47	0.85	-	1.02	0.84	1.41	0.59	13.99
Disposals/Adjustments	35.09	-35.09	-24.53	24.53	-1.32	-48.08	-0.86	-1.03	-0.14	-0.66	-0.44	-0.61	-6.61	-59.75
At 31 March 2017	42.26	1.30	18.39	34.34	8.86	361.65	3.86	8.81	0.05	7.43	8.72	12.21	9.61	517.49
Additions	0.49	-	-	-	-	0.89	0.40	2.93	-	0.74	0.63	0.31	2.34	8.73
Disposals/Adjustments	-	-	-11.02	-25.34	36.36	-63.60	-0.40	-0.99	-0.05	-1.01	-0.77	-0.85	-2.35	-70.02
Exchange (Gain) / Loss	-	-	-	-	1.26	16.90	-0.43	0.12	-	0.28	0.09	0.02	1.07	19.31
At 31 March 2018	42.75	1.30	7.37	9.00	46.48	315.84	3.43	10.87	-0.00	7.44	8.67	11.69	10.67	475.51
Depreciation and impairment														
At 31 March 2016	-	0.21	7.44	5.13	3.36	356.48	2.92	8.01	0.15	5.60	7.27	5.77	14.51	416.85
Depreciation charge for the year	-	0.01	5.26	0.52	0.37	6.47	0.09	0.55	-	0.43	0.30	2.21	0.13	16.34
Impairment	-	-	-	-	-	1.26	-	-	-	-	-	-	-	1.26
Disposals/Adjustments	-	-	-3.23	3.23	-0.44	-43.00	-0.67	-1.00	-0.15	-1.66	-0.34	-0.61	-6.17	-54.04
At 31 March 2017	-	0.22	9.47	8.88	3.29	321.21	2.34	7.56	-	4.37	7.23	7.37	8.47	380.41
Depreciation charge for the year	-	0.01	0.28	0.31	2.54	4.64	0.11	0.81	-	0.53	0.28	2.45	0.40	12.36
Impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals/Adjustments	-	-	-6.90	-3.50	10.40	-60.11	-0.38	-0.95	-	-0.94	-0.72	-0.85	-2.25	-66.20
Exchange (Gain) / Loss	-	-	-	-	0.56	12.26	0.21	0.02	-	1.35	0.08	0.05	0.83	15.36
At 31 March 2018	-	0.23	2.85	5.69	16.79	278.00	2.28	7.44	-	5.31	6.87	9.02	7.45	341.93
Net book value														
At 31 March 2018	42.75	1.07	4.52	3.31	29.69	37.84	1.15	3.43	-0.00	2.13	1.80	2.67	3.22	133.58
At 31 March 2017	42.26	1.08	8.92	25.46	5.57	40.44	1.52	1.25	0.05	3.06	1.49	4.84	1.14	137.08

Foot Notes:-

i) Fixed assets held for disposal included in sales / adjustment column and transferred to other current assets at Net Book value: -

(Rs. in crore)

Block of assets	Description of the assets	Manner and expected time of disposal	Expected (Loss) / Gain on sale of non current assets	Segment	As at 31 March 2018		As at 31 March 2017	
					Gross Block	Net Block	Gross Block	Net Block
Plant and Machinery								
Northern Region	Plant and Machinery	Through e-auction like MSTC with expected time of disposal by end of year 2019		Domestic : PMD Division	4.33	0.25	5.16	0.29
Malaysia Region	Locomotives -24 Nos. (3 Nos.)	Open Tender	36.27	International	29.26	1.46	7.25	0.17
	3 No. of Track Machine, 18 Hopper wagons, 15 Flat Wagons & 2 Motor Trolley	Open Tender	2.90	International	17.04	0.85	-	-
	34 Nos. of Computer & Printers	Open Tender	-	International	0.13	0.007	-	-
	7 Nos. of Fax machine, Projector & EPABX	Open Tender	-	International	0.06	0.003	-	-
	15 Nos. of Vehicle	Open Tender	0.09	International	2.12	0.10	-	-
Mozambique Project	Plant and Machinery		-	International	5.90	0.29	5.90	0.29
Freehold Building-Residential	Residential Building at Chennai	Open Tender	-	Domestic	0.38	0.28	0.38	0.28
Total					59.22	3.24	18.69	1.03

ii) Depreciation and impairment on Property, Plant & Equipment for the year debited to Statement of Profit and Loss are as follows:-

(Rs. in crore)

Description	As at March 2018	As at March 2017
Depreciation on Tangible Assets	12.36	16.34
Impairment Loss	-	1.26
Total	12.36	17.60

- iii) Includes lease hold building on Railways land for 30 years lease (Gross value Rs. 5.30 crore) for which agreement is yet to be finalised.
- iv) Lease hold land includes land at Greater Noida Industrial Development Authority (GNIDA) for construction of proposed Central Inspection Cell (CIC) by the Company (Gross value Rs.0.82 crore). The request for time extension for construction of Building has been submitted to the appropriate authority.
- v) Furniture & Fixtures includes Furnishings also.
- vi) Depreciation and impairment : Includes Foreign Exchange Loss as on 31st March 2018 for Rs. 15.36 crore (as on 31st March 2017 : Rs. 0.47 crore).

4. Capital Work in Progress

(Rs. in crore)

Particulars	Amount
Opening balance at 1 April 2017	-
Additions (subsequent expenditure)	1.22
Less : Capitalised during the year	-0.24
Closing balance at 31 March 2018	0.98
<u>Net Book Value</u>	
at 31 March 2018	0.98
at 31 March 2017	-

5. Investment Property

(Rs. in crore)

Particulars	Land and Capital work in progress at Noida	Land and Capital work in progress at Gurgaon	SRO Building at Old Airport Road, Bangalore	Total
Opening balance at 1 April 2016	260.81	14.43	3.04	278.28
Additions (subsequent expenditure)*	20.58	8.62	-	29.20
Closing balance at 31 March 2017	281.39	23.05	3.04	307.48
Additions (subsequent expenditure)*	42.19	9.19	-	51.38
Closing balance at 31 March 2018	323.58	32.24	3.04	358.86
Depreciation and impairment				
Closing balance 31 March 2016	-	-	0.09	0.09
Depreciation during the year	-	-	0.05	0.05
Closing balance 31 March 2017	-	-	0.14	0.14
Depreciation during the year	-	-	0.05	0.05
Closing balance 31 March 2018	-	-	0.19	0.19
Net Block				
at 31 March 2018	323.58	32.24	2.85	358.67
at 31 March 2017	281.39	23.05	2.90	307.34

Information regarding income and expenditure of Investment property

(Rs. in crore)

Particulars	31 March 2018	31 March 2017
Rental income derived from investment properties	0.35	0.34
Direct operating expenses (including repairs and maintenance) generating rental income	-	-
Direct operating expenses (including repairs and maintenance) that did not generate rental income	-	-
Profit arising from investment properties before depreciation and indirect expenses	0.35	0.34
Less: Depreciation during the year	(0.05)	(0.05)
Profit arising from investment properties before indirect expenses	0.30	0.29

Reconciliation of fair value

(Rs. in crore)

Particulars	Land and Capital work in progress at Noida	Land and Capital work in progress at Gurgaon	SRO Building at Old Airport Road, Bangalore	Total
Opening balance as at 1-04-2016	245.45	131.84	5.05	382.34
Fair value difference	4.40	16.36	0.20	20.96
Purchases	-	-	-	-
Closing balance as at 31-03-2017	249.85	148.20	5.25	403.30
Fair value difference	44.31	12.91	0.06	57.28
Closing balance as at 31-03-2018	294.16	161.11	5.31	460.58
Fair value difference for the year	44.31	12.91	0.06	57.28
Note:-				
Investment Property self constructed	294.16	161.11	5.31	460.58
	294.16	161.11	5.31	460.58

Valuation technique used by valuer to be disclosed Cost & Income Cost Cost (Land & Building)

Description of valuation techniques used by valuer:

Cost Approach:

Under this approach, market value of the land has been estimated using Direct Comparison Approach (Market Approach). The building value has been estimated used Depreciated Replacement Cost (as if new). Within the Cost Approach, the land value is being estimated on the assumption that it is vacant and free of all encumbrances. It is added to the cost of the improvements derived by using the depreciated Replacement Cost method. Replacement cost implies "The current cost of replacement of an asset with a similar utility as if new." Building costs would include the cost of the building components and other improvements. Appropriate depreciation is being applied to the same to estimate the value.

Income Approach (DCF):

DCF analysis is the process of valuing an investment property or asset by undertaking an estimation of future cash flows and taking into account the time value of money. Under this technique, the income is projected over the investment cycle and the net income is calculated after the deduction of capital, operating, and other necessary expenses.

(Rs. in crore)

* Detail of Additions (subsequent expenditure)	As at 31 st March 2018	As at 31 st March 2017
- Work Expenses	46.17	26.79
- Consultancy Charges	0.50	0.59
- Salary & Wages	0.97	0.41
- Rates & Taxes	-	1.27
- Vehicle Operation and Maintenance	1.36	0.04
- Power, Electricity and Water charges	1.47	-
- Advertisement & Publicity	0.15	0.08
- Staff Welfare	0.02	-
- Bank Charges	0.02	-
- Repairs and Maintenance - Office & Other	0.71	0.01
- Tour & Travelling	-	0.01
- Misc. Operating Exp.	0.01	-
Total	51.38	29.20

6. Intangible Assets

(Rs. in crore)

Particulars	Other Intangibles (Software)
Opening balance at 1 April 2016	2.09
Addition during the year	1.34
Capitalisation during the year	-
Sales / adjustment during the year	(0.01)
Closing balance at 31 March 2017	3.42
Addition during the year	0.07
Sales / adjustment during the year	(0.02)
Closing balance at 31 March 2018	3.47
<u>Amortisation and Impairment</u>	
Closing balance at 31 March 2016	1.99
Amortisation during the year	0.23
Sales / adjustment during the year	(0.01)
Closing balance at 31 March 2017	2.21
Amortisation during the year	0.45
Sales / adjustment during the year	(0.02)
Closing balance at 31 March 2018	2.64
Net book value	
At 31 March 2018	0.83
At 31 March 2017	1.21

7. Financial Assets

7.1 Investments

(Rs. in crore)

Particulars	As at 31 st March 2018	As at 31 st March 2017
Investment at Cost		
1. Investments in Equity Instruments (fully paid-up) (unquoted)		
a) Subsidiaries		
Ircon Infrastructure & Services Limited 6,50,00,000 equity shares of Rs. 10 each (31 March 2017 : 6,50,00,000)	65.00	65.00
Indian Railway Stations Development Corporation Limited : Nil (31 March 2017 : 2,04,00,000) #	-	20.40
Ircon PB Tollway Limited 16,50,00,000 equity shares of Rs.10 each (31 March 2017 : 16,50,00,000)	165.00	165.00
Ircon Shivpuri Guna Tollway Limited 15,00,00,000 equity shares of Rs. 10 each (31 March 2017 : 15,00,00,000)	150.00	150.00
Ircon Davanagere Haveri Highway Limited 50,000 equity shares of Rs. 10 each (31 March 2017 : Nil)	0.05	-
Total (a) - Investment in Subsidiaries	380.05	400.40
b) Incorporated Joint Venture (fully paid-up) (Unquoted)		
Ircon-Soma Tollway Private Limited (ISTPL) 6,38,70,000 equity shares of Rs. 10 each fully paid. (31 March 2017 : 6,38,70,000) (Refer note (i) a, b & c)	64.15	64.15
Indian Railway Stations Development Corporation Limited 2,00,00,000 equity shares of Rs.10 each (31 March 2017 : 2,04,00,000) #	20.00	-
Bastar Railway Pvt. Limited 11,83,000 equity shares of Rs. 10 each (31 March 2017 : 11,83,000)	1.18	1.18
Jharkhand Central Railway Limited 1,30,00,000 equity shares of Rs. 10 each (31 March 2017 : 13,00,000)	13.00	1.30
Mahanadi Coal Railway Limited 13,000 equity shares of Rs. 10 each (31 March 2017 : 13,000)	0.01	0.01
Chhattisgarh East Railway Limited 8,35,75,700 equity shares of Rs. 10 each fully paid. (31 March 2017 : 8,35,75,700)	83.58	83.58
Chhattisgarh East-West Railway Limited 13,11,70,000 equity shares of Rs. 10 each fully paid. (31 March 2017 : 13,11,70,000)	131.17	131.17
Total (b) - Investment in Joint Ventures	313.09	281.39

(Rs. in crore)

Particulars	As at 31 st March 2018	As at 31 st March 2017
(Investment at Amortised cost)		
2. Investment in Bonds (Quoted)		
8.00% Tax Free Indian Railway Finance Company Limited (IRFC) Bonds, 1,63,131 units of Rs.1,000 each (31 March 2017 : 163,131)	16.31	16.31
7.21% Tax Free Indian Railway Finance Company Limited (IRFC) Bonds, 500 units of Rs.10,00,000 each (31 March 2017 : 500)	49.96	49.96
8.23% Tax Free Indian Railway Finance Company Limited (IRFC) Bonds, 5,00,000 units of Rs.1,000 each (31 March 2017 : 5,00,000)	50.00	50.00
8.35% Tax Free Indian Railway Finance Company Limited (IRFC) Bonds, 500 units of Rs. 10,00,000 each (31 March 2017 : 500)	49.93	49.92
7.15% Tax Free Indian Railway Finance Company Limited (IRFC) Bonds, 250 units of Rs. 10,00,000 each (31 March 2017 : 250)	24.98	24.98
7.07% Tax Free Indian Railway Finance Company Limited (IRFC) Bonds, 3,02,000 units of Rs.1,000 each (31 March 2017 : 3,02,000)	30.20	30.20
7.14% NHAI Tax Free Bonds, 1,99,989 units of Rs. 1,000 each (31 March 2017 : 1,99,989)	20.00	20.00
7.02% NHAI Tax Free Bonds, 500 units of Rs. 10,00,000 each (31 March 2017 : 500)	50.00	49.99
Total - Investment in Bonds (Quoted)	291.38	291.36
Total non - current investments	984.52	973.15
Aggregate Book value of quoted investments	291.38	291.36
Aggregate Market value of quoted investments	349.33	293.32
Aggregate Book value of unquoted investments	693.14	681.79
Aggregate amount of impairment in value of investments	-	-

Foot Note (i) :

- (a) Out of 6,38,70,000 equity shares of ISTPL held by the company, 30 % shares (1,91,61,000 numbers) were pledged with Punjab National Bank against the loan drawn by ISTPL outstanding as on 31.03.2018 is Rs. Nil (as on 31.03.2017 Rs. 126.78 crores).
- (b) As per Articles of Association (Article V) of ISTPL, shareholders can transfer their shareholding subject to Concession Agreement dated 28th September 2005 signed with NHAI which provides for equity holding of not less than 51% by Consortium members in ISTPL during the construction period and three years following Commercial Operation Date, which was achieved on 19.04.2010. Thereafter, the aforesaid shareholding can be diluted to 26% subject to the pre-emption right of the other shareholders.
- (c) Includes fair value of the financial guarantee for Rs. 0.28 crore issued by Ircon to Punjab National Bank on behalf of and in respect of term loan facility availed by ISTPL. Loan outstanding as on 31.03.2018 is Nil.

IRSDC - Indian Railway Stations Development Corporation Limited, a Subsidiary with equity participation of 51% from IRCON : Ministry of Railways vide letter dated 10.04.2017 has decided to transfer 1% equity to RLDA from IRCON, thereby revising the ownership and non-controlling interest to 50:50. The composition of IRSDC was converted to Joint venture with 1% share transferred by Ircon to RLDA at a value of Rs. 0.40 crore.

Financial Assets (Non Current)

7.2 Loans

(Rs. in crore)

Particulars	As at 31 st March 2018	As at 31 st March 2017
A. Secured, considered good		
Staff Loans and Advances	0.42	0.62
Total (A) - Secured Loans	0.42	0.62
B. Unsecured, considered good		
(i) Loans to Related Parties:		
Joint Ventures		
- Chhattisgarh East Railway Ltd.	-	39.00
- Chhattisgarh East West Railway Ltd.	39.00	39.00
Subsidiaries		
- Ircon Shivpuri Guna Tollway Limited	525.82	162.65
- Ircon PB Tollway Limited	240.85	80.00
- Ircon Infrastructure & Services Limited	-	18.34
Total (i)	805.67	338.99
(ii) Others:		
Staff Loans & Advances *	0.25	0.23
Total (ii)	0.25	0.23
Total (B) - Unsecured Loans (i+ii)	805.92	339.22
Grand Total - Loans	806.34	339.84

* Details of amount due from Directors:

(Rs. in crore)

Particulars	As at 31 st March 2018	As at 31 st March 2017
Amount due from directors included in staff loans and advances	0.0068	0.0116
Total	0.0068	0.0116

7.3 Other Financial Assets

Particulars	(Rs. in crore)	
	As at 31 st March 2018	As at 31 st March 2017
a) Considered Good		
Security Deposits		
- Government Departments	0.01	0.05
- Others	0.17	0.14
- Retention Money with client	60.67	19.55
- Money Withheld by Client	3.47	3.57
Fixed Deposits more than 12 months {refer foot note (i)}	0.41	0.41
Fixed Deposits received from Contractors {refer foot note (ii)}	9.02	5.23
Interest Accrued on Advances to Staff #	0.50	0.56
Interest Accrued on Advances to Rail Land Development Authority (RLDA)	3.44	
Interest Accrued on Loans to Related Party	0.01	-
Others		
- Recoverable from Govt of Mozambique	35.61	70.78
- Recoverable from RLDA {refer foot note (iii) (a) & (b)}	2,616.09	-
- Others - Advance Lease Rent	0.01	0.04
Total - Other Financial Assets	2,729.41	100.33
Grand Total - Other Financial Assets	2,729.41	100.33

Details of amount due from Directors:

Particulars	(Rs. in crore)	
	As at 31 st March 2018	As at 31 st March 2017
Amount due from directors included in interest accrued on staff loans and advances	0.0022	0.0011
Total	0.0022	0.0011

Foot Note :-

- (i) Includes FDRs under Lien for Rs. 0.41 crore (Rs. 0.41 crore)
- (ii) Fixed Deposits received from Contractors are realisable, if the contractor fails to fulfil its obligations as per the terms and conditions of the contract agreement.
- (iii) (a) The Company has raised a loan from Indian Railway Finance Corporation (“IRFC”) (Refer note 15.1) which in turn have been paid to Railway Land Development Authority (“RLDA”) in terms of lease agreement. As per the Memorandum of understanding (“MOU”) entered between RLDA and the Company, all instalments of principal and interest, as also any default or additional interest, and other costs, expenses and charges associated with the loan (or otherwise payable under or pursuant to the Loan Agreement), shall be paid by RLDA to the Company, at least five (5) days prior to their respective due date under the Loan Agreement, into such account as maybe designated by IRFC. RLDA and Ministry of Railways (“MoR”) shall mutually enter into appropriate arrangements for corresponding disbursement of funds from MoR to RLDA. The terms and conditions of this recoverable amount is same as in the case of the said loan.

Further under MOU, RLDA has transferred the leasehold rights in the Project site at Bandra East in favour of the Company, together with the rights to undertake commercial development thereon. The Company shall be entitled to appoint appropriate developer(s) through open, competitive and transparent bid process for the purposes of undertaking the commercial development of the Project Site, and for the purposes thereof further sub-lease the Project Site (together with all associated Development Rights) to the developers so identified by the Company.

- (b) Includes advance paid to RLDA for an amount of Rs.15 crore as per Memorandum of Understanding (MOU) dated 3rd August 2017 for redevelopment of Safdarjung Railway Station.

8. Deferred Tax Assets

(Rs. in crore)

Particulars	31 st March 2018	31 st March 2017
Provisions	117.60	131.23
Property, Plant and Equipment and Intangible Assets	2.31	4.58
Others	30.97	25.24
Closing balance as at 31 March	150.88	161.05

Reconciliation / Movements in Deferred Tax Assets

(Rs. in crore)

Particulars	Provisions	PPE and Intangible Assets	Others	Total
As at 31 March 2017	131.23	4.58	25.24	161.05
(Charged)/Credited :				
- to profit or loss	(13.63)	(2.27)	5.73	(10.17)
- to Other Comprehensive Income	-	-	-	-
As at 31 March 2018	117.60	2.31	30.97	150.88

Deferred tax liabilities have been off set as they relate to the same governing law.

Income Tax Expense

Profit or loss Section

(Rs. in crore)

Particulars	31 st March 2018	31 st March 2017
Current income tax:		
Current income tax charge	174.78	118.64
Adjustments in respect of current income tax of previous year	(42.50)	(17.21)
Deferred tax:		
Relating to origination and reversal of temporary differences	10.17	61.26
Income tax expense reported in the statement of profit or loss	142.45	162.69

OCI section

Income tax related to items recognised in OCI during the year:

(Rs. in crore)

Particulars	31 st March 2018	31 st March 2017
Net loss/(gain) on measurements of defined benefit plans	(0.95)	1.67
Net loss/(gain) on exchange gain/ loss	1.68	5.59
Income tax charged to OCI	0.73	7.26

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2017 and 31 March 2018:

(Rs. in crore)

Particulars	31 st March 2018	31 st March 2017
Accounting profit before tax from continuing operations	535.42	552.52
Profit/(loss) before tax from a discontinued operation	-	-
Accounting profit before income tax	535.42	552.52
At India's statutory income tax rate of 34.608% (31 March 2017: 34.608%)	185.30	191.28
Adjustments in respect of current income tax of previous years	(42.50)	(17.21)
Utilisation of previously unrecognised tax losses		
- Non taxable items	(52.04)	(33.46)
- Rate Difference	-	(10.22)
- Other	-	23.61
<u>Non-deductible expenses for tax purposes:</u>		
- Other country additional tax	30.09	(2.87)
- Other non-deductible expenses	22.33	18.85
At the effective income tax rate of 26.74% (31 March 2017: 30.75%)	143.18	169.98
Income tax expense reported in the statement of profit and loss	143.18	169.95
Income tax attributable to a discontinued operation	-	-
	143.18	169.95

9. Other Non-Current Assets

(Rs. in crore)

Particulars	31 st March 2018	31 st March 2017
a) Advances Other than Capital Advances		
Advances to Contractors against material and machinery	19.93	43.49
Advances to Contractors, Suppliers and Others	68.61	310.09
Deposits with Tax Departments	0.20	0.21
Total - Advances Other than Capital Advances	88.74	353.79
b) Others		
Unsecured, considered good		
Interest Accrued on :		
- Advances to Contractors, Suppliers & others	52.20	43.05
Prepaid Expenses	-	3.98
Fair valuation adjustment	0.13	2.82
Total - Others	52.33	49.85
c) Considered Doubtful		
Advances to Contractors, Suppliers and Others	-	0.91
Less: Allowance for doubtful advances	-	(0.91)
Total - Considered Doubtful	-	-
Grand Total	141.07	403.64

10. Inventories

(Rs. in crore)

Particulars	31 st March 2018	31 st March 2017
Raw Material		
- In Hand	20.51	34.64
- With Third Parties	9.94	4.28
- In Transit	0.19	1.78
Others (Scrap)	1.79	-
Construction Work In progress (at Cost)	108.31	98.64
Total	140.74	139.34

11. Financial Assets

11.1 Investments

(Rs. in crore)

Particulars	31 st March 2018	31 st March 2017
Investment at Cost		
Investment at Fair Value through Profit & Loss		
Investment in Mutual funds (Quoted)		
UTI Money Market Fund - Direct Plan - Daily Dividend (Reinvestment) : No. of Units : 1,69,594.888 (31 March 2017 : Nil)	17.02	-
SBI Premier Liquid Fund - Daily Dividend Plan : No. of Units : Nil (31 March 2017 : 10,88,384)	-	109.19
IDBI Liquid fund - Direct Plan - Daily Dividend (Reinvestment) : No. of Units : 19,86,853.588 (31 March 2017 : Nil)	199.15	-
UTI Liquid Cash Plan - Direct Plan - Daily Dividend : No. of Units : Nil (31 March 2017 :13,80,381)	-	140.72
Total Investments	216.17	249.91
Aggregate book value of quoted investments	216.17	249.91
Aggregate Market value of quoted investments	216.17	249.91
Aggregate amount of impairment in value of investments	-	-

11.2 Trade Receivables

(Rs. in crore)

Particulars	31 st March 2018	31 st March 2017
Unsecured : considered good		
- Trade receivables * (Refer Note no. 40)	673.75	424.66
Considered Doubtful		
- Trade receivables	26.71	20.85
Less : Impairment allowances for doubtful debts	26.71	20.85
Total	673.75	424.66

* Includes Receivables from related parties Rs. 50.46 crore ((As at 31st March 2017 : Rs. 3.31 crore)

11.3 Cash and Cash equivalents

(Rs. in crore)

Particulars	Foot Note	31 st March 2018	31 st March 2017
Cash in hand		0.09	0.18
Cheques/drafts in hand		0.94	-
Balances with banks:			
– On current accounts		213.31	205.53
– Flexi Accounts	(i)	234.80	212.02
– Deposits with original maturity of less than 3 months	(i) & (iii)	1,076.54	976.97
		1,525.68	1,394.70

11.4 Bank Balances other than Cash and Cash equivalents

(Rs. in crore)

Particulars	Foot Note	31 st March 2018	31 st March 2017
Other Bank Balances			
– Deposits with original maturity of more than 3 months but less than 12 months	(i)	3,056.44	3,051.91
– Fixed Deposits received from Contractors	(ii)	18.33	210.92
		3,074.77	3,262.83

Foot Notes : -

- (i) Includes Clients Fund of Rs. 2,884.78 crore (Rs. 3,141.33 crore) on which interest is passed on to them.
- (ii) Fixed Deposits received from Contractors are realisable, if the contractor fails to fulfil its obligations as per the terms and conditions of the contract agreement.
- (iii) Includes Rs. 593.55 crore earmarked for expenses for project site at Bandra (East).

11.5 Loans

(Rs. in crore)

Particulars	31 st March 2018	31 st March 2017
A. Secured, considered good		
Staff Loans and Advances	0.96	1.21
Total (A) - Secured Loans	0.96	1.21
B. Unsecured, considered good		
(i) Loans to Related Parties:		
Joint Ventures		
- Chhattisgarh East Railway Limited	-	78.00
Subsidiaries		
-Irrcon Infrastructure & Services Limited	-	4.58
(ii) Others:		
Staff Loans & Advances *	0.91	0.98
Total (B) - Unsecured Loans (i) + (ii)	0.91	83.56
Grand Total	1.87	84.77

* Details of amount due from Directors:

(Rs. in crore)

Particulars	31 st March 2018	31 st March 2017
Amount due from directors included in staff loans and advances	0.0048	0.0048
Total	0.0048	0.0048

11.6 Other Financial Assets

(Rs. in crore)

Particulars	31 st March 2018	31 st March 2017
a) Considered Good		
Security Deposits		
- Government Departments	7.67	7.07
- Others	1.65	1.72
- Retention Money with client	10.11	51.04
- Money Withheld by Client	68.05	67.64
Earnest Money Deposit	40.05	0.35
Interest Accrued on :		
- Advance to Staff	0.65	0.69
- Loans to Related Parties	-	18.00
- Deposits with Banks	75.99	113.94
- Bonds	17.86	17.87
Others:		
(ia) Recoverable from Related Parties		
Joint Ventures		
- RICON	0.81	0.64
- International Metro Civil Contractor	2.84	2.84
- Metro Tunnelling Group	4.04	3.86
- Ircon Soma Tollway Pvt. Ltd.	7.04	7.04
- Indian Railway Station Development Corporation Limited	0.71	-
- IRCON - AFCON JV	46.40	29.85
- Chhattisgarh East Railway Limited	1.02	2.48
- Mahanadi Coal Railway Limited	0.57	0.37
b) Share Application Money pending Allotment		
Indian Railway Stations Development Corporation Limited - 2,00,00,000 equity shares of Rs.10 each	20.00	-
(ib) Recoverable from Related Parties		
Subsidiaries		
- Ircon Shivpuri Guna Tollway Limited	0.14	0.04
- Ircon Infrastructure & Services Limited	1.15	-
- Indian Railway Station Development Corporation Limited	-	0.48
- Ircon PB Tollway Limited	0.43	0.24
- Devangare Haveri Highway Limited	2.29	-
(ii) Recoverable from Govt. of Mozambique	35.92	35.81

(Rs. in crore)

Particulars	31 st March 2018	31 st March 2017
(iii) Claims Recoverable from Clients	4.39	9.37
(iv) Other Recoverable	14.69	5.30
(v) Billable Revenue / Receivable not due {refer foot note (i)}	260.05	282.91
(vi) Others - Advance Lease Rent	0.21	0.14
Total - Other Financial Assets - Good	624.73	659.68
c) Considered Doubtful		
<u>Security Deposits</u>		
- Government Departments	0.11	0.55
- Others	0.18	0.19
Earnest Money Deposit	-	0.05
- Retention Money with client	7.29	7.19
- Money Withheld by Client	6.06	5.65
Less : Impairment allowance for doubtful financial assets (others)	(13.64)	(13.63)
Total - Other Financial Assets - Doubtful	-	-
Grand Total - Other Financial Others	624.73	659.68

Debts due by officers of the company, firms in which any director is a partner or private company in which any director is a member except JVs and Subsidiaries are Rs. Nil (Rs. Nil).

Details of amount due from Directors:

(Rs. in crore)

Particulars	31 st March 2018	31 st March 2017
Amount due from directors included in interest accrued on staff loans and advances	-	-
Total		

(a) Includes Value of work amounting to **Rs. 7.99 crore** (Rs. 1.61 crore) certified by client, but not billed by reporting date.

(b) Includes **Rs. 8.50 crore** (Rs. 2.48 crore) from Chhattisgarh East Railway Limited, a Joint Venture Company.

(c) Includes **Rs. 1.07 crore** (Rs. 0.31 crore) from Chhattisgarh East West Railway Limited, a Joint Venture Company.

12. Other Current Assets

(Rs. in crore)

Particulars	Foot Note	31 st March 2018	31 st March 2017
a) Advances Other than Capital Advances			
Advances to Contractors against material and machinery		331.99	45.08
Advances to Contractors, Suppliers and Others		219.09	141.73
Advance Recoverable from:			
- Sales Tax (including TDS)		315.73	302.55
Less : Deposited under Protest		(218.65)	(210.48)
- Value Added Tax		91.55	93.68
- Goods & Services Tax		201.90	-
- Service Tax input credit		0.01	3.71
Total - Advances Other than Capital Advances		941.62	376.27
b) Others			
Interest Accrued on:			
Deposits & Advances with:			
- Contractors, Suppliers & Others		47.18	43.00
Construction Work in Progress (At realisable value)		116.18	97.59
Assets held for disposal	(i)	3.24	1.03
Prepaid Expenses		6.27	3.15
Fair valuation adjustment		0.37	5.19
Lease Equalisation		-	0.14
Total - Others		173.24	150.10
c) Considered Doubtful			
Advances to Contractors, Suppliers and Others		15.89	15.32
Sales Tax (including TDS)		36.04	35.89
Others		0.04	0.10
Value Added Tax		7.17	7.18
Less: Impairment allowance for doubtful advances		(59.14)	(58.49)
Total - Considered Doubtful		-	-
Grand Total		1,114.86	526.37

(i) Property, Plant & Equipment beyond economic repair and / or held for disposal (at lower of the realizable value and book value) :

(Rs. in crore)

Block of assets	Description of the assets	Manner and expected time of disposal	Expected (Loss) / Gain on sale of non current assets	Segment	As at 31 March 2018		As at 31 March 2017	
					Gross Block	Net Block	Gross Block	Net Block
Plant and Machinery								
Northern Region	Plant and Machinery	Through e - auction like MSTC with expected time of disposal by end of year 2019		Domestic : PMD Division	4.33	0.25	5.16	0.29
Malaysia Region	Locomotives - 24 Nos. (3 Nos.)	Open Tender	36.27	International	29.26	1.46	7.25	0.17
	3 No. of Track Machine, 18 Hopper wagons, 15 Flat Wagons & 2 Motor Trolley	Open Tender	2.90	International	17.04	0.85	-	-
	34 Nos. of Computer & Printers	Open Tender	-	International	0.13	0.007	-	-
	7 Nos. of Fax machine, Projector & EPABX	Open Tender	-	International	0.06	0.003	-	-
	15 Nos. of Vehicle	Open Tender	0.09	International	2.12	0.10	-	-
Mozambique Project	Plant and Machinery		-	International	5.90	0.29	5.90	0.29
Freehold Building - Residential	Residential Building at Chennai	Open Tender	-	Domestic	0.38	0.28	0.38	0.28
Total					59.22	3.24	18.69	1.03

12.1 Current Tax Assets (Net)

(Rs. in crore)

Particulars	31 st March 2018	31 st March 2017
Taxes Paid including TDS & Advance Tax (Net of Provision for Tax)	29.09	1.72
Current tax Assets (Net)	29.09	1.72

13. Equity Share capital

(Rs. in crore)

Particulars	31 st March 2018	31 st March 2017
Authorised share capital		
40,00,00,000 Equity shares of Rs.10 each {refer note (i)}		
(10,00,00,000 Equity shares of Rs.10 each as at 31 st March 2017)	400.00	100.00
	400.00	100.00
Issued/Subscribed and Paid up Capital		
9,40,51,574 Equity shares of Rs.10 each-fully paid {refer note (ii)}		
(9,89,80,000 Equity shares of Rs.10 each-fully paid as at 31 st March 2017)	94.05	98.98
	94.05	98.98

Details of shareholders holding in the company

Name of the shareholder	As at 31 st March 2018		As at 31 st March 2017	
	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	9,37,83,574	99.71	9,87,12,000	99.73
Indian Railway Finance Corporation Limited	2,44,000	0.26	2,44,000	0.25
Bank of India	24,000	0.03	24,000	0.02
Others	-			
Total	9,40,51,574	100	9,89,80,000	100

Aggregate no. of equity shares issued as bonus, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date

Particulars	As at 31 st March 2018	As at 31 st March 2017	As at 31 st March 2016	As at 31 st March 2015	As at 31 st March 2014	As at 31 st March 2013	As at 31 st March 2012
	No. of Share	No. of Share	No. of Share	No. of Share	No. of Share	No. of Share	No. of Share
Equity shares allotted other than cash	-	-	-	-	-	-	-
Equity shares issued as bonus shares	-	7,91,84,000	-	-	-	98,98,000	-
Equity shares Buy Back	49,28,426	-	-	-	-	-	-
Total	49,28,426	7,91,84,000	-	-	-	98,98,000	-

Terms / Rights attached to Equity Shares :

(a) Voting

The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity share is entitled to one vote per share.

(b) Liquidation

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Reconciliation of the number of equity shares and share capital

Particulars	As at 31 st March 2018		As at 31 st March 2017	
	No. of Share	Rs. in crore	No. of Share	Rs. in crore
Issued/Subscribed and Paid up equity Capital outstanding at the beginning of the year	9,89,80,000	98.98	1,97,96,000	19.80
Add: Shares Issued during the year	-	-	7,91,84,000	79.18
Less: Shares Buy Back during the year	-49,28,426	-4.93	-	-
Issued/Subscribed and Paid up equity Capital outstanding at the end of the year	9,40,51,574	94.05	9,89,80,000	98.98

- (i) Increase in Authorised Share Capital to Rs. 400 crore was approved in the Extra Ordinary General Meeting held on 22.05.2017
- (ii) Department of Investment and Public Asset Management (DIPAM) had instructed the Company to buy back shares to the extent of 5% of paid up capital. Total shares proposed to be bought back was 49,41,818 in numbers at book value of these shares. Board of Directors at its 236th meeting dated 21.09.2017 approved proposal to buy back by the company of its fully paid up equity shares of Rs. 10 each not exceeding 49,41,818 shares from the existing shareholders. As on the closing date of submission of offer i.e. 04.12.2017 offer for 49,28,426 shares held by Govt. of India was received.

14. Other Equity

(Rs. in crore)

Particulars	31 st March 2018	31 st March 2017
(a) Retained Earnings		
Opening Balance	389.58	318.50
Add: Transfer from surplus in statement of profit and loss	390.86	368.85
Less: Dividend declared and paid during the year including Corporate Dividend Tax	(117.05)	(107.22)
Less: Interim Dividend including Tax thereon	(114.52)	(114.52)
Less: Bonus issue	-	(79.18)
Add : Re-measurement of defined benefit plans (net of tax)	(1.80)	3.15
Less: Payment of Fee for increase in Authorised Capital	(1.99)	-
Less: Payment for Buy Back of Shares	(234.57)	
Closing Balance	310.51	389.58
(b) General Reserve		
Opening Balance	3,333.71	3,333.71
Closing Balance	3,333.71	3,333.71
(c) Capital Redemption Reserve		
Opening Balance	-	-
Add: Transfer for Buy Back of Equity Shares	4.93	-
Closing Balance	4.93	-
(d) Items of other comprehensive income		
Opening Balance	5.57	(5.00)
Foreign Currency Translation (net of tax)	3.18	10.57
Closing Balance	8.75	5.57
Grand Total	3,657.90	3,728.86

Distribution made and proposed dividend

(Rs. in crore)

Particulars	31 st March 2018	31 st March 2017
Cash dividends on equity shares declared / paid:		
Dividend paid during 2017-18: INR 27.80 per share (FY 2016-17: INR 45.00 per share)	97.25	89.08
Dividend distribution tax final dividend	19.80	18.14
Interim dividend paid during 2017-18: INR 10.11 per share (FY 2016-17: INR 9.61 per share)	95.15	95.15
Dividend distribution tax on interim dividend	19.37	19.37
Total	231.57	221.74
Proposed dividends on equity shares:		
Dividend for 31 March 2018: INR 10.34 per share (31 March 2017: INR 27.80 per share)	97.25	97.25
Dividend distribution tax on proposed dividend	19.99	19.80
Total	117.24	117.05

15. Financial Liabilities (Non Current)

15.1 Borrowings

(Rs. in crore)

Particulars	31 st March 2018	31 st March 2017
Unsecured:		
Loan From Indian Railway Finance Corporation {Refer Note below}	3,200.00	-
Interest Accrued but not Due	3.08	-
Total	3,203.08	-

Notes :

(a) Terms and Conditions of the unsecured Loan :

The repayment of principal of the Loan Amount shall be made in 5 (five) equal instalments commencing from April 15, 2019.

(b) Rate of Interest :

(i) The Company will pay interest on the principal amount of the Loan advanced and outstanding from time to time, at the rate of 8.77% (Eight point seven seven percent) per annum ("Applicable Interest rate") (exclusive of applicable interest tax, service tax and / or any such other taxes / levies / duties). such taxes / levies / duties, if any, applicable, shall be payable (in the same manner and time as the principal and interest) by the Borrower to the Lender over and above the rates specified above.

(ii) The Applicable Interest Rate shall be fixed for currency of loan term.

(c) Termination of the Memorandum of Understanding (MOU)

Upon the occurrence of certain identified events the MOU would stand terminated, whereupon Ircon would be substituted by such entity as agreed to between IRFC, Ircon, RLDA & Ministry of Railways (MoR). MoR would be entitled to pre pay the entire outstanding under the Loan Agreement on termination of this agreement.

15.2 Trade Payables

(Rs. in crore)

Particulars	31 st March 2018	31 st March 2017
Micro, Small & Medium Enterprises (Refer Note no. 45)	-	-
Other Contractor & Suppliers	0.46	0.45
Total	0.46	0.45

15.3 Other Financial Liability

(Rs. in crore)

Particulars	31 st March 2018	31 st March 2017
Deposits and Retention money	320.92	129.23
Amount Payable to Client	0.55	80.88
Total	321.47	210.11

16. Provisions

(Rs. in crore)

Particulars	Foot Note	31 st March 2018	31 st March 2017
Provision for Employee Benefits	16.10	88.65	71.70
Provision for Doubtful Assets	16.20	99.50	93.88
Other Provisions	16.30	251.95	302.41
		440.10	467.99
Less: Impairment Provision for Doubtful Assets (Presented Separately)	16.20	99.50	93.88
Total		340.60	374.11
Current		265.32	297.93
Non Current		75.28	76.18

The disclosure of provisions movement as required under the requirements of Ind AS 37 is as follows :

16.1 Provision for Employee Benefits

(a) Provision for Retirement Benefits

(Rs. in crore)

Particulars	Gratuity	Leave Salary	Settlement Allowance on Retirement	Post Retirement Medical Benefits	Pension	Total
As at 31-March-2017	-	55.82	1.33	8.32	-	65.47
Current	-	5.58	0.13	6.66	-	12.37
Non Current	-	50.24	1.20	1.66	-	53.10
Provision made during the year	-	12.24	-	4.49	-	16.73
Less: Utilization during the year	-	9.45	-	-	-	9.45
Less: Write Back during the year	-	0.02	0.04	-	-	0.06
(Exchange Gain) / Loss	-	0.01	-	-	-	0.01
As at 31-March-2018	-	58.60	1.29	12.81	-	72.70
Current	-	5.67	1.29	12.81	-	19.77
Non Current	-	52.93	-	-	-	52.93

(b) Provision for other Employee Benefits

(Rs. in crore)

Particulars	Performance Related Pay	Leave Travel Concession	Total
As at 31-March-2017	5.89	0.34	6.23
Current	5.89	0.06	5.95
Non Current	-	0.28	0.28
Provision made during the year	10.02	-	10.02
Less: Utilization during the year	-	0.02	0.02
Less: Write Back during the year	-	0.28	0.28
As at 31-March-2018	15.91	0.04	15.95
Current	15.91	0.01	15.92
Non Current	-	0.03	0.03
Total Provision for Employee Benefits (a+b)			
As at 31-March-2018			88.65
At 31-March-2017			71.70

16.2 Provision for Doubtful Assets

(Rs. in crore)

Particulars	Doubtful Debts	Doubtful Advances	Total
As at 31-March-2017	20.85	73.03	93.88
Current	20.85	73.03	93.88
Non Current	-	-	-
Provision made during the year	6.66	0.95	7.61
Less: Utilization during the year	-	0.28	0.28
Less: Write Back during the year	0.79	0.94	1.73
(Exchange Gain) / Loss	-	0.02	0.02
As at 31-March-2018	26.72	72.78	99.50
Current	26.72	72.78	99.50
Non Current	-	-	-

16.3 Other Provisions

(Rs. in crore)

Particulars	Demobilisation	Corporate Social Responsibility	Maintenance	Foreseeable Loss	Design Guarantee	Legal Cases #	Other Expenses	Total
As at 31-March-2017 #	19.25	0.91	66.78	6.02	51.39	86.52	71.54	302.41
Current	19.18	0.91	56.49	6.02	38.95	86.52	71.54	279.61
Non Current	0.07	-	10.29	-	12.44	-	-	22.80
Provision made during the year	0.18	-	16.80	-	-	13.90	2.35	33.23
Less: Utilization during the year	0.73	0.91	25.66	2.77	-	7.62	9.30	46.99
Less: Write Back during the year	5.24	-	1.37	-	41.76	0.13	0.25	48.75
(Exchange Gain) / Loss	0.12	-	-0.48	-	4.88	-	5.72	10.24
Unwinding of discount	0.06	-	1.31	-	0.44	-	-	1.81
As at 31-March-2018	13.64	-	57.38	3.25	14.95	92.67	70.06	251.95
Current	12.84	-	35.86	3.25	14.95	92.67	70.06	229.63
Non Current	0.80	-	21.52	-	-	-	-	22.32

{Refer Note No. 27}

17. Other Non- Current Liabilities

(Rs. in crore)

Particulars	31 st March 2018	31 st March 2017
a) Advances		
Advance from clients	882.89	1,688.27
b) Others		
Fair valuation adjustment	-	22.93
Others	0.56	0.56
Total	883.45	1,711.76

18. Financial Liabilities (Current)

18.1 Trade Payables

(Rs. in crore)

Particulars	31 st March 2018	31 st March 2017
Micro, Small & Medium Enterprises (Refer Note no. 45)	5.67	-
Others		
(a) Contractor & Suppliers {Refer Note no. 27}	503.14	357.67
(b) Related Parties	4.05	6.08
Total	512.86	363.75

18.2 Other Financial Liabilities

(Rs. in crore)

Particulars	31 st March 2018	31 st March 2017
Gratuity Payable	16.15	-
Deposits, Retention money and Money Withheld {Refer Note no. 27}	518.54	503.52
Financial Guarantee Contract	-	0.04
Amount Payable to Client	335.13	140.44
Other Payables (including Staff Payable)	72.84	43.28
Total	942.66	687.28

19. Other Current Liabilities

(Rs. in crore)

Particulars	31 st March 2018	31 st March 2017
a) Advances		
Advance from clients	2,524.48	1,982.61
- Less: Deposits under protest	(218.65)	(210.48)
Advance contract receipts	223.56	99.96
b) Others		
Statutory dues	207.89	71.42
Fair valuation adjustment	-	24.98
Total	2,737.28	1,968.49

19.1 Current Tax Liability (Net)

(Rs. in crore)

Particulars	Foot Note	31 st March 2018	31 st March 2017
Provision for tax (Net of Advance Tax)		14.13	23.83
Current tax Liability (Net)		14.13	23.83

20. Revenue from operations

(Rs. in crore)

Particulars	For the year ended 31 st March 2018	For the year ended 31 st March 2017
Contract Revenue	3,780.74	2,889.62
Loco lease	-	0.88
Machinery hire charges	5.50	9.15
Other Revenue		
- Amortisation of financial instruments	47.95	29.43
- Other Operating Revenue	35.86	5.25
Total	3,870.05	2,934.33

21. Other Income

(Rs. in crore)

Particulars	For the year ended 31 st March 2018	For the year ended 31 st March 2017
Interest Income :		
Interest on Tax Free Bonds	22.08	22.06
Interest on refund of income-tax	19.54	11.93
Interest on staff advances	0.18	0.21
Interest on loan to Related Parties	63.15	16.83
Interest on other advances	1.13	4.31
Interest income on unwinding of financial instruments	7.69	7.54
Bank Interest Gross	236.55	305.19
Less:- Interest passed to clients	(166.61)	(163.82)
Others :		
Profit on sale of assets	4.08	0.35
Miscellaneous Income	23.57	22.23
Exchange Fluctuation Gain	31.94	-
Less:- Exchange Fluctuation Loss	(30.65)	-
Dividend Income	16.34	4.82
Less:-Dividend passed to clients	(2.33)	(1.45)
Total	226.67	230.20
* Interest on loan to Related Parties:		
Particulars of Related Parties	2017-18	2016-17
- Ircon Infrastructure & Services Ltd.	1.19	2.63
- Chhattisgarh East Railway Limited	10.44	6.27
- Chhattisgarh East-West Railway Limited	3.08	4.87
- Ircon Afcon JV	-	0.20
- Ircon Shivpuri Guna Tollway Ltd.	31.80	1.89
- Ircon PB Tollway Ltd.	16.64	0.97
	63.15	16.83

22. Operating and Other (Administrative) Expenses

(Rs. in crore)

Particulars	Foot Note	Operating		Other (Administrative)	
		For the year ended 31 st March 2018	For the year ended 31 st March 2017	For the year ended 31 st March 2018	For the year ended 31 st March 2017
Materials and Stores consumed:					
Opening Balance		38.92	89.87	-	-
Add: Purchases during the year	(i)	342.61	321.04	-	-
		381.53	410.91	-	-
Closing Balance		32.24	38.92	349.29	371.99
Work Expenses (Refer Note no. 27)		2,822.18	2,076.87	-	-
(Increase) / Decrease in WIP		-10.56	-47.86	-	-
Design, Drawing, Business Development & Consultancy Charges		13.77	13.45	-	-
Inspection, Geo Technical Investigation & Survey Exp. Etc.		11.81	13.55	-	-
Repairs and Maintenance of Machinery		6.33	11.50	-	-
Hire charges of machinery		2.79	4.94	-	-
Exchange Fluctuation Loss		-	71.48	-	-
Less:- Exchange Fluctuation Gain		-	33.13	-	-
Net Exchange Fluctuation Loss		-	38.35	-	-
Rent - Non-residential		4.99	5.29	1.42	1.00
Rates and Taxes		27.02	30.30	1.01	1.38
Vehicle Operation and Maintenance		9.95	9.99	1.61	1.37
Repairs and Maintenance					
- Building		0.12	0.07	0.85	0.91
- Office and Others		10.91	3.23	3.59	3.83
Power, Electricity and Water charges		2.34	2.19	1.42	1.57
Insurance		5.50	5.55	0.15	0.04
Travelling & conveyance		10.78	9.02	2.13	2.25
Printing & stationery		1.37	1.19	0.93	0.56
Postage, telephone & telex		1.46	1.51	0.64	0.46
Legal & Professional charges		8.04	5.45	6.58	4.03
Security services		3.13	3.68	0.25	0.41
Business promotion		0.33	0.39	0.89	0.34
Write-off of :					
- Bad debts		-	0.60	-	-
- Bad advances		-	1.99	-	-
- Bad assets		0.29	0.11	-	-
Loss on sale of Assets/Stores		-	-	0.10	0.03
Director sitting fee		-	-	0.14	0.07
Donation		-	-	0.01	0.04
Auditors remuneration	(ii)	-	-	0.66	0.60
Advertisement & publicity		-	-	7.43	6.18
Training & Recruitment		-	-	1.75	0.27
Corporate social responsibility (Refer Note 46)		-	-	8.73	5.89
Miscellaneous expenses		4.19	2.86	1.63	1.27
Provisions (Addition - Write Back) (Refer Note 16)		-9.64	-9.09	-	-
Provisions Utilised (Refer Note 16)		-47.27	-78.29	-	-
Total		3,229.12	2,478.83	41.92	32.50

(i) Includes Exchange gain/ loss due to implementation of Ind AS for Rs. 0.10 crore (As at 31st March 2017 : Rs. 0.13 crore).

(ii) **Payment to Statutory Auditors:**

Particulars	For the year ended 31 st March 2018	For the year ended 31 st March 2017
(a) Audit Fee - current year	0.39	0.33
(b) Tax Audit Fees - current year	0.12	0.10
(c) Certification Fees	0.03	0.05
(d) Travelling & out of pocket expenses:		
- Local	0.08	0.07
- Foreign	0.04	0.05
Total	0.66	0.60

23. Employee Remuneration and Benefits

(Rs. in crore)

Particulars	Foot Note	For the year ended 31 st March 2018			For the year ended 31 st March 2017		
		Operating	Other (Administrative)	Total	Operating	Other (Administrative)	Total
Salaries, wages and bonus	(i)	131.75	47.21	178.96	99.99	40.42	140.41
Contribution to provident and other funds		8.09	3.72	11.81	6.79	4.05	10.84
Foreign service contribution		1.14	1.23	2.37	0.76	0.84	1.60
Retirement Benefits		13.40	23.57	36.97	12.92	-17.20	-4.28
Staff Welfare		1.13	0.64	1.77	1.27	0.54	1.81
Total		155.51	76.37	231.88	121.73	28.65	150.38

Foot Notes:-

(i) Includes income-tax on non-monetary perks **Rs. 0.22 crore** (As at 31st March 2017 : Rs. 0.33 crore).

24. Finance Cost

(Rs. in crore)

Particulars	Foot Note	For the year ended 31 st March 2018	For the year ended 31 st March 2017
Interest Expense	(i)	3.08	11.94
Less: Interest on Advance to Rail Land Development Authority (RLDA)		-3.08	-
Other Borrowing Cost			
- Bank Guarantee & Other Charges		6.18	8.34
Interest on Unwinding of financial Instruments		48.93	29.66
Amortisation of financial Instruments		7.61	7.31
Unwinding of discount on provisions		1.81	3.35
Total		64.53	60.60

Foot Notes:-

(i) Includes interest on income-tax **Rs. 0.003 crore** (As at 31st March 2017 : Rs. 9.65 crore).

25. Depreciation, amortization and impairment

(Rs. in crore)

Particulars	Other Items of OCI	
	For the year ended 31 st March 2018	For the year ended 31 st March 2017
Property, Plant and equipment	12.36	16.34
Intangible Assets	0.45	0.23
Investment Property	0.05	0.05
Impairment of Assets	-	1.26
Total	12.86	17.88

26. Components of Other Comprehensive Income (OCI)

The disaggregation of changes to OCI by each type of reserve in equity is shown below

(Rs. in crore)

Particulars	Foreign Currency Translation	
	For the year ended 31 st March 2018	For the year ended 31 st March 2017
Remeasurement of Defined benefit plans	(2.75)	4.82
Income Tax relating to Items that will not be reclassified to profit and loss	0.95	(1.67)
Total	-1.80	3.15

(Rs. in crore)

Particulars	Foreign Currency Translation	
	For the year ended 31 st March 2018	For the year ended 31 st March 2017
Foreign Exchange Translation Differences	4.86	16.16
Income Tax relating to Items that will be reclassified to profit and loss	(1.68)	(5.59)
Total	3.18	10.57
Grand Total	1.38	13.72

27. Prior Period Errors

(Rs. in crore)

Particulars	31 st March 2018	31 st March 2017
Impact on equity (increase/(decrease) in equity)		
Other Financial Liabilities current	-	0.04
Other Current Liabilities	-	(0.74)
Provision for Legal cases	-	0.51
Net Impact on Equity (Decrease)	-	(0.19)
Particulars		
Impact on statement in profit and loss (increase/(decrease) in profit)		
Operating & Administrative Expenses	-	(0.19)
Attributable to Equity Holders		(0.19)
Impact on basic and diluted earnings per share (EPS) (increase/(decrease) in EPS)		
Particulars		
Earnings per share for continuing operation		
Basic, profit from continuing operations attributable to equity holders		(0.01)
Diluted, profit from continuing operations attributable to equity holders		(0.01)

27. A Exceptional Items

(Rs. in crore)

Particulars	31 st March 2018	31 st March 2017
Profit on Sale of Investments	-	73.69
Total	-	73.69

28. Fair Value measurements

(i) Financial Instruments by Category

(Rs. in crore)

Particulars	As at 31 st March 2018			As at 31 st March 2017		
	FVTPL	FVTOCI	Amortized Cost	FVTPL	FVTOCI	Amortized Cost
Financial Assets						
(i) Investments						
Tax Free Bonds (including accrued interest)	-	-	309.23	-	-	309.23
Investment in mutual funds	216.17	-	-	249.91	-	-
(ii) Trade Receivables	-	-	673.75	-	-	424.66
(iii) Loans	-	-	808.21	-	-	424.61
(iv) Retention Money and Money Withheld	-	-	142.30	-	-	141.80
(v) Security Deposit with Govt. Dept. & Others recoverable	-	-	85.42	-	-	124.94
(vi) Cash and Cash Equivalents	-	-	1,525.67	-	-	1,394.70
(vii) Bank Balances other than (vi) above	-	-	3,074.77	-	-	3,262.83
(viii) Others - Financial Assets	-	-	3,108.56	-	-	475.40
Total Financial Assets	216.17	-	9,727.91	249.91	-	6,558.17
Financial Liabilities						
(i) Borrowings	-	-	3,203.08	-	-	-
(ii) Trade payables	-	-	513.32	-	-	364.21
(iii) Security Deposits & Retention Money	-	-	839.45	-	-	632.75
(iv) Others - Financial Liability	-	-	424.67	-	-	264.63
Total Financial Liabilities	-	-	4,980.52	-	-	1,261.59

(ii) Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical financial instruments that the entity can access at measurement date.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents the fair value measurement hierarchy of financial assets and liabilities measured at fair value on recurring basis and at amortised cost

(ii) (a) Assets and liabilities which are measured at amortized cost for which fair values are disclosed.

Particulars	Carrying value		Fair value	
	31 st March 2018	31 st March 2017	31 st March 2018	31 st March 2017
Financial Asset				
Tax Free Bonds	309.23	309.23	349.33	293.32
Retention Money and Money Withheld	142.30	141.80	142.30	141.00
Security Deposit with Govt. Dept. & Others	85.42	124.94	85.42	124.97
Total Assets	536.95	575.97	577.05	559.29

Particulars	Carrying value		Fair value	
	31 st March 2018	31 st March 2017	31 st March 2018	31 st March 2017
Financial Liabilities				
Amortised Cost				
Trade Payables	513.32	364.21	513.32	362.20
Security Deposits & Retention Money	839.45	632.75	839.45	627.43
Total Liabilities	1,352.77	996.96	1,352.77	989.63

(ii) (b) Assets which are measured through Profit & loss account for which fair values are disclosed.

Particulars	Carrying value		Fair value	
	31 st March 2018	31 st March 2017	31 st March 2018	31 st March 2017
Financial Asset				
Investment in mutual funds	216.17	249.91	216.17	249.91
Total Assets (through Profit & loss account)	216.17	249.91	216.17	249.91

- i) The carrying amounts of current trade receivables, trade payables, security deposits and retention money, cash and cash equivalents, bank balances and other financial assets and liabilities are considered to be the same at their fair values, due to their short term nature.
- ii) The fair value of long term security deposits, retention money and long term trade payables were calculated based on cash flows discounted using current market rate. They are classified as level 3 fair values hierarchy due to inclusion of unobservable inputs.
- iii) Investment in unquoted equity of subsidiaries and joint ventures are stated at carrying value as per Indian GAAP as on 31-3-2015 as per exemption provided by Para 10 of IND AS 27.
- iv) Loans and Advances given to related parties are at market rate, therefore the carrying amount of such loans and advances are equal to their fair value.
- v) Financial assets are recognised at transaction price, as the effect of measuring these at fair value is immaterial.

Quantitative disclosures fair value measurement hierarchy for financial assets as on 31 March 2018:-

	Fair value measurement using				
	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets measured at fair value on recurring basis:					
Investment in mutual fund	31.03.2018	216.17	216.17	-	-
Financial assets measured at Amortised Cost for which fair value are disclosed:					
Investment in Tax free Bonds	31.03.2018	349.33	349.33	-	-
Retention Money and Money Withheld	31.03.2018	142.30	-	-	142.30
Security Deposit with Govt. Dept. & Others	31.03.2018	85.42	-	-	85.42

There have been no transfers among Level 1, Level 2 and Level 3 during the period.

Quantitative disclosures fair value measurement hierarchy for financial liabilities as on 31 March 2018:-

	Fair value measurement using				
	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial Liabilities measured at Amortised Cost for which fair value are disclosed:					
Trade Payables	31.03.2018	513.32	-	-	513.32
Security Deposits & Retention Money	31.03.2018	839.45	-	-	839.45

There have been no transfers among Level 1, Level 2 and Level 3 during the period.

Quantitative disclosures fair value measurement hierarchy for financial assets as on 31 March 2017:-

	Fair value measurement using				
	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets measured at fair value on recurring basis:					
Investment in mutual fund	31.3.2017	249.91	249.91	-	-
Financial assets measured at Amortised Cost for which fair value are disclosed:					
Investment in Tax free Bonds	31.3.2017	293.32	293.32	-	-
Retention Money and Money Withheld	31.3.2017	141.00	-	-	141.00
Security Deposit with Govt. Dept. & Others	31.3.2017	124.97	-	-	124.97

There have been no transfers among Level 1, Level 2 and Level 3 during the period.

Quantitative disclosures fair value measurement hierarchy for financial liabilities as on 31 March 2017:-

	Fair value measurement using				
	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial Liabilities measured at Amortised Cost for which fair value are disclosed:					
Trade Payables	31.3.2017	362.20	-	-	362.20
Security Deposits & Retention Money	31.3.2017	627.43	-	-	627.43
Financial guarantee contracts liability	31.3.2017	0.04	-	-	0.04

There have been no transfers among Level 1, Level 2 and Level 3 during the period.

(iii) Financial risk management

The Company's principal financial liabilities comprise borrowings, trade and other payables. The Company's principal financial assets include loans to related parties, trade and other receivables, and cash and short-term deposits that derive directly from its operations. The Company also holds investment in mutual funds and tax free bonds. The Company's activities expose it to some of the financial risks: market risk, credit risk and liquidity risk.

a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instruments will fluctuate because of changes in market prices. Market risk comprises Foreign Currency Risk and Interest rate risk. Financial instruments affected by market risk includes borrowings, trade receivables, trade payable and other non derivative financial instruments.

(i) Foreign Currency Risk

The company operates internationally and is exposed to insignificant foreign currency risk (since receipts & payments in foreign currency are generally matched) arising from foreign currency transactions, primarily with respect to the US \$, EURO, YEN, BDT, DZD, LKR, MZN, BTN, ZAR, NPR and MYR. Significant foreign currency risk of company are naturally hedged. As of March 31, 2018 and March 31, 2017, every 1% increase or decrease of the respective foreign currency would impact our profit before tax by approximately Rs. 0.70 crore and Rs. 2.63 crore respectively.

ii) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instruments will fluctuate because of change in market interest rate. The company manages its interest risk in accordance with the companies policies and risk objective. Financial instruments affected by interest rate risk includes tax free bonds and deposits with banks. Interest rate risk on these financial instruments are very low as interest rate is fixed for the period of financial instruments. Also, the Company does not have any interest risk on loans / borrowings as it bears fixed rate of interest.

b) Credit risk

The 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 receivables

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.

The following table gives details in respect of percentage of revenues generated from top five projects. (Rs. in crore)

Particulars	For the year ended	
	31 March, 2018	31 March, 2017
Revenue from top Projects		
Revenue from top 5 Projects	1,913.95	1,504.21
	1,913.95	1,504.21

(i) Provision for Expected Credit Losses

As At 31.03.2018

a) Expected Credit Loss for Trade Receivables under simplified Approach

(Rs. in crore)

Ageing	< 6 M	> 6 < 12	> 12 < 24	> 24 < 36	> 36	Total
Gross Carrying Amount	656.98	2.38	2.63	18.15	20.32	700.46
Expected Credit rate	0.00%	0.00%	0.00%	37.58%	97.88%	3.81%
Expected Credit losses (Loss provision Allowance)	-	-	-	6.82	19.89	26.71
Gross Carrying Amount of Trade Receivables	656.98	2.38	2.63	11.33	0.43	673.75

b) Expected Credit Loss for loans and investments

(Rs. in crore)

Particulars		Assets Group	Carrying Value	Expected Probability of Default	Expected credit Loss	Carrying Amount Net of Expected credit Loss
Loss allowance measured at Life Time ECL	Financial assets for which credit risk has increased and not credit impaired	Security Deposits and EMD	49.84	0.58%	0.29	49.55
		Interest Accrued on Advances to Staff	-	100.00%	-	-
		Retention Money & Security Deposit	155.65	8.58%	13.35	142.30
			205.49		13.64	191.85

As At 31.03.2017

a) Expected Credit Loss for Trade Receivables under simplified Approach

(Rs. in crore)

Ageing	< 6 M	> 6 < 12	> 12 < 24	> 24 < 36	> 36	Total
Gross Carrying Amount	350.16	34.58	32.40	7.93	20.44	445.51
Expected Credit rate	0.15%	0.00%	0.00%	8.70%	96.04%	4.68%
Expected Credit losses (Loss provision Allowance)	0.53	-	-	0.69	19.63	20.85
Gross Carrying Amount of Trade Receivables	349.63	34.58	32.40	7.24	0.81	424.66

b) Expected Credit Loss for loans and investments

(Rs. in crore)

Particulars		Assets Group	Carrying Value	Expected Probability of Default	Expected credit Loss	Carrying Amount Net of Expected credit Loss
Loss allowance measured at Life Time ECL	Financial assets for which credit risk has increased and not credit impaired	Security Deposits and EMD	10.13	7.80%	0.79	9.34
		Interest Accrued on Advances to Staff	-	100.00%	-	-
		Retention Money & Security Deposit	154.64	8.30%	12.84	141.80
			164.77		13.63	151.14

c) Liquidity risk

The Company manages liquidity risk by maintaining sufficient cash and marketable securities and by having access to funding through an adequate amount of committed credit lines. The treasury department regularly monitors the position of cash and cash equivalents vis-à-vis projections. Assessment of maturity profiles of financial assets and financial liabilities and maintenance of Balance Sheet liquidity ratios are considered while reviewing the liquidity position.

The Company's investment policy and strategy are focused on preservation of capital and supporting the Company's liquidity requirements. The senior Management of the Company oversees its investment strategy and achieve its investment objectives. The Company typically invests in government of India debt bonds and mutual funds. The policy requires investments generally to be investment grade, with the primary objective of minimising the potential risk of principal loss.

The NHAI bonds bear a fixed rate of interest thus they are not affected by the change in bond yield rates and the mutual funds are highly liquid assets which are paid out monthly and re-invested.

The table below provides details regarding the significant financial liabilities as at 31 March 2018 and 31 March 2017 (Rs. in crore)

Particulars	As on 31 March, 2018		
	Less than 1 Year	1-2 years	2 Years and above
Borrowings	-	643.08	2,560.00
Trade payables	512.86	0.46	-
Other financial liabilities	942.65	111.42	210.05

Particulars	As on 31 March, 2017		
	Less than 1 Year	1-2 years	2 Years and above
Borrowings	-	-	-
Trade payables	363.75	0.45	-
Other financial liabilities	687.28	132.98	77.13

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.

(iv) 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 :-

Particulars	Dividends :- (Rs.in crore)	
	31-Mar-18	31-Mar-17
Dividend Paid	192.40	184.23
Total	192.40	184.23

Further, the Company manages its capital structure to make adjustments in light of changes in economic conditions and the requirements of the financial covenants. During the year, the Company has gone for buy back of 4,928,426 shares held by the Government of India through Ministry of Railways.

Loan raised by the Company from IRFC during the year which in turn has been given to RLDA will be repaid from the amount received from RLDA.

Debt Equity Ratio

Particulars	Debt Equity Ratio (Rs.in crore)	
	31-Mar-18	31-Mar-17
Borrowings (Note No. 15.1)	3,203.08	-
Long Term Debt	3,203.08	-
Equity (Note No. 13)	94.05	98.98
Other Equity (Note No. 14)	3,657.90	3,728.86
Total Equity	3,751.95	3,827.84
Debt Equity Ratio	0.85	-

29. Contingent liabilities and Contingent Assets

(I) Contingent Liabilities:

(a) Claims against the company not acknowledged as debt;

- i. **Rs. 421.08 crore** (Rs.418.82 crore) net of provision of **Rs. 69.38 crore** (Rs.56.44 crore). Against this the Company has counter claims of **Rs. 258.41 crore** (Rs. 278.24 crore). Interest on claims is not considered, being unascertainable.
- ii. There are some cases relating to employees/others are pending in the Courts against the Company in respect of which the liability is not ascertainable.
- iii. **Rs. 292.35 crore** (Rs.136.52 crore) relating to Direct tax which includes **Rs. 197.23 crore** (Rs.64.95 crore) on account of appeal filed by Income tax department before Income Tax appellate tribunal (ITAT) & High Court against order passed by Commissioner of Income Tax (Appeals) & ITAT in favour of company.
- iv. Indirect tax disputed demands under appeal **Rs. 327.43 crore** (Rs.266.27 crore) of which **Rs. 110.44 crore** (Nil) has been reimbursed by the client and **Rs. 43.89 crore** (Rs. 61.35 crore) are reimbursable from the clients.

Movement in respect of claims/ demand at S. No. (I), (iii) and (iv) are as under:

(Rs. in crore)

S. No.	Particulars	Balance as at 31 st March 2017	Reduction during the year in respect of opening balance	Addition during the year	Balance as at 31 st March 2018
(i)	Claims against company (net of provision made)	418.82	96.16	98.42	421.08
(ii)	Demand relating to Direct Tax	136.52	46.84	202.67	292.35
(iii)	Indirect tax disputed demands under appeal	266.27	21.45	82.60	327.43
	Total	821.61	164.45	383.69	1,040.86

(b) Guarantees excluding financial guarantee

In respect of Joint arrangements:

- i. Sales-tax liability of International Metro Civil Contractor of **Rs. 4.25 crore** (Rs. 4.25 crore) and Service Tax **Rs. 1.01 crore** (Rs. 1.01 crore).
 - ii. Bank guarantee in case of Ircon-RCS-PFLEIDERER of **Rs. 1.40 crore** (Rs. 1.40 crore).
 - iii. Income Tax liability in the case of Metro Tunnelling Group of **Rs. 0.01 crore** (Rs.0.96 crore). Regular assessment for FY 2010-11, 2012-13 & 2013-14 has resulted in a demand of **Rs. 0.24 crore** as on 31.03.2018. The JV is disputing the assessment and has filed appeals against the orders
 - iv. Recovery suit against the International Metro Civil Contractor by M/s Sai Engineers is **Rs. 0.02 crore** (Rs. 0.02 crore).
 - v. Bank Guarantee in case of Ircon-Afcon JV for **Rs. 14.28 crore** (Rs. 25.72 crore) for Bhairab Railway Bridge Project, Bangladesh.
- c) Other money for which company is contingent liable

(Rs. in crore)

S. No.	Particulars	Balance as at 31 st March 2017	Reduction during the year in respect of opening balance	Addition during the year	Balance as at 31 st March 2018
(i)	Liquidated damages pending disposal of application for extension of time by clients	9.67	Nil	Nil	9.67

(II) Contingent Assets:

- i) Claims raised by Ircon on some of its clients and awarded by arbitrators in favour of Ircon against which clients have gone to court not accounted for as receivables are **Rs. 178.79 crore** (Rs. 179.06 crore) including interest calculated up to 31.03.2018 as per arbitration award.
- ii) Counter Claims raised by Ircon on sub-contractors and awarded by arbitrators in favour of Ircon against which sub-contractors have gone to court, not accounted for as receivables are **Rs. 13.80 crore** (Rs. 8.92 crore).
- iii) Insurance Claim of USD 0.84 Mn (USD 0.82 Mn) and Ethiopian Birr 1.0 Mn (ETB 0.95 Mn) equivalent to **Rs. 5.66 crore** (Rs. 5.50 crore) including interest calculated upto 31.03.2018 awarded by Honourable Supreme Court of Ethiopia in favour of Ircon has not been accounted for, pending execution order by High Court of Ethiopia.

30. Commitments:

- a) Estimated amount of contracts remaining to be executed on capital account (net of advances) is **Rs. 85.91 crore** (Rs.76.68 crore).

b) Other Commitments:

Commitments for fund/providing guarantee to/on behalf of subsidiaries/ joint arrangements:

- i) Counter guarantee to Indian Overseas Bank & ICICI Bank for issuance of bank guarantee to subsidiary companies amounting to **Rs. 150.00 crore** (Rs. 150.00 crore). Out of the total limit of Rs. 150 crore, Indian Overseas Bank & ICICI Bank have issued bank guarantees to the extent of **Rs. 104.39 crore** (Rs. 41.52 crore). Therefore, the balance limit for issuance of bank guarantees is **Rs. 45.61 crore** (Rs.108.48 crore).
- ii) For subscribing towards balance share of equity of **Rs. 293.82 crore** (Rs. 54.06 crore) to subsidiary and joint venture company.
- iii) For release of balance shareholder's loan of **Rs. 979.44 crore** (Rs. 883.46 crore) to subsidiary companies.
- iv) Counter guarantee to State bank of India for issuance of letter of credit to Joint operation, Ircon Afcons JV, amounting to **Rs. 30.93 crore** (Rs. 2.26 crore).
- v) An undertaking to Punjab National Bank for non-disposal of 21% of present holding of the company (1,34,12,700 shares of Rs. 10 each) in Joint Venture Company, Ircon-Soma Tollway Private Limited, amounting to **Rs. Nil** (Rs. 13.41 crore).

31. There are certain claims against the Company not acknowledged as debt **Rs. 1,098.26 crore** (Rs. 860.98 crore) net of provisions of **Rs. 1.13 crore** (Rs. 1.13 crore). In case, such claims against the Company do materialize, it will be reimbursable from the clients. Against this, the company has counter claims of **Rs. 1,062.59 crore** (Rs. 950.94 crore). Interest on claims not considered, being unascertainable but would also be reimbursable.

32. The Company is liable to pay **Rs.0.04 crore** (Rs.0.70 crore) on account of taxes on construction profits of Sri Lanka projects which shall be directly reimbursed by Sri Lankan Railway to Sri Lankan Inland Revenue Department. Therefore, the same has not been provided in the books of accounts.

33. (a) The company has made a provision for tax without considering the deduction under section 80IA of Income Tax Act 1961. For the period commencing from AY 2000-01 to 2017-18, deduction u/s 80-IA was allowed to company by CIT (A) for six different years (AY 2004-05, 2005-06, 2007-08, 2012-13, 2013-14 and 2014-15) and for AY 2000-2001 it was allowed by ITAT. For these seven years provision has not been written back. Company has decided to carry this provision having conservative approach considering appeals filed by department against company for these years.

b) The company is offering global income for tax in India after excluding the income in accordance with DTAA agreements where income earned from foreign country are excluded from global income offered for taxation. The company was allowed exclusion method upto AY 2005-06, thereafter credit against taxes paid in foreign countries have been allowed from taxes computed on global income by department. After paying the due tax the issue has been contested by filing appeals which are pending for disposal before ITAT.

34. (a) The Company had 25% equity stake in Comphanhia Dos Caminhos De Ferro Da Beira SARL Mozambique (CCFB), a Joint Venture Company incorporated as per Mozambican laws in the year 2004 to execute a railway project awarded by the Government of Mozambique (GOM) on BOT basis and had paid USD 1.25 Mn (Rs. 5.53 Crores). Other shareholders were RITES & CFM, Mozambique with 26% & 49% share respectively.

b) On 8th December 2011, Government of Mozambique (GoM) unilaterally terminated the concession agreement and took over the project which in the opinion of company was unlawful and against the provision of agreement. Consequently, CCFB initiated arbitration against the said decision of GoM. Dispute has now been amicably settled with Government of Mozambique on 21st October 2015 through settlement agreement. As per the settlement agreement, IRCON will get in installments an amount of USD 40.31 Million and out of this 23.525 USD (equivalent to INR 158.98 crore) was received up to 31.03.2017 and third installment of Rs 5.595 Mn (equivalent to INR 36.40 crore) has received in October 2017. Balance two installments of USD 5.595 Mn each are due on 18.10.2018 & 18.10.2019 which will be received through the confirmed Letter of Credit opened by Government of Mozambique.

35. (a) Some of the balances shown under debtors, advances and creditors are subject to confirmation / reconciliation/ adjustment, if any. The company has been sending letters for confirmation to parties. However, the Company does not expect any material dispute w.r.t. the recoverability/payment of the same.

b) In the opinion of the management, the value of current assets, loans and advances on realization in the ordinary course of business, will not be less than the value at which these are stated in the balance sheet.

36. (a) Foreign exchange recognized in the statement of profit and loss:

Particulars	(Rs. in crore)	
	2017-18	2016-17
i) Profit or (Loss)	1.30	(38.35)
ii) Other Comprehensive Income	4.86	16.15
TOTAL	6.15	(22.20)

(b) Disclosure of unhedged foreign currency exposure

The unhedged foreign currency exposure is as under:

Particulars	Currency	As at 31 st March 2018		As at 31 st March 2017	
		Foreign Currency in Crore	INR Crore	Foreign Currency in Crore	INR Crore
Assets :					
Advance to Contractors					
	DZD	0.07	0.04	5.18	3.06
	ZAR	0.87	4.85	2.73	13.24
	BDT	0.48	0.37		
	ETB	0.02	0.05	0.02	0.06
	NPR	1.37	0.86	1.75	1.10
Trade Receivables					
	BTN	-	-	2.92	2.92
	BDT	29.97	23.25	-	-
	DZD	32.85	18.81	19.66	11.65
	Euro	1.68	130.29	0.13	9.16
	MYR	0.20	3.37	0.41	6.02
	ZAR	0.70	3.90	2.39	11.18
	USD	0.31	20.18	0.91	58.73
Cash & Bank Balances					
	BTN	-	-	0.46	0.46
	BDT	2.70	2.08	5.39	4.21
	DZD	116.24	62.84	125.69	74.16
	ETB	0.00	0.01	-	0.01
	Euro	0.17	11.79	0.44	29.69
	LKR	2.97	1.24	14.81	6.31
	MYR	0.43	7.30	3.10	45.35
	ZAR	7.02	39.17	1.14	5.34
	USD	0.66	42.28	3.25	208.29
Other Assets					
	DZD	0.90	0.51	2.72	1.64
	ETB	0.07	0.18	0.07	0.21
	MZN	0.06	0.06	-	-
	Euro	0.32	25.70	0.05	3.68
	LKR	0.22	0.09	-	-
	MYR	0.04	0.68	2.58	37.80
	BDT	0.12	0.09		
	ZAR	4.70	26.24	0.16	0.75
	USD	1.77	114.92	1.69	108.26
	NPR	2.63	1.65	2.24	1.40

Particulars	Currency	As at 31 st March 2018		As at 31 st March 2017	
		Foreign Currency in Crore	INR Crore	Foreign Currency in Crore	INR Crore
Liabilities :					
Advance from Client					
	BDT	109.71	85.11	115.45	93.61
	Euro	-	-	0.07	4.68
	ZAR	-	-	4.36	21.17
	USD	-	-	0.41	26.62
Trade Payable					
	BTN	-	-	0.67	0.67
	BDT	0.14	0.10	1.37	1.13
	DZD	13.26	7.59	30.44	17.96
	Euro	0.54	42.47	0.33	22.71
	JPY	0.05	0.03	0.05	0.03
	MYR	0.02	0.36	0.27	3.89
	ZAR	1.56	8.73	0.24	1.14
	USD	1.18	77.80	1.84	67.50
Other Liabilities					
	BTN	-	-	0.38	0.38
	BDT	3.51	2.72	3.35	2.70
	DZD	4.85	2.77	22.59	13.33
	ETB	1.36	3.23	0.10	0.27
	Euro	0.12	9.96	0.11	7.69
	MYR	0.11	1.89	0.99	14.48
	ZAR	16.89	94.22	1.62	7.85
	USD	1.18	134.80	1.08	71.49
	NPR	2.06	1.29	3.15	1.97

The unhedged foreign currency exposures are naturally hedged.

DZD- Algerian Dinar, ZAR-South African Rand, LKR-Sri Lankan Rupee, ETB-Ethiopian Birr, MYR-Malaysian Ringgit, NPR-Nepalese Rupee, MZN-Mozambican Metical, BTN-Bhutanese Ngultrum, BDT-Bangladeshi Taka, AUD-Australian Dollar, JPY-Japanese Yen

37. Disclosure regarding Leases:

I. Assets taken on operating lease:

The Company's leasing arrangements are in respect of operating leases of premises for residential use of employees, offices, guesthouses and transit camps. Most of the leasing arrangements are cancellable and are usually renewable on mutually agreed terms. The amounts of lease payments during the year are as under:

- Lease payments (net of recoveries) in respect of premises for residential use of employees – **Rs. 3.55 crore** (Rs.3.73 crore) (included in salaries and wages note 23).
- Lease payments in respect of office premises, guesthouses and transit camps – **Rs. 6.41 crore** (Rs. 6.29 crore) (included in operating & administrative expenses note 22.).

II. Assets given on operating lease:

- (a) The Company has given certain commercial/residential premises on operating lease which are cancellable by giving appropriate notices as per respective agreements.
- (b) The Company has also provided Plant & Machinery (Locomotives) on wet lease basis to a foreign client till 31.12.2015.
- (c) The amount of lease rent received during the year is as under:
1. Lease rent in respect of non-residential premises – **Rs.7.89 crore** (Rs. 8.01 crore) (included in miscellaneous income note 21.)
 2. Lease rent in respect of locomotives - **Rs. Nil** (Rs.0.88 crore) (included in loco lease note 20)
- (d) Future minimum lease rental receivable as on 31.03.2018 in respect of non – cancellable operating lease for each of the following period is as under:

(Rs. in crore)		
Lease Rent Receivable	31 March 2018	31 March 2017
Within One year		
- Premises	0.37	0.35
- Locomotives	NIL	NIL
After one year but not more than five years		
- Premises	2.16	2.06
- Locomotives	NIL	NIL
More than five years		
- Premises	0.93	1.41
- Locomotives	NIL	NIL

- (e) Details of assets given on lease during the year:

(Rs. in crore)				
Particulars	As at 31 st March 2018		As at 31 st March 2017	
	Premises	Locomotives	Premises	Locomotives
Gross Carrying amount of assets	3.51	-	3.51	30.90
Depreciation for the year	0.06	-	0.07	-
Impairment loss for the year	-	-	-	0.21
Accumulated Depreciation	0.47	-	0.41	29.35

38.Segment Reporting:

A. General Information:

- (i) The Company has determined reportable operating segments from geographical perspective.
- (ii) The Company's source of risk and rewards are derived from the units spread across the globe and hence, International projects and Domestic projects are considered as individual operating segments.
- (iii) The operating segments have been reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM).
- (iv) These operating segments are monitored by company's Chief Operating Decision Maker (CODM) and strategic decisions are made on the basis of segments results. Segment performance is evaluated based on the profit of each segment.

B. Information about reportable segments and reconciliation to amounts reflected in the financial statements:

(Rs. in crore)

Particulars	International		Domestic		Total	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
Segment Revenue						
Revenue from External Customers	575.04	238.67	3,295.01	2,666.23	3,870.05	2,934.33
Add: Company share of turnover in Integrated Joint operations	26.09	88.28	0.25	1.62	26.34	89.90
Interest Income	6.02	6.97	177.69	197.28	183.71	204.25
Other Income	15.23	5.47	27.73	49.91	42.96	25.95
Inter-segment	-	-	-	-	-	-
Total Revenue	622.38	339.39	3,500.68	2,915.04	4,123.06	3,254.43
Segment Result						
Profit before Provision, Depreciation, Interest, Exceptional item and Tax	13.50	(3.06)	523.03	481.82	536.53	478.76
Less: Provision & write backs (Net)	(44.46)	(42.77)	34.82	33.68	(9.64)	(9.09)
Depreciation, amortization and impairment	3.76	5.90	9.10	11.98	12.86	17.88
Interest	0.00	-	-	11.94	-	11.94
Exceptional Items	0.00	(73.69)	-	-	-	(73.69)
Profit before Tax	54.20	107.50	479.11	424.22	533.31	531.54
Tax Expense	24.75	60.60	117.70	102.09	142.45	162.69
Profit after Tax	29.45	46.90	361.41	322.13	390.86	368.85

C. Other Information

(Rs. in crore)

Particulars	International		Domestic		Total	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
Assets	600.01	653.56	12,107.93	8,514.06	12,707.94	9,167.62
Liabilities	465.70	555.40	8,490.28	4,784.20	8,955.98	5,339.60
Investment in Joint Ventures accounted for by the equity method	0.00	-	313.09	280.22	313.09	281.39
Non-Current Assets Other than financial instruments, deferred tax assets, net defined benefit assets	30.69	39.76	604.44	809.51	635.13	849.27
Capital Expenditure (Addition to PPE, CWIP, Investment Property, Other Intangible Assets and Intangible assets under development)	2.99	1.12	58.41	43.40	61.40	44.52

D. Information about major Customers:

During the period ended March 31, 2018, Operating Revenue of approximately 50.90 % (38.70%) derived from a single external customer in Domestic Segment.

39. Interest in other Entities

A- Disclosure in respect of Joint arrangements

(a) Unincorporated Joint operations:

i) For projects in operation:

S. No.	Name of the Joint operations	Principal place of Business	Partner(s) and Country of Origin	Participating Interest (in %) as at (Committed as per Agreements)	
				31 st March 2018	31 st March 2017
1.	IRCON-SPSCPL	J&K, India	Ircon, India	50.00	50.00
			SPSCPL, India	50.00	50.00
2.	IRCON-AFCONS	Bangladesh	Ircon, India	53.00	53.00
			Afcons Infrastructure Ltd., India	47.00	47.00
3.	Express Freight Consortium	Gujarat, Maharashtra, India	Mitsui, Japan	51.00	51.00
			Ircon, India	30.00	30.00
			Tata Project Ltd., India	19.00	19.00
4.	Express Freight Railway Consortium	Maharashtra, India	Mitsui, Japan	51.00	51.00
			Ircon, India	30.00	30.00
			Tata Project Ltd., India	19.00	19.00

ii) For projects which have been completed:

S. No.	Name of the Joint operations	Principal place of Business	Partner(s) and Country of Origin	Participating Interest (in %) as at (Committed as per Agreements)	
				31 st March 2018	31 st March 2017
1	RICON	Delhi NCR, India	Ircon, India	49.00	49.00
			RITES, India	51.00	51.00
2	Ircon-COBRA-ELIOP	Delhi NCR, India	Ircon, India	61.22	61.22
			COBRA, Spain	34.35	34.35
			ELIOP, Spain	4.43	4.43
3	Ircon- Sree Bhawani Builders	Chennai, India	Ircon, India	24.21	24.21
			Sree Bhawani Builders, India	75.79	75.79
4	Ircon-SMJ Project JV	Tamil Nadu, India	Ircon, India	55.00	55.00
			Sumber Mitra Jaya, Indonesia	45.00	45.00

S. No.	Name of the Joint operations	Principal place of Business	Partner(s) and Country of Origin	Participating Interest (in %) as at (Committed as per Agreements)	
				31 st March 2018	31 st March 2017
5	International Metro Civil Contractor. (IMCC)	Delhi NCR, India	Dywidag, Germany	29.00	29.00
			Larsen & Tubro Ltd., India	26.00	26.00
			Samsung Corp., Korea	26.00	26.00
			Shimizu Corp., Japan	9.50	9.50
			Ircon, India	9.50	9.50
6	Metro Tunnelling Group (MTG)	Delhi NCR, India	Dywidag, Germany	29.00	29.00
			Larsen & Tubro Ltd., India	26.00	26.00
			Samsung Corp., Korea	26.00	26.00
			Shimizu Corp., Japan	9.50	9.50
			Ircon, India	9.50	9.50
7	Ircon-GANNON Dunkerly	Uttar Pradesh, India	Ircon, India	55.70	55.70
			GANNON Dunkerly	44.30	44.30
8	Ircon-RCS-PFLEIDERER	J&K, India	Ircon, India	65.08	65.08
			Rayalseema Concrete Sleepers Pvt. Ltd, India	21.87	21.87
			Pfleiderer Infrastructure teknik GmbH & Co, Germany	13.05	13.05

(b) Joint-Venture Companies:

S. No.	Name of the Joint operations	Principal place of Business	Partner(s) and Country of Origin	Participating Interest (in %) as at (Committed as per Agreements)	
				31 st March 2018	31 st March 2017
1	Ircon-Soma Tollway Private Limited (ISTPL)	Maharashtra, India	Ircon, India	50.00	50.00
			Soma Enterprise Limited, India	50.00	50.00
2	Chhattisgarh East Railway Limited (CERL)	Chhattisgarh, India	Ircon, India	26.00	26.00
			SECL, India	64.00	64.00
			CSIDC	10.00	10.00
3	Chhattisgarh East-West Railway Limited (CEWRL)	Chhattisgarh, India	Ircon, India	26.00	26.00
			SECL, India	64.00	64.00
			CSIDC	10.00	10.00
4	Mahanadi Coal Rail Limited (MCRL)	Odisha, India	Ircon, India	26.00	26.00
			MCL, India	64.00	64.00
			GoO, India	10.00	10.00

S. No.	Name of the Joint operations	Principal place of Business	Partner(s) and Country of Origin	Participating Interest (in %) as at (Committed as per Agreements)	
				31 st March 2018	31 st March 2017
5	Jharkhand Central Railway Limited (JCRL)	Jharkhand, India	Ircon, India	26.00	26.00
			CCL, India	64.00	64.00
			GoJ, India	10.00	10.00
6	Baster Railway Private Limited (BRPL)	Chhattisgarh, India	Ircon, India	26.00	26.00
			NMDC, India	43.00	43.00
			SAIL, India	21.00	21.00
			CMDC, India	10.00	10.00
7	Indian Railway Station Development Corporation Limited**	New Delhi, India	Ircon, India	50	-
			RLDA	50	-

**Ministry of Railway vide letter dated 10.04.2017 has decided to transfer 1% equity to RLDA from IRCON, thereby revising the ownership and non-controlling interest to 50:50.

(c) Statement of Income, Expenditure, Profit, Assets & Liabilities of Joint arrangements

(Rs. in crore)

S. No.	Jointly Control Entities	Financial Year	Particulars					
			Income	Expenditure	Profit (PAT)	PPE*	Current/ Non-Current Assets [§]	Liabilities
1	RICON	2017-18	0.25	0.08	0.17	-	10.66	0.36
		2016-17	0.32	0.12	0.20	-	10.50	0.37
2	IMCC	2017-18	0.00	0.00	(0.00)	-	3.57	0.94
		2016-17	0.02	0.01	0.01	-	3.56	0.93
3	MTG	2017-18	0.00	0.18	(0.18)	-	4.33	0.24
		2016-17	0.32	0.14	0.18	-	4.19	0.10
4	IRCON-SPSCPL	2017-18	-	-	-	0.51	5.60	6.05
		2016-17	0.97	0.97	-	0.25	3.88	3.33
5	IRCON-AFCONS	2017-18	26.09	9.54	16.55	0.04	33.19	10.79
		2016-17	88.28	55.18	33.10	0.40	39.12	27.61
6	Ircon-Soma Tollway Private Limited (ISTPL)	2017-18	88.94	77.79	4.67	0.44	257.27	230.31
		2016-17	78.95	73.10	5.85	0.49	287.95	265.72

S. No.	Jointly Control Entities	Financial Year	Particulars					
			Income	Expenditure	Profit (PAT)	PPE*	Current/ Non-Current Assets [§]	Liabilities
7	Chhattisgarh East Railway Limited (CERL)	2017-18	-	0.04	(0.04)	268.35	35.70	224.64
		2016-17	-	0.04	(0.04)	192.60	33.09	146.24
8	Chhattisgarh East-West Railway Limited (CEWRL)	2017-18	-	0.04	(0.04)	132.51	21.36	22.94
		2016-17	-	0.02	(0.02)	70.85	111.56	51.44
9	Mahanadi Coal Rail Limited (MCRL)	2017-18	-	-	-	8.74	0.07	8.80
		2016-17	-	-	-	3.69	0.01	3.69
10	Jharkhand Central Railway Limited (JCRL)	2017-18	0.45	0.46	(0.01)	47.91	11.48	46.56
		2016-17	0.10	0.25	(0.15)	45.65	8.50	45.65
11	Baster Railway Pvt. Ltd. (BRPL)	2017-18	0.02	0.65	(0.63)	-	9.09	8.80
		2016-17	-	0.03	(0.03)	-	3.46	2.55
12	Indian Railway Station Development Corporation Limited (IRSDC)**	2017-18	2.65	2.14	0.73	0.04	33.77	2.43
		2016-17	-	-	-	-	-	-
	Total	2017-18	118.40	90.92	21.22	458.54	426.09	562.86
		2016-17	168.96	129.86	39.10	313.93	505.82	547.63

* PPE figures include capital work in progress, wherever applicable.

** IRSDC has become joint venture company w.e.f 19.09.2017, hence, share of income, expenses, assets and liabilities have been considered proportionately.

[§] Net of PPE.

(d) Contingent Liabilities of the Joint arrangements are disclosed in note 29 (b).

(B). Disclosure in Subsidiaries

(Rs. in crore)

S. No.	Name of the Subsidiaries	Principal place of Business	Ownership Interest held by Company		Ownership held by Non-controlling Interest	
			31 st March 2018	31 st March 2017	31 st March 2018	31 st March 2017
1.	Ircon Infrastructure and Services Limited (IISL)	India	100%	100%	Nil	Nil
2.	Ircon PB Tollway Limited (IPBTL)	India	100%	100%	Nil	Nil
3.	Ircon Shivpuri Guna Tollway Limited (ISGTL)	India	100%	100%	Nil	Nil
4.	Ircon Devanagare Haveri Highway Limited	India	100%	-	Nil	Nil
5	Indian Railway Station Development Corporation Limited*	India	-	51%	-	49%

 *Subsidiary till 18th September, 2017.

40. Related Party disclosures: Related party to be identified as per IND AS
a) Enterprises where control exists:

(i) Subsidiary Companies: -

- Ircon Infrastructure and Services Limited. (IISL)
- IrconPB Tollway Limited. (IPBTL)
- IrconShivpuriGuna Tollway Limited (ISGTL)
- Devangare Haveri Highway Limited (IDHHL)
- Indian Railway Station Development Corporation Limited till September 18, 2017

(ii) Joint arrangements: -

- Unincorporated Joint operations – As per Note no. 39 (a) above
- Joint Venture Companies – As per Note no. 39 (b) above.

b) Key management personnel:

- (i) Whole time Directors: -S/Shri S.K. Chaudhary, M.K.Singh, Deepak Sabhlok and Hitesh Khanna till March 28, 2018.
- (ii) Directors (Official Government nominated): - S/Shri Rajiv Chaudhary, S/Shri S.C. Jain w.e.f. 3rd January, 2017 to 17th November, 2017, S/Shri Ved Pal w.e.f. 22nd November, 2017.
- (iii) Independent Directors: - S/Shri Avineesh Matta, Ms. Vasudha V. Kamat, Dr. C.B Venkataramana w.e.f 29th Sept 2017, Dr. Narendra Singh Raina, w.e.f 17th Oct 2017, and Sh. Ashok Kumar Ganju w.e.f. March 8, 2018 and S/Shri Sanjay Kumar Singh till 02nd July 2018

Company Secretary: -

 Smt. Sumita Sharma till 27th October, 2017

 Smt. Iti Matta w.e.f.1st November, 2017 to 4th January, 2018

 Smt. Ritu Arora w.e.f 4th January, 2018

c) Disclosure of transactions with related parties:

(Rs. in crore)

Particulars	Transactions During the year		Particulars of Contracts/ Arrangements
	2017-18	2016-17	Nature of Transaction
1. Remuneration to key management personnel (b above) & Sitting Fees to other Independent Directors	As per Note No. 41		
2. Purchase of Goods & Services (including CSR expenses)/Lease of PPE/Any other transaction			
Subsidiaries			
Ircon Infrastructure and Services Limited (IISL)		1.69	Hiring of Machinery
Ircon Infrastructure and Services Limited (IISL)	0.52	2.19	Man Power Supply
Ircon Shivpuri Guna Tollway Limited (ISGTL)		2.29	Interest Paid
Joint Arrangements/ Joint Venture			
Chhattisgarh East Railway Limited (CERL)		0.70	Interest paid
IRCON AFCONS JV	0.46	-	Purchase of Equipment and Material
Total	0.98	6.87	
3. Sale of Goods & Services/Interest Income/ Any other transaction			
Subsidiaries (Including)			
Ircon Infrastructure and Services Limited (IISL)	1.19	2.63	Interest on loan
Ircon Infrastructure and Services Limited (IISL)	0.16	0.32	Rent for the Premises
Ircon Infrastructure and Services Limited (IISL)		0.12	Other operating receipts-MFC
Ircon Shivpuri Guna Tollway Limited (ISGTL)	0.02	0.02	Rent for the Premises
Ircon Shivpuri Guna Tollway Limited (ISGTL)	353.74	273.26	Work receipts
Ircon Shivpuri Guna Tollway Limited (ISGTL)	31.80	1.89	Interest on Loan
Ircon PB Tollway Limited (IPBTL)	0.02	0.02	Rent for the Premises
Ircon PB Tollway Limited (IPBTL)	268.98	195.66	Work receipts
Ircon PB Tollway Limited (IPBTL)	16.64	0.96	Interest on Loan
Ircon Devangere Haveri Highway Limited (IDHHL)	0.02	-	Rent
Joint Arrangements/ Joint Venture			
Ircon-Soma Tollway Private Limited. (ISTPL)	0.03	0.03	Rent for the Premises
Chhattisgarh East Railway Limited (CERL)	189.85	130.07	Consultancy & works receipts
Chhattisgarh East Railway Limited (CERL)	10.44	6.26	Interest on Loan
Chhattisgarh East-West Railway Limited (CEWRL)	60.50	37.51	Consultancy receipts

(Rs. in crore)

Particulars	Transactions During the year		Particulars of Contracts/ Arrangements
	2017-18	2016-17	Nature of Transaction
Chhattisgarh East-West Railway Limited (CEWRL)	3.08	4.87	Interest on Loan
IRCON AFCONS JV		0.20	Interest on Loan
Mahanadi Coal Rail Limited (MCRL)	6.66	5.54	Consultancy & work receipts
Baster Railway Private Limited (BRPL)	24.00	-	
Jharkhand Central Railway Limited (JCRL)	3.77		Consultancy & work receipts
Total	970.90	659.36	
4. Equity Investments in Subsidiaries & JVs			
Subsidiaries			
Ircon PB Tollway Ltd		75.00	
Ircon Shivpuri Guna Tollway Limited (ISGTL)		80.00	
Ircon Devanagare Haveri Highway Limited (IDHHL)	0.05	-	Equity Investment
Joint Arrangements/ Joint Venture			
Chhattisgarh East Railway Limited (CERL)		43.41	
Chhattisgarh East-West Railway Limited (CEWRL)		130.00	
Baster Railway Pvt. Ltd. (BRPL)		1.18	
Jharkhand Central Railway Limited (JCRL)	11.70	1.30	
CCFB		(5.53)	Disinvestment
Indian Railway Station Development Corporation Limited (IRSDC)	20.00	-	Application money pending for Share Allotment
Indian Railway Station Development Corporation Limited (IRSDC)	(0.40)	-	Disinvestment
5. Loan To Subsidiaries & Joint Arrangements			
Subsidiaries			
Ircon Infrastructure and Services Limited (IISL)	(22.92)	(4.58)	Repayment of loan
Ircon PB Tollway Limited (IPBTL)	160.85	80.00	Loan Disbursed
Ircon Shivpuri Guna Tollway Limited (ISGTL)	363.17	162.65	Loan Disbursed
Joint Arrangements/ Joint Venture			
Chhattisgarh East Railway Limited (CERL)	26.00	78.00	Loan Disbursed
Chhattisgarh East Railway Limited (CERL)	(143.00)	-	Repayment of loan
Chhattisgarh East-West Railway Limited (CEWRL)	39.00	19.50	Loan Disbursed
Chhattisgarh East-West Railway Limited (CEWRL)	(39.00)		Repayment of loan
IRCON AFCONS JV		7.50	Loan Disbursed
IRCON AFCONS JV		(7.50)	Repayment of loan

(Rs. in crore)

Particulars	Transactions During the year		Particulars of Contracts/ Arrangements
	2017-18	2016-17	Nature of Transaction
6. Reimbursement of deputation staff expenses, rent & other misc. expenses (Income)			
Subsidiaries			
Ircon Infrastructure and Services Limited (IISL)	1.51	0.80	
Ircon Shivpuri Guna Tollway Limited (ISGTL)	0.65	0.28	
Ircon PB Tollway Limited (IPBTL)	1.14	0.91	Reimbursement
Ircon Devanagare Haveri Highway Limited (IDHHL)	2.29	-	Reimbursement
Joint Arrangements/ Joint Venture			
Indian Railway Station Development Corporation Limited (IRSDC)	4.23	-	Rent and electricity during the year transaction
Ircon-Soma Tollway Private Limited (ISTPL)	-	0.56	Reimbursement
Indian Railway Station Development Corporation Limited (IRSDC)	-	1.51	
Mahanadi Coal Rail Limited (MCRL)	0.28	-	Reimbursement
IRCON AFCONS JV		-	Reimbursement
Trust			
Ircon Gratuity Trust	7.77	7.82	Reimbursement
Ircon Gratuity Trust	14.34	-	Contribution to Trust
Ircon Employees Contributory PF Trust	34.12	28.52	Contribution to Trust
Ircon Pension Trust	8.84	7.61	Contribution to Trust
Ircon Medical Trust	-	3.38	Contribution to Trust
Total	75.17	51.39	

Disclosure of amount due to/from related parties

(Rs. in crore)

Particulars	Amount	
	As at 31 st March 2018	As at 31 st March 2017
Amount Receivables		
(1) Equity Investment in Subsidiaries & JV		
Subsidiaries	380.05	400.40
Ircon Infrastructure and Services Limited (IISL)	65.00	65.00
Ircon PB Tollway Limited (IPBTL)	165.00	165.00
Ircon Shivpuri Guna Tollway Limited (ISGTL)	150.00	150.00

(Rs. in crore)

Particulars	Amount	
	As at 31 st March 2018	As at 31 st March 2017
Ircon Devanagare Haveri Highway Limited (IDHHL)	0.05	-
Joint Arrangements/ Joint Venture	313.09	280.22
Indian Railway Station Development Corporation Limited (IRSDC)	20.00	20.40
Ircon-Soma Tollway Private Limited. (ISTPL)	64.15	64.15
Chhattisgarh East Railway Limited (CERL)	83.58	83.58
Chhattisgarh East-West Railway Limited (CEWRL)	131.17	131.17
Mahanadi Coal Rail Limited (MCRL)	0.01	0.01
Jharkhand Central Railway Limited (JCRL)	13.00	1.30
Baster Railway Private Limited (BRPL)	1.18	1.18
(2) Loan outstanding to Subsidiaries & JV (Including interest accrued)		
Subsidiaries	766.67	268.14
Ircon Infrastructure and Services Limited (IISL)	-	22.92
Ircon PB Tollway Limited (IPBTL)	240.85	80.87
Ircon Shivpuri Guna Tollway Limited (ISGTL)	525.82	164.35
Joint Arrangements/ Joint Venture	39.01	171.44
Chhattisgarh East Railway Limited (CERL)	-	127.67
Chhattisgarh East-West Railway Limited (CEWRL)	39.01	43.77
(3) For Other Services, reimbursements etc.		
Subsidiaries		
Ircon Infrastructure and Services Limited (IISL)	1.15	-
Ircon PB Tollway Limited (IPBTL)	26.07	3.76
Ircon Shivpuri Guna Tollway Limited (ISGTL)	24.91	0.70
Ircon Devanagare Haveri Highway Limited (IDHHL)	2.29	-
Joint Arrangements/ Joint Venture		
Indian Railway Station Development Corporation Limited (IRSDC)	0.71	0.48
Ircon-Soma Tollway Private Limited (ISTPL)	7.23	7.71
Baster Railway Pvt. Ltd. (BRPL)	28.32	-
Chhattisgarh East Railway Limited (CERL)	36.31	41.29
Chhattisgarh East-West Railway Limited (CEWRL)	54.72	5.29
Mahanadi Coal Rail Limited (MCRL)	0.58	4.72

(Rs. in crore)

Particulars	Amount	
	As at 31 st March 2018	As at 31 st March 2017
Express Freight Corridor (EFC)	0.18	
Express Freight Railway Consortium (EFRC)	0.15	
RICON	-	0.44
Trust		
Ircon Gratuity Trust	1.12	2.26
Amount Payable		
1) For Other Services		
Subsidiaries		
Ircon Infrastructure and Services Limited (IISL)	4.03	5.93
Joint Arrangements / Joint Venture		
Chhattisgarh East Railway Limited (CERL)	-	28.15
Chhattisgarh East-West Railway Limited (CEWRL)	-	18.57
IRCON AFCONS	-	7.80
Mahanadi Coal Rail Limited (MCRL)	-	0.02
Ircon-Soma Tollway Private Limited (ISTPL)	3.05	
2) Advance work receipts		
Subsidiaries		
Ircon Shivpuri Guna Tollway Limited (ISGTL)	5.20	13.09
Joint Venture		
Mahanadi Coal Rail Limited (MCRL)	8.87	5.52
Baster Railway Private Limited (BRPL)	9.78	-
3) Advance Received		
Joint Arrangements/ Joint Venture		
Jharkhand Central Railway Limited (JCRL)	0.62	5.00
Trusts		
Gratuity Trust	14.34	

D) Transaction with the Related Government entities

Apart from transactions reported above, the company has transactions with related Government entities which includes but not limited to the following:

Name of Government: Ministry of Railways, Government of India (Significant control over company)

Certain significant transactions & Closing balances:

Transactions during the year:

(Rs. in crore)

S.No.	Particulars	2017-18	2016-17
i)	Sales	1,733.28	1,265.20
ii)	Interest Passed on	166.61	159.36
iii)	Dividend Paid	191.87	183.73
iv)	Dividend Passed on	2.33	1.45

Note: Purchases are heterogeneous in nature, thus immaterial. Hence not disclosed.

Closing balances:

(Rs. in crore)

S.No.	Particulars	2017-18	2016-17
i)	Receivable	89.51	88.16
ii)	Billable revenue/receivables not due	68.97	68.50
iii)	Claims recoverable	-	0.87
iv)	Advance Received	2,714.83	3,247.36
v)	Advance work receipts	1.58	0.38
vi)	Loan from IRFC under Ministry of Railways	3,200	-
vii)	Advance payment against lease to RLDA	2,580	-

41. Details of remuneration to Directors/Key Managerial Person:

(Rs. in crore)

Sr.	Particulars	2017-18	2016-17
I	Salary & allowances*	2.10	1.51
II	Contribution to provident fund, pension	0.18	0.14
III	Reimbursement of medical expenses	0.02	0.03
IV	Sitting fee	0.14	0.07
V	Other benefits	0.26	0.33
	TOTAL	2.70	2.08

Outstanding loan to Shri M K Singh as on 31.03.2018 is Rs.1.16 Lakh (Rs. 1.64 Lakh).

*Figures of FY 2017-18 include PRP of Rs. 0.13 crore paid during the year for the FY 2015-16.

Recovery as applicable has been made from Directors who have been provided with Company accommodation and car.

42. During the year, Company has carried out assessment on impairment of individual assets by working out the recoverable amount based on lower of the net realizable value and carrying cost in terms of Ind AS 36, "Impairment of Assets" notified under section 133 of the companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian accounting standards) Amendment Rules 2016. Accordingly, impairment loss of **Rs. Nil** (Rs. 1.26 crore) has been provided for."

43. Disclosure under Ind AS-19 on Employee benefits

Provident Fund

The Company pays fixed contribution of Provident Fund at a pre-determined rate to a Separate trust, which invests the funds in permitted securities. The trust is required to pay a minimum rate of interest on contribution to the members of the trust. The amount available in the fund including the returns on investment is greater than the obligation of the company. During the year, the Company has contributed **Rs. 11.81 crore** (Rs.10.84 crore) to the trust.

Gratuity

The Company has implemented IRCON Employees Group Gratuity Scheme to provide financial assistance to the employees of the Company as a social security measure on the termination of their employment due to superannuation, retirement, resignation, physical incapacitation or death. The scheme is managed by a Separate Trust formed in the year 2015-16 for this purpose and approved by the Income Tax Authorities. Funds of the Trust are managed by LIC of India. As at 31.03.2018, a liability of **Rs. 14.34 crore** has been booked in the books of accounts based on the actuarial valuation.

Pension

The Company has implemented IRCON Defined Contribution Superannuation Pension Scheme, 2009 i.e. 01.04.2009, for all regular employees drawing pay in IDA scale who would complete 15 years of service in the Company (including service in other CPSEs) upto normal retirement date. The scheme is managed by a Separate Trust formed in the year 2015-16 for this purpose and approved by the Income Tax Authorities. Company's share of contribution amounting to **Rs. 6.32 crore** for the period from 01.04.2017 to 28.02.2018 has been paid and accounted for during the year 2017-18. Liability for the month of March 2018 of **Rs. 0.77 crore** (Rs.0.51 crore) has been provided in the books of accounts.

Post-Retirement Medical Facility (PRMF)

The Company had established an irrevocable trust by initial one-time contribution of Rs. 12 crore during the year 2000-01 for providing annuity, medical and other benefits to the spouse of employees who die in harness as also the medical benefits to the employees (and spouse) who superannuate from the Company. This being a voluntary welfare measure, the Company is not liable for providing such benefits to its employees. However, Company has also kept provision of **Rs. 12.81 crore** (Rs.8.32 crore), based on the decision of management.

Leave Encashment

The liability towards encashment of leave as per rules of the Company is recognised on the basis of actuarial valuation except for employees posted in foreign projects. Since, the foreign assignments are treated as dies - non, liability for those employees is provided in the books on accrual basis as the amount is payable to employee on repatriation.

Leave Travel Concession (LTC)

The company has made a provision in respect of leave travel concession (LTC) on the basis of actuarial valuation in accordance with IND AS-19.

Other Retirement Benefits

Other retirement benefits include settlement at home-town or to the place where he or his family intends to settle in India including Baggage Allowance. The liability on this account is recognized on the basis of actuarial valuation.

The summarised position of various employee benefits recognised in the statement of profit and loss and balance sheet as on 31.03.2018 is as under:

(i) Service Cost

(Rs. in crore)

S.No.	Particulars	Gratuity	Leave Encashment*	LTC	Other Retirement Benefits
a)	Current Service Cost	3.72 (3.55)	4.03 (3.39)	0.01 (0.01)	3.45 (2.63)
b)	Past Service Cost including curtailment Gains/Losses	8.94 (--)	-- (--)	-- (--)	-- (--)
c)	Gains or Losses on Non routine settlements	-- (--)	-- (--)	-- (--)	-- (--)
d)	Difference in HPL leave days balance in Opening	- -	-- ((26.66))	- -	- -
	Total	12.66 (3.55)	4.03 (23.27)	0.01 (0.01)	3.45 (2.63)

* Except employees posted on Foreign Projects

(ii) Net Interest Cost

(Rs. in crore)

S.No.	Particulars	Gratuity	Leave Encashment*	LTC	Other Retirement Benefits
a)	Interest cost on Defined Benefit Obligation	5.32 (5.40)	4.07 (4.07)	0.03 (0.02)	6.15 (5.35)
b)	Interest Income on Plan Assets (Expected)	5.38 (5.02)	-- (--)	-- (--)	5.03 (4.45)
c)	Net Interest Cost (Income)	((0.07)) (0.38)	4.07 (4.07)	0.03 (0.02)	1.11 (0.89)

*Except employees posted on Foreign Projects

(iii) Changes in Present Benefit Obligation

(Rs. in crore)

S.No.	Particulars	Gratuity	Leave Encashment*	LTC	Other Retirement Benefits
a)	Present value of obligation as at the beginning of the period	70.88 (72.06)	54.24 (80.90)	0.33 (0.23)	81.95 (71.27)
b)	Difference in HPL leave days balance in Opening	- (-)	- ((26.66))	- (-)	- (-)
c)	Interest Cost	5.32 (5.40)	4.07 (4.07)	0.03 (0.02)	6.15 (5.35)
d)	Service Cost	3.72 (3.55)	4.03 (3.39)	0.01 (0.01)	3.45 (2.63)

(Rs. in crore)

S.No.	Particulars	Gratuity	Leave Encashment*	LTC	Other Retirement Benefits
e)	Past Service Cost including curtailment Gains/ Losses	8.94 (-)	- (-)	- (-)	- (-)
f)	Benefits Paid	(9.24) ((5.56))	(8.97) ((4.90))	(0.02) ((0.08))	(1.82) ((1.12))
g)	Total Actuarial (Gain)/Loss on Obligation	2.41 ((4.57))	3.73 ((2.66))	(0.31) (0.16)	7.30 (3.82)
h)	Present Value of obligation as at the end of the period	82.03** (70.88)	57.10 (80.90)	0.04 (0.33)	97.02 (81.95)

* Except employees posted on Foreign Projects.

**Resigned employees liability of Rs.7,59,722 is added in total PBO.

(iv) Actuarial (Gain)/Loss on Obligation

(Rs. in crore)

S.No.	Particulars	Gratuity	Leave Encashment *	LTC	Other Retirement Benefits
a)	Actuarial (Gain) Loss on arising from change in Demographic Assumption	-- (--)	-- (--)	-- (--)	-- (--)
b)	Actuarial (Gain)/Loss on arising from change in Financial Assumption	-- (--)	-- (--)	-- (--)	- (-)
c)	Actuarial (Gain) Loss on arising from Experience Adjustment	2.41 ((4.57))	3.73 ((2.56))	(0.31) (0.16)	7.30 (3.82)

* Except employees posted on Foreign Projects.

(v) Actuarial (Gain)/Loss on Plan Asset

(Rs. in crore)

S.No.	Particulars	Gratuity	Leave Encashment *	LTC	Other Retirement Benefits
a)	Expected Interest Income	5.38 (5.02)	- (--)	- (--)	5.03 (4.45)
b)	Actual Income on Plan Asset	5.16 (5.56)	- (--)	- (--)	4.87 (5.46)
c)	LIC Mortality Charges	-- (0.29)	- (--)	- (--)	-- (--)
d)	Actuarial gain (loss) for the year on Asset	(0.22) (0.24)	- (--)	- (--)	(0.16) (1.00)

* Except employees posted on Foreign Projects

(vi) Balance Sheet and related analysis

(Rs. in crore)

S.No.	Particulars	Gratuity	Leave Encashment*	LTC	Other Retirement Benefits
a)	Present Value of the obligation at end	82.03 (70.88)	57.10 (54.24)	0.04 (0.33)	97.02 (81.95)
b)	Fair Value of plan assets	67.69 (71.77)	-- (--)	-- (--)	70.19 (67.12)
c)	Unfunded Liability/provision in Balance Sheet	(14.34) (0.88)	(57.10) ((54.24))	0.04 ((0.33))	(26.84) ((14.83))
d)	Unfunded liability recognized in Balance Sheet	- (0.88)	-- ((54.24))	-- ((0.33))	(26.84) ((14.83))

* Except employees posted on Foreign Projects

(vii) The amounts recognized in the income statement

(Rs. in crore)

S.No.	Particulars	Gratuity	Leave Encashment*	LTC	Other Retirement Benefits
a)	Service Cost	12.66 (3.55)	4.03 (23.27)	0.01 (0.01)	3.45 (2.63)
b)	Net Interest Cost	(0.07) (0.38)	4.07 (4.07)	0.03 (0.02)	1.11 (0.89)
c)	Net actuarial (gain)/ loss recognized in the period	-- (--)	3.73 ((2.56))	-- (--)	-- (--)
d)	Actuarial gain / (loss) for the year on PBO	- (-)	- (-)	(0.31) ((0.16))	- (-)
e)	Expense recognized in the Income Statement	12.60 (3.93)	11.83 (21.76)	(0.28) (0.03)	4.56 (3.52)

* Except employees posted on Foreign Projects

(viii) Other Comprehensive Income (OCI)

(Rs. in crore)

S.No.	Particulars	Gratuity	Leave Encashment*	LTC	Other Retirement Benefits
a)	Net Cumulative unrecognized actuarial gain/(loss) opening	-- (--)	-- (--)	-- (--)	-- (--)
b)	Actuarial gain/(loss) for the year on PBO	(2.41) (4.57)	-- (--)	-- ((0.16))	(7.30) ((3.82))
c)	Actuarial gain /(loss) for the year on Asset	(0.22) (0.24)	-- (--)	-- (--)	(0.16) (1.01)
d)	Unrecognized actuarial gain/ (loss) at the end of the year	(2.63) (4.81)	-- (--)	-- ((0.16))	(7.46) ((2.81))**

* Except employees posted on Foreign Projects

** The unrecognized actuarial loss (OCI) of **Rs. 7.46 crore** (Rs. 2.81 crore) consisting of loss of **Rs.7.65 crore** (Rs. 2.97 crore) in respect of liability towards Post-Retirement Medical Benefits (PRMB) and gain of **Rs.0.19 crore** (Rs. 0.16 crore) in respect of liability towards Settlement allowance. Since the liability in respect of PRMB has not been provided as per Actuarial valuation and has been restricted as per DPE guidelines, therefore, the OCI in respect of PRMB, as per Actuarial valuation, has not been considered.

(ix) Change in plan assets

(Rs. in crore)

S.No.	Particulars	Gratuity	Leave Encashment*	LTC	Other Retirement Benefits
a)	Fair value of plan assets at the beginning of the period	71.77 (66.96)	-- (--)	-- (-)	67.12 (59.38)
b)	Actual Income on plan assets	5.47 (5.56)	-- (--)	-- (-)	4.87 (5.46)
c)	LIC Mortality Charges	(0.31) ((0.30))	-- (--)	-- (-)	- (--)
d)	Employer contribution	-- (5.11)	-- (--)	-- (-)	- (3.38)
e)	Benefits paid	(9.24) ((5.56))	-- (--)	-- (-)	(1.80) ((1.10))
f)	Fair value of plan assets at the end of the period	67.69 (71.77)	-- (--)	-- (-)	70.19 (67.12)

* Except employees posted on Foreign Projects

(x) Major categories of plan assets (as percentage of total plan assets)

S.No.	Particulars	Gratuity	Leave Encashment*	LTC	Other Retirement Benefits
a)	Government of India Securities	-- (--)	-- (--)	-- (-)	-- (--)
b)	State Government securities	-- (--)	-- (--)	-- (-)	-- (--)
c)	High Quality Corporate Bonds	-- (--)	-- (--)	-- (-)	-- (--)
d)	Equity Shares of listed companies	-- (--)	-- (--)	-- (-)	-- (--)
e)	Property	-- (--)	-- (--)	-- (-)	-- (--)
f)	Funds Managed by Insurer	100% (100%)	-- (--)	-- (-)	100% (100%)
g)	Bank Balance	-- (--)	-- (--)	-- (-)	-- (--)
	Total	100% (100%)	-- (-)	-- (-)	100% (100%)

* Except employees posted on Foreign Projects

(xi) Change in Net Defined Benefit Obligation

(Rs. in crore)

S.No	Particulars	Gratuity	Leave Encashment*	LTC	Other Retirement Benefits
a)	Net defined benefit liability at the start of the period	(0.88) (5.11)	54.24 (80.90)	0.33 (0.23)	14.83 (11.90)
b)	Service Cost	12.66 (3.55)	4.03 (23.27)	0.01 (0.01)	3.45 (2.63)
d)	Net Interest Cost (Income)	(0.07) (0.38)	4.07 (4.07)	0.03 (0.02)	1.11 (0.89)
e)	Re-measurements	2.63 ((4.81))	3.73 ((2.56))	(0.31) (0.16)	7.46 (2.81)
f)	Contribution paid to the fund	(--) ((5.11))	-- (--)	-- (--)	-- ((3.38))
g)	Benefit paid directly by the enterprise	-- (--)	(8.97) ((4.90))	(0.02) ((0.08))	(0.01) ((0.02))
h)	Net defined benefit liability at the end of the period	14.34 ((0.88))	57.10 (54.24)	0.04 (0.33)	26.84 (14.83)

* Except employees posted on Foreign Projects.

(xii) Bifurcation of PBO at the end of the year in current and non-current

(Rs. in crore)

S.No	Particulars	Gratuity	Leave Encashment*	LTC	Other Retirement Benefits
a)	Current Liability (Amount due within one year)	8.70** (7.31)	4.57 (4.52)	0.01 (0.04)	1.97 (2.01)
b)	Non-current liability (Amount due over one Year)	73.33 (63.57)	52.53 (49.72)	0.03 (0.30)	95.05 (79.93)
	Total PBO at the end of the year	82.03 (70.88)	57.10 (54.24)	0.04 (0.33)	97.02 (81.95)

* Except employees posted on Foreign Projects

**Resigned employees liability of Rs.7,59,722 is added in current liability.

(xiii) Expected contribution for the next Annual reporting period.

(Rs. in crore)

S.No.	Particulars	Gratuity	Leave Encashment*	LTC	Other Retirement Benefits
a)	Service Cost	4.42 (3.73)	4.67 (3.70)	0.01 (0.02)	3.87 (2.82)
b)	Net interest Cost	1.07 ((0.07))	4.28 (4.07)	-- (0.03)	5.05 (4.39)
c)	Net actuarial (gain)/loss recognized in the period	-- (--)	-- (1.90)	-- (--)	-- (--)
d)	Expected Expense for the next annual reporting period	5.49 (3.67)	8.96 (9.66)	0.01 (0.05)	8.92 (7.22)

* Except employees posted on Foreign Projects

(xiv) Sensitivity Analysis of the defined benefit obligation

(Rs. in crore)

a) Impact of the change in discount rate					
S.No	Particulars	Gratuity	Leave Encashment *	LTC	Other Retirement Benefits
	Present value of obligation at the end of the period	82.03	57.10	0.04	97.02
i)	Impact due to increase of 0.50%	(2.35)	(2.17)	-	(2.80)
ii)	Impact due to decrease of 0.50%	2.50	2.34	-	2.97
b) Impact of the change in salary increase					
	Present value of obligation at the end of the period	82.03	57.10	-	1.29
i)	Impact due to increase of 0.50%	1.24	2.32	-	0.05
ii)	Impact due to decrease of 0.50%	(1.29)	(2.17)	-	(0.05)

* Except employees posted on Foreign Projects

(Previous year figures are shown under bracket () to differentiate from current year figures.)

Sensitivity due to mortality & withdrawals are not material & hence impact of change not calculated.

Sensitiveness as to rate of inflation, rate of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

(xv) Actuarial Assumptions

a. Method used	Projected Unit Credit Method
b. Discount rate	7.50%
c. Rate of increase in compensation levels	8.00%
d. Average outstanding service of employees up to retirement	12.19 to 13.19 years
e. Estimated term of benefit obligations	10.14 to 10.77 years

44. Disclosure under IndAS-11 on Revenue from contracts for contracts in progress

- Method Used to determine Contract Revenue: - Percentage of completion.
- Method Used to determine the Stage of completion of Contract in progress: - Proportion of cost incurred of work certified up to the reporting date to the total estimated cost of the contract.
- Other details:

(Rs. in crore)

Details	Up to 31 March 2018	Up to 31 March 2017
(a) Contract revenue recognized as revenue in the period	3,780.74	2,889.62
(b) Aggregate amount of costs incurred and recognized profits (less recognized losses)	12,696.95	12,967.41
(c) Amount of advances received from client	690.93	3,288.64
(d) Amount of retentions (by client)	86.45	50.05
(e) Gross amount due from clients for contract work	410.70	305.65

45. The Company has received information from few of its suppliers of their being covered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). Based on this information, there are **Rs.5.67 crore** (Rs. Nil) amounts due to Micro, Small and Medium Enterprises as at 31st March 2018.

46. (i) Gross amount required to be spent on Corporate Social Responsibility (CSR) by the Company during the year is **Rs. 7.67 crore** (Rs.6.80 crore).

(ii) During the year, company has spent **Rs. 8.73 crore** (Rs.5.90 crore) as against required amount of **Rs. 7.67 crore** (Rs.6.80 crore) on Corporate Social Responsibility (CSR) activities. Break up of expenditure incurred is as follows

(Rs. in crore)

S. No.	Description	2017-18	2016-17
1.	Eradicating hunger, poverty & malnutrition, promoting preventive healthcare & sanitation & making available safe drinking water	3.74	1.45
2.	Promoting Education, including special education and employment enhancing vocation skills especially among children.	2.97	0.81
3.	Setting up homes and hostels for women and orphans, Setting up old age homes, day care centres and such other facilities for senior citizens.	0.00	0.00
4.	Ensuring environmental sustainability	1.88	3.18
5.	Rural Development Projects	0.14	0.46
	Total	8.73	5.90

(iii) Amount spent during year

(Rs. in crore)

Sr. No.	Description	In Cash	Yet to be paid in cash	Total
1.	Construction/acquisition of asset*	0.85	-	0.85
2.	Other purposes	7.88	-	7.88
	Total	8.73	-	8.73

* Assets purchased and handed over to respective organisation and are not being held by the Company.

(iv) CSR expenditure yet to be incurred is **Rs. Nil** (Rs. 0.91 crore).

47. Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

(Amount in Rupees)

Particulars	31 st March, 2018	31 st March, 2017
Basic EPS		
From Continuing operations	40.01	37.27
From Discontinued operation	-	-
Diluted EPS*	40.01	37.27

*Diluted EPS amounts are also same as basic EPS because company has no dilutive potential Equity shares.

The following reflects the income and share data used in the basic EPS computations: -

(Rs. in crore)

Particulars	31 st March, 2018	31 st March, 2017
Profit attributable to equity holders of the company used in calculating EPS:		
From Continuing operations	390.86	368.85
From Discontinued operation	-	-
Profit attributable to equity holders for Basic Earnings Per Share	390.86	368.85

The following reflects the weighted average number of shares used in calculating basic EPS.

(Numbers of Shares)

Particulars	31 st March, 2018	31 st March, 2017
Weighted average number of Equity shares for basic EPS*	9,76,97,259	9,89,80,000
Effect of dilution:		
Weighted average number of Equity shares adjusted for the effect of dilution*	9,76,97,259	9,89,80,000

*The weighted average number of shares takes into account the weighted average effect of changes in treasury share transactions during the year. There have been no other transactions involving equity shares or potential equity shares between the reporting date and the date of authorization of these financial statements.

48. The Company has engaged agents/consultants to secure contracts and provide other services for foreign projects, being implemented in three countries. Pending assessment of services provided by the agent/consultants, the company has not accounted for expenses aggregating to **Rs. 4.96 crore** (Rs 3.80 crore), comprising of **Rs 1.16 crore** (Rs 1.36 crore) during financial year 2017-18.

49. Financial Guarantee

The Company has issued financial guarantee (undertaking) to Punjab National Bank on behalf of and in respect of term loan facility availed by joint venture company, Ircon Soma Tollway Private Limited (ISTPL), to make good 50% of total shortfall in the dues, if any, in the event of termination of the concession agreement. Loan outstanding as on 31.03.2018 is Nil (Rs.63.07 crore). The said financial guarantee has been recognised as per Ind-As 109. The ISTPL has repaid the loan amount during the current period.

50. In one of the projects under Northern Region, provision in respect of legal expenses amounting to **Rs 11.52 crore** has not been provided in the accounts based on legal opinion that the liability is primarily not of the company.

51. During the financial year 2017-18, based on Expert opinion taken by management it was decided that the effects of discounting security deposit with client and contractor, Retention money with client and contractor and money withheld with client and contractor was not material for the preparation and presentation of financial statements. Ind AS 8- "Accounting Policies, Changes in Accounting Estimates and errors" allows that the policies specified by Ind AS need not to be applied when the effect of applying them is immaterial. Hence, it has been decided to discontinue discounting the same, consequently in the current year the carrying value of the financial liabilities have been increased by **Rs. 48.70 crore**, financial assets have been increased by **Rs. 6.45 crore**, non-financial liabilities have been decreased by **Rs. 42.70 crore** and non-financial assets have been decreased by **Rs. 6.24 crore**. The resultant net impact on current year's Profit and Loss is amounting to **Rs. 0.80 crore**, which is not considered as material for the preparation and presentation of financial statements.

52. Events occurring after Reporting period

Refer to Note 14 for the final dividend recommended by the directors which is subject to the approval of shareholders in the ensuing meeting.

53. Standards issued but not effective for the financial year 2017-18

IND AS 115 Revenue from Contracts with Customers:

The Ministry of Corporate Affairs notified IND AS -115 "Revenue from contracts with Customers" in respect of accounting periods commencing on or after 1 April 2018, superseding IND AS – 11 "Construction Contracts" and IND AS-18 "Revenue".

The company's current revenue recognition policy is broadly aligned to the principles enunciated in IND AS -115 and does not require any material change. The management is in the process of evaluating IND AS -115 and does not expect any material impact on the company's financial position as at 31 March 2018 and on the financial results of the company in the first year of implementation viz. financial year commencing on 1 April 2018.

54. Certain prior periods amounts have been reclassified for consistency with the current period presentations. These reclassifications have no effect on the reported results of operations.

As per our Report of even date attached

For K G Somani & Co.
Chartered Accountants
FRN : 006591N

Ashish Kumar Batta
Partner
M. No. 095597

Place : New Delhi
Date : 3rd August, 2018

For and on behalf of Board of Directors

M. K. Singh
Director Finance
DIN - 06607392

S. K. Chaudhary
Chairman & Managing Director
DIN - 00515672

Ritu Arora
Company Secretary
FCS No. 5270

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF IRCON INTERNATIONAL LIMITED FOR THE YEAR ENDED 31 MARCH 2018.

The preparation of financial statements of **IRCON INTERNATIONAL LIMITED** for the year ended 31 March 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139 (5) of the Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 03 August 2018.

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 2018 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143 (6) (b) of the Act.

For and on the behalf of the
Comptroller & Auditor General of India

Place: New Delhi
Dated: 13th September, 2018

Sd/-
(B.R. Mondal)
Principal Director of Audit
Railway Commercial, New Delhi



Consolidated

Financial Statements

2017 - 18

FORM AOC - 1

Statement containing salient features of Financial Statements of Subsidiaries/Joint Ventures as at 31.03.2018
(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part A "Subsidiaries"

(Rs. in crore)

Sr. No.	Name of the Subsidiary	Ircon Shivpuri Guna Tollway Limited (ISGTL)	Ircon PB Tollway Limited (IPBTL)	Ircon Devanagare Haveri Highway Limited (IDHHL)	Ircon Infrastructure & Services Limited (IISL)
1	Reporting period for the Subsidiary	01.04.2017 to 31.03.2018	01.04.2017 to 31.03.2018	01.04.2017 to 31.03.2018	01.04.2017 to 31.03.2018
2	Reporting Currency and Exchange Rate	INR	INR	INR	INR
3	Share Capital(Including share application money pending allotment)	150.00	165.00	0.05	65.00
4	Other equity/Reserves & surplus (as applicable)	(0.73)	3.93	0.63	63.35
5	Liabilities	552.97	269.67	2.42	78.94
6	Total Equity and Liability	702.24	438.60	3.10	207.29
7	Total Assets	702.24	438.60	3.10	207.29
8	Investments	-	-	-	-
9	Turnover	381.93	277.54	-	32.36
10	Profit before taxation	0.02	1.25	-	18.11
11	Provision for taxation	0.08	0.42	(0.63)	4.45
12	Profit after taxation	(0.07)	0.83	0.63	13.66
13	Interim Dividend - Equity	-	-	-	-
14	Interim Dividend - Preference	-	-	-	-
15	Proposed Dividend - Equity	-	-	-	-
16	Proposed Dividend - Preference	-	-	-	-
17	% of share holding	100%	100%	100%	100%

For K G Somani & Co.

Chartered Accountants
FRN : 006591N

Ashish Kumar Batta
Partner
M. No. 095597

Place : New Delhi
Date : 3rd August, 2018

For and on behalf of Board of Directors

M. K. Singh
Director Finance
DIN - 06607392

S. K. Chaudhary
Chairman & Managing Director
DIN - 00515672

Ritu Arora
Company Secretary
FCS No. 5270

Part "B": Joint Ventures

(Rs. in crore)

Sr. No.	Name of Joint Ventures	Bastar Railways Private Limited (BRPL)	Chattisgarh East Railway Limited (CERL)	Chattisgarh East West Railway Limited (CEWRL)	Ircon - Soma Tollway Private Limited	Jharkhand Central Rail Limited (JCRL)	Mahanadi Coal Rail Limited (MCRL)	Indian Railway Stations Development Corporation Ltd (IRSDC)
1	Latest audited Balance Sheet Date	31-Mar-18	31-Mar-18	31-Mar-18	31-Mar-18	31-Mar-18	31-Mar-18	31-Mar-18
2	Shares of Joint Venture held by the company on the year end	32.82%	27.31%	26.02%	50%	26.00%	26%	50%
	Number of shares held	1,183,000	83,575,700	131,170,000	63,870,000	13,000,000	13,000	20,000,000
	Amount of Investment in Joint Venture (Note 2 Below)	11,830,000	835,757,000	1,311,700,000	638,700,000	130,000,000	130,000	200,000,000
	Total No of Shares	3,605,000	306,000,000	504,055,000	127,740,000	50,000,000	50,000	40,000,000
	Extent of Holding %	32.82%	27.31%	26.02%	50%	26.00%	26.00%	50.00%
3	Description of how there is significant influence	Refer Note 1 (Below)						
4	Reason why the Joint Venture is not consolidated	NA	NA	NA	NA	NA	NA	NA
5	Net worth attributable to shareholding as per latest audited balance sheet (Rs. in Crore)	1.10	305.43	503.59	54.79	49.34	0.03	62.78
6	Profit/ (loss) for the year (Rs. in Crore)	(2.41)	(0.16)	(0.15)	9.34	(0.03)	(0.01)	2.74
	(i) Considered in consolidation (Rs. in Crore)	(0.79)	(0.04)	(0.04)	4.67	(0.01)	-	1.37
	(ii) Not considered in consolidation (Rs. in Crore)	(1.62)	(0.12)	(0.11)	4.67	(0.02)	-	1.37

Notes

- Significant influence is demonstrated by holding 20% or more of the voting power of the investee.
- Amount of Investment in Joint Venture (Amount in Rs.)
Value of Shares Alloted -
Application Money pending Allotment 200,000,000

200,000,000

For K G Somani & Co.

Chartered Accountants
FRN : 006591N

Ashish Kumar Batta
Partner
M. No. 095597

Place : New Delhi
Date : 3rd August, 2018

For and on behalf of Board of Directors

M. K. Singh
Director Finance
DIN - 06607392

S. K. Chaudhary
Chairman & Managing Director
DIN - 00515672

Ritu Arora
Company Secretary
FCS No. 5270

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of **IRCON INTERNATIONAL LIMITED ("the Holding Company")**, its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), and its jointly controlled entities, which comprising of the Consolidated Balance Sheet as at **March 31, 2018**, the Consolidated Statement of Profit and Loss (Including other comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated Ind AS financial statements').

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder. 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; the 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 the 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated Ind AS financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Holding Company's Board of directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and audit evidence obtained by the other auditors in terms of their reports referred to in the 'Other Matter's paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at March 31, 2018, and its Profit (financial performance including other comprehensive income), its Cash Flow and the changes in equity for the year ended on that date.

Emphasis of Matters

- i) We draw attention to Note No. 34 to the consolidated Ind AS financial statements
 - a. The Company has made provision for tax without considering the deduction under Section 80-IA of Income Tax Act, 1961. However, the ITAT has disposed pending appeal for FY 2000-01 allowing deduction u/s 80IA and subsequently CIT(A) has allowed deduction for AY 2004-05, 2005-06, 2007-08, 2012-13, 2013-14 and 2014-15. The matters for other assessment years are contested by the company with the concerned authorities.
 - b. The company is offering global income for tax in India after excluding the income earned by its permanent establishments in foreign countries having Double Taxation Avoidance Agreements (DTAA) with India. CIT (A) denied the treatment of excluding such foreign income. Accordingly, the company has subsequently paid taxes, however the matter is contested by the company with the concerned authorities.
- ii) We draw attention to Note No. 50 to the consolidated Ind AS financial statements regarding non provision of Rs. 4.96 crores towards foreign agency commission/ consultancy charges in respect of projects in three foreign countries pending assessment of the performance.

Our report is not qualified in respect of the above matters.

Other Matters

- i) We did not audit the financial statements/information of ten branches of Holding Company included in the consolidated Ind AS financial statement of the company whose financial statements/financial

information reflect Total Assets of Rs. 6302.80 Crores as at 31st March 2018, Total Revenues of Rs. 3,793.35 Crores for the year ended on that date, as considered in the consolidated Ind AS financial statements. The financial statements/information of these branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosure included in respect of these branches, is based solely on the reports of such branch auditors.

- ii) We did not audit the financial statements/financial information of four subsidiaries and eleven jointly controlled entities, whose financial statements/ financial information reflect Total Assets of Rs. 4,160.38 Crores as at 31st March 2018, Total Revenues of Rs. 932.97 Crores and net cash flows amounting to Rs. (425.39) Crores for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements/ financial information have been audited by other auditors whose financial statements/ financial information have been furnished to us by the management and our opinion on the consolidated Ind AS financial statements in so far as it relates to the amounts and disclosure included in respect of these subsidiaries, jointly controlled entities and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries & Jointly controlled entities, is based solely on the reports of the other Auditors.
- iii) We did not audit the financial statement/information of one jointly controlled entities, whose financial statements/financial information reflect total assets of Rs. 3.06 Crores as at 31st March, 2018, total revenues of Nil and net cash flows amounting to Rs. 0.10 Crores for the year ended on that date, as considered in the consolidated Ind As financial statements. These financial statements/financial information are unaudited and 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 this jointly controlled entities, and our report in terms of sub-section (3) and (11) of section 143 of the Act, in so far as it relates to the aforesaid jointly controlled entities, is based solely on such unaudited financial statements/financial information. In our opinion and

according to the information and explanations given to us by the management, these financial statements/ financial information certified by the management.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

Report on Other Legal & Regulatory Requirements

1. As required by section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of other auditors.
 - (c) The reports on the accounts of the branch offices of the Holding Company, and its subsidiaries and jointly controlled companies incorporated in India, audited under Section 143(8) of the Act by branch auditors have been sent to us/other auditors, as applicable, and have been properly dealt with in preparing this report.
 - (d) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), and the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
 - (e) In our opinion, the aforesaid Consolidated Ind AS financial Statements comply with the Indian Accounting Standard (Ind AS) specified under section 133 of the Act, read with relevant rules issued thereunder.
 - (f) Being a Government Company, Provision of section 164(2) of the Act are not applicable pursuant to notification No.G.S.R.463(E) dated 5th June, 2015, issued by Central Government of India.

- (g) With respect to the adequacy of the internal financial control over financial reporting of the Group, and the operating effectiveness of such controls, refer to our separate report in Annexure "A".
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigation as at 31st March, 2018 on its consolidated financial position of the Group and its jointly controlled entities- Refer Note No. 30 of the consolidated Ind AS financial statement.
 - ii. Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contract- Refer 'foreseeable losses' in Note No. 16.3 to the consolidated Ind AS financial statements in respect of such items as its relates to Group. The Group and its jointly controlled entities did not have any derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies and jointly controlled companies incorporated in India.

For K.G SOMANI & CO.
Chartered Accountants
FRN 006591N

(Ashish Kumar Batta)
Partner
Membership No.095597

Place of Signature: New Delhi
Date: 3rd August, 2018

“Annexure A” to the Independent Auditor’s Report of even date on the Consolidated Ind AS Financial Statements of IRCON INTERNATIONAL LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **IRCON INTERNATIONAL LIMITED** (hereinafter referred to as “the Holding Company”) and its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”) and its Jointly controlled entities as of March 31, 2018 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 four-subsidary companies and eleven jointly controlled entities, as of that date. The Financial information of one jointly controlled entity is unaudited and certified by the management, we are unable to comment on the adequacy and operating effectiveness of Internal Financial Controls Over Financial Reporting under section 143(3)(l) of the Act in respect of that jointly controlled entity.

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 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 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”) 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 qualified and unqualified audit opinion respectively on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Holding company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Holding company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are

recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Holding company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of un-authorized acquisition, use, or disposition of the Holding company's assets that could have a material effect on the consolidated Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified Opinion

According to the information and explanations given to us and based on our audit and other auditor's audit report, the following material weaknesses have been identified as at March 31, 2018.

- (a) The Company has an integrated ERP system for the preparation of financial statements except in the foreign branches where the company is using "Tally" software instead of integrated ERP system. In the Mumbai region the branch auditor has reported that in one project integrated ERP system was not used, instead software Tally was used for preparation of Financial Statements. The ERP system should have been used at its full potential to have more effective financial control.
- (b) The Inventory records at some units is maintained manually and the inventory manual in SAP is under consideration. Further continuous identification system of surplus/obsolete/broken assets and material/stores is inadequate and needs to be strengthened.

A material weakness' is a deficiency, or a combination of deficiencies in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the effects/possible effect of material weaknesses described above on the achievement of the objective of the control criteria and subject to the other matter paragraph given below, the Holding Company and its subsidiary companies and jointly controlled entities, which are incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India as it appears from our examination of the books and records of the Holding company and the reports of the other auditors in respect of entities audited by them and representation received from the management for entities un-audited.

Emphasis of Matter

Few cases of reduction of bills by the client and accepted by the project without noting therein full reasons/justifications have been observed for which follow up with client needs to be improved.

Other Matters

Our aforesaid report Section 143(3)(l) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting, insofar as it relates to four audited subsidiary companies and eleven jointly controlled entities, is based on the corresponding reports of the other auditors and insofar it relates to one jointly controlled entities is based on the representation received from management (also refer paragraph on Other Matters of the Independent Auditors' Report above), our opinion is not qualified in respect of this matter.

For K.G SOMANI & CO.
Chartered Accountants
FRN 006591N

(Ashish Kumar Batta)
Partner
Membership No.095597

Place of Signature: New Delhi

Date: 3rd August, 2018

IRCON INTERNATIONAL LIMITED
CONSOLIDATED BALANCE SHEET
As at 31st March 2018

(Rs. in crore)

Particulars	Note No.	As at 31 st March 2018	As at 31 st March 2017
I. ASSETS			
1 Non-current assets			
(a) Property, Plant and equipment	3	140.59	145.61
(b) Capital work-in-progress	4	3.15	2.00
(c) Investment Property	5	358.68	307.35
(d) Other Intangible assets	6	69.17	71.49
(e) Intangible assets under development	6	960.52	546.58
(f) Financial Assets	7		
(i) Investments	7.1	567.80	530.94
(ii) Loans	7.2	39.66	78.91
(iii) Others	7.3	2,736.64	101.38
(g) Deferred tax assets (Net)	8	133.88	145.03
(h) Other non-current assets	9	141.08	403.63
Total Non-current assets		5,151.17	2,332.92
2 Current assets			
(a) Inventories	10	140.74	139.34
(b) Financial Assets	11		
(i) Investments	11.1	216.17	249.91
(ii) Trade Receivables	11.2	693.76	472.86
(iii) Cash and cash equivalents	11.3	1,574.05	1,453.76
(iv) Other Bank Balances	11.4	3,116.49	3,299.37
(v) Loans	11.5	1.91	80.22
(vi) Others	11.6	726.81	669.11
(c) Current Tax Assets (Net)	12	40.61	5.58
(d) Other current assets	12.1	1,116.51	528.33
Total Current assets		7,627.05	6,898.48
Total Assets		12,778.22	9,231.40
II. EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share Capital	13	94.05	98.98
(b) Other Equity	14	3,667.71	3,717.92
Equity attributable to Owners of the parent		3,761.76	3,816.90
Non Controlling Interest		-	19.62
Total Equity		3,761.76	3,836.52

(Rs. in crore)

Particulars	Note No.	As at 31 st March 2018	As at 31 st March 2017
2 Liabilities			
(i) Non-current liabilities			
(a) Financial Liabilities	15		
(i) Borrowings	15.1	3,203.08	-
(ii) Trade Payables	15.2	0.46	0.45
(iii) Other financial liabilities	15.3	321.50	210.13
(b) Provisions	16	75.32	76.19
(c) Other Non-Current Liabilities	17	914.92	1,745.46
Total Non-current liabilities		4,515.28	2,032.23
(ii) Current liabilities			
(a) Financial Liabilities	18		
(i) Trade payables	18.1	510.04	360.65
(ii) Other financial liabilities	18.2	947.09	703.99
(b) Other current liabilities	19	2,764.49	1,976.13
(c) Provisions	16	265.43	298.05
(d) Current Tax liability (Net)	19.1	14.13	23.83
Total Current liabilities		4,501.18	3,362.65
Total Equity and Liabilities		12,778.22	9,231.40
III. Summary of Significant Accounting policies		1 - 2	
IV. Notes forming part of financial statements		3 - 58	

As per our Report of even date attached

For K G Somani & Co.
Chartered Accountants
FRN : 006591N

Ashish Kumar Batta
Partner
M. No. 095597

Place : New Delhi
Date : 3rd August, 2018

For and on behalf of Board of Directors

M. K. Singh
Director Finance
DIN - 06607392

S. K. Chaudhary
Chairman & Managing Director
DIN - 00515672

Ritu Arora
Company Secretary
FCS No. 5270

IRCON INTERNATIONAL LIMITED
CONSOLIDATED STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED ON 31st March 2018

(Rs. in crore)

Particulars	Note No.	For the year ended 31 st March 2018	For the year ended 31 st March 2017
I. Revenue :			
Revenue from operations	20	4,001.17	2,977.41
Add :- Company share of turnover in Integrated Joint operations		26.34	89.90
		4,027.51	3,067.31
II. Other income	21	184.89	234.03
III. Total Income (I + II)		4,212.40	3,301.34
IV. Expenses:			
Operating Expenses	22	3,287.96	2,490.67
Employee benefits expenses	23	238.85	156.07
Finance costs	24	64.56	58.64
Depreciation, amortization and impairment	25	16.41	26.69
Other Expenses (Administrative)	22	41.94	36.64
Proportionate share of expenses in Integrated Joint operations		9.44	56.39
Total Expenses (IV)		3,659.16	2,825.10
V. Profit Before exceptional items and Tax (III - IV)		553.24	476.24
VI. Exceptional items	27A	0.00	73.69
VII. Share in Profit/(Loss) of Joint Ventures		5.16	5.60
VIII. Profit before tax (V + VI + VII)		558.40	555.54
IX. Tax expenses:			
(1) Current tax	8		
- For the Year		178.97	123.34
- For earlier Years (net)		(43.37)	(18.34)
(2) Deferred tax (net)		11.18	66.54
Total Tax Expense		146.78	171.54
X. Profit for the Year (VIII - IX)		411.62	384.00

(Rs. in crore)

Particulars		Note No.	For the year ended 31 st March 2018	For the year ended 31 st March 2017
XI.	Other Comprehensive Income	26		
	A. (i) Items that will not be reclassified to profit or loss		(2.75)	4.82
	(ii) Income Tax relating to Items that will not be reclassified to profit or loss		0.95	(1.67)
	B. (i) Items that will be reclassified to profit or loss		4.86	16.16
	(ii) Income Tax relating to Items that will be reclassified to profit or loss		(1.68)	(5.59)
	Other Comprehensive Income for the Year (Net of Income tax)		1.38	13.72
XII.	Total Comprehensive Income for the Year (X +XI) (Comprising profit and other comprehensive income for the Year)		413.00	397.71
XIII.	Total Comprehensive Income attributable to Owners of the parent		413.00	399.93
	Non Controlling Interest		0.00	(2.22)
XIV.	Earnings Per Equity Share: (For Continuing Operation)			
	(1) Basic	48	42.13	38.81
	(2) Diluted		42.13	38.81
XV.	Summary of Significant Accounting policies	1 - 2		
XVI.	Notes forming part of financial statements	3 - 58		

As per our Report of even date attached

For K G Somani & Co.
Chartered Accountants
FRN : 006591N

Ashish Kumar Batta
Partner
M. No. 095597

Place : New Delhi
Date : 3rd August, 2018

For and on behalf of Board of Directors

M. K. Singh
Director Finance
DIN - 06607392

S. K. Chaudhary
Chairman & Managing Director
DIN - 00515672

Ritu Arora
Company Secretary
FCS No. 5270

IRCON INTERNATIONAL LIMITED
CONSOLIDATED CASH FLOW STATEMENT
For the year Ended 31st March 2018

(Rs. in crore)

Particulars		As at 31 st March 2018	As at 31 st March 2017
CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before taxation		558.40	555.53
Adjustment for :			
Items of Other Comprehensive Income		2.11	20.98
Depreciation, amortization and impairment		16.41	26.69
Profit on sale of assets (net)		(3.98)	(0.32)
Profit on Sale of Investments		0.00	(73.69)
Interest Income		(141.90)	(200.67)
Dividend Income		(14.01)	(3.37)
Effect of Exchange differences on translation of Foreign Currency Cash & Cash Equivalents		(1.28)	38.46
Operating Profit before working capital changes	(1)	415.75	363.61
Adjustment for :			
Decrease / (Increase) in Trade Receivables/ Financial Assets - Loans		(142.34)	(31.56)
Decrease / (Increase) in Inventories		(1.41)	1.28
Decrease / (Increase) in Other Assets & Financial Assets		(3,052.39)	(231.55)
(Decrease) / Increase in Trade Payables		149.40	(39.73)
(Decrease) / Increase in Other Liabilities, Financial Liabilities & Provisions		157.70	921.44
	(2)	(2,889.04)	619.88
Cash generated from operation	(1+2)	(2,473.29)	983.49
Income Tax Paid		(59.95)	(64.21)
NET CASH FROM OPERATING ACTIVITIES	(A)	(2,533.24)	919.28
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment including CWIP		(424.00)	(487.41)
(Purchase)/sale of Intangible Assets		5.58	(6.97)
Purchase / Proceeds of Investment Property		(51.38)	(29.21)
Sale of Property, Plant and Equipments & Intangible Assets		2.23	6.04
Exchange Gain/ Loss on Property, Plant and Equipment		(3.96)	0.00
Sale of Investments		0.00	79.22
Investments in Mutual Funds		33.74	(117.43)
Loan to Joint Ventures		0.00	(19.50)

(Rs. in crore)

Particulars	Note No.	As at 31 st March 2018		As at 31 st March 2017	
Repayment of Loan from Joint Ventures			39.00		0.00
(Decrease)/Increase in Minority Interest			(19.62)		0.00
Interest Received			175.71		125.59
Dividend Received			14.01		3.37
Investment in Equity Shares			(36.88)		(181.47)
Investment in Bonds			0.00		0.02
(Investment) / Maturity of Bank Deposits (having maturity of more than 3 months)			182.89		(1,168.06)
NET CASH FROM INVESTING ACTIVITIES	(B)		(82.68)		(1,795.81)
CASH FLOW FROM FINANCING ACTIVITIES					
Loan From Indian Railway Finance Corporation			3,203.08		-
Dividend (including Dividend Distribution Tax) paid			(117.05)		(221.74)
Interim Dividend (including Dividend Distribution Tax) paid			(114.52)		-
Payment of Fee for increase in Authorised Capital			(1.99)		-
Share Issue Expenses			-		(0.19)
Payment for Buy Back of Shares			(234.57)		0.00
NET CASH FROM FINANCING ACTIVITIES	(C)		2,734.95		(221.93)
Effect of Exchange differences on translation of Foreign Currency Cash & Cash Equivalents	(D)		1.28		(38.46)
NET DECREASE IN CASH & CASH EQUIVALENT	(A+B+C+D)		120.31		(1,136.92)
CASH AND CASH EQUIVALENT (OPENING)	(E)		1,453.74		2,590.68
CASH AND CASH EQUIVALENT (CLOSING) *	(F)		1,574.05		1,453.76
NET DECREASE IN CASH & CASH EQUIVALENT	(F - E)		120.31		(1,136.92)

Note:

- Effective April 1, 2017, the company has adopted the amendment to Ind-AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosures requirement. The adoption of amendment did not have any material effect on the financial statements.
 - Figures in brackets represent outflow of cash.
 - Figures of the previous year have been regrouped/recasted wherever necessary.
- * Cash and Cash Equivalent as on 31st March 2018 includes Rs. 593.55 crore which is earmarked for expenses for project site at Bandra East.

As per our Report of even date attached

For K G Somani & Co.
Chartered Accountants
FRN : 006591N

Ashish Kumar Batta
Partner
M. No. 095597

Place : New Delhi
Date : 3rd August, 2018

For and on behalf of Board of Directors

M. K. Singh
Director Finance
DIN - 06607392

S. K. Chaudhary
Chairman & Managing Director
DIN - 00515672

Ritu Arora
Company Secretary
FCS No. 5270

IRCON INTERNATIONAL LIMITED
Consolidated Statement of changes in equity
as at 31 March 2018

(Rs. in crore)

A. Equity share capital	Balance as at April 01, 2017	Shares issued during the Year	Shares buy back during the Year	Balance as at March 31, 2018
	98.98	-	(4.93)	94.05

B. Other Equity

Particulars	Reserve & Surplus			Items of Other Comprehensive Income	Other equity attributable to parent	Equity attributable to Non Controlling Interest (NCI)	Total
	General Reserves	Retained Earnings	Capital Redemption Reserve	Exchange differences on translating the financial statement of a foreign operation			
Balance as at April 01, 2017	3,284.64	427.91	-	5.56	3,718.11	19.62	3,737.73
Changes in accounting policy or prior Year errors		(0.19)		-	(0.19)	-	(0.19)
Restated balance at the beginning of the reporting Year	3,284.64	427.72	-	5.56	3,717.92	19.62	3,737.54
Profit for the year		411.62		-	411.62		411.62
Other Comprehensive Income							
Remeasurement of Defined Benefit Plans		(1.80)		-	(1.80)	-	(1.80)
Foreign Exchange translation difference		-		3.18	3.18	-	3.18
Total Comprehensive Income for the year	-	409.82		3.18	413.00	-	413.00
Buy Back of Equity Shares			4.93		4.93		4.93
Payment of Fee for increase in Authorised Capital		(1.99)			(1.99)		(1.99)
Payment for Buy Back of Shares		(234.57)			(234.57)		(234.57)
Dividends Paid		(192.40)		-	(192.40)	-	(192.40)
Dividend Distribution Tax		(39.17)		-	(39.17)	-	(39.17)
Changes in carrying value of investments in Joint Ventures Other than share in Profit/(Loss)		(0.01)			(0.01)		(0.01)
Derecognition of Non- Controlling Interest of Subsidiary		-			-	(19.62)	(19.62)
Bonus Issue				-	-	-	-
Share Issue Expenses				-	-	-	-
Balance as at March 31, 2018	3,284.64	369.40	4.93	8.74	3,667.71	-	3,667.71

As per our Report of even date attached

For K G Somani & Co.
Chartered Accountants
FRN : 006591N

Ashish Kumar Batta
Partner
M. No. 095597

Place : New Delhi
Date : 3rd August, 2018

For and on behalf of Board of Directors

M. K. Singh
Director Finance
DIN - 06607392

Ritu Arora
Company Secretary
FCS No. 5270

S. K. Chaudhary
Chairman & Managing Director
DIN - 00515672

IRCON INTERNATIONAL LIMITED
Consolidated Statement of changes in equity
as at 31 March 2017

(Rs. in crore)

A. Equity share capital	Balance as at April 01, 2016	Shares issued during the Year	Balance as at March 31, 2017
	19.80	79.18	98.98

B. Other Equity

Particulars	Reserve & Surplus		Items of Other Comprehensive Income	Other equity attributable to parent	Equity attributable to Non Controlling Interest (NCI)	Total
	General Reserves	Retained Earnings	Exchange differences on translating the financial statement of a foreign operation			
Balance as at April 01, 2016	3,284.64	312.29	(5.01)	3,591.92	21.84	3,613.76
Changes in accounting policy or prior period errors		27.17	0.00	27.17	0.00	27.17
Restated balance at the beginning of the reporting period	3,284.64	339.46	(5.01)	3,619.09	21.84	3,640.93
Profit for the year (Restated)		386.22	0.00	386.22	(2.22)	383.99
Other Comprehensive Income						
Remeasurement of Defined Benefit Plans		3.15	0.00	3.15	0.00	3.15
Foreign Exchange translation difference		0.00	10.57	10.57	0.00	10.57
Total Comprehensive Income for the year	0.00	389.37	10.57	399.94	(2.22)	397.72
Dividends Paid		(184.24)	0.00	(184.24)	0.00	(184.24)
Dividend Distribution Tax		(37.50)	0.00	(37.50)	0.00	(37.50)
Bonus Issue		(79.18)	0.00	(79.18)	0.00	(79.18)
Share Issue Expenses		(0.19)	0.00	(0.19)	0.00	(0.19)
Balance as at March 31, 2017	3,284.64	427.72	5.56	3,717.92	19.62	3,737.54

As per our Report of even date attached

For K G Somani & Co.
Chartered Accountants
FRN : 006591N

Ashish Kumar Batta
Partner
M. No. 095597

Place : New Delhi
Date : 3rd August, 2018

For and on behalf of Board of Directors

M. K. Singh
Director Finance
DIN - 06607392

Ritu Arora
Company Secretary
FCS No. 5270

S. K. Chaudhary
Chairman & Managing Director
DIN - 00515672

SIGNIFICANT ACCOUNTING POLICY

Group Information

The Consolidated financial statements comprise financial statement of **Iircon International Limited (the Holding Company) and its subsidiaries & Joint Ventures** (collectively referred to as “the Group”) for the year ended **31 March 2018**. The Holding Company is a public sector construction Company domiciled in India and is incorporated under the provision of companies Act, with specialization in execution of Railway projects on turnkey basis and otherwise. The Holding Company is an ISO certified Company for Quality, Environment and Occupational Health and Safety Management systems; a Schedule ‘A’ public sector Company and a Mini Ratna-Category I. After commencing business as a Railway construction company it diversified progressively along with its subsidiaries and Joint Ventures (“the Group”) to roads, buildings, electrical substation and distribution, airport construction, commercial complexes, as well as metro rail works. The Group caters to both domestic and international markets. The registered office of the Holding Company is located at Plot no. C - 4, District Centre, Saket, New Delhi -110017, India.

The financial statements were authorized for issue in accordance with a resolution of the Board of directors on dated 3rd August, 2018.

2. Significant Accounting Policy under Ind AS (Consolidated)

(i). Basis of Preparation

a) Statement of Compliance

These consolidated financial statements as at and for year ended March 31, 2018 have been prepared in accordance with Indian Accounting Standards (Ind-AS) notified under section 133 of the companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and as amended.

b) Basis of Measurement

These consolidated financial statements have been prepared under the historical cost convention and on an accrual basis, except for the following item that have been measured at fair value as required by relevant Ind-AS.

- i. Defined benefit Plan and other long term employee benefits

- ii. Certain financial assets and liabilities measured at fair value.
- iii. Provisions as per para 11 (D) below, where time value of money is material.

C) Use of estimates and judgment

The preparation of consolidated financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, disclosure of contingent assets and liabilities at the date of financial statements and the reported amount of revenue and expenses. Actual results may differ from these estimates.

Key accounting estimates:

Recognition of deferred tax assets – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.

Provisions – At each balance sheet date on the basis of the management judgment, changes in facts and legal aspects, the group assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

Revenue – The Holding Company recognises revenue using the percentage of completion method. This requires forecasts to be made of total budgeted cost with the outcomes of underlying construction and service contracts, which require assessments and judgements to be made on changes in work scopes, claims (compensation, rebates etc.) and other payments to the extent they are probable and they are capable of being reliably measured. For the purpose of making estimates for claims, the Group used the available contractual and historical information.

Property, plant and Equipment – Property, plant and Equipment represent a significant proportion of the asset base of the group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset’s expected useful life and the

expected residual value at the end of its life. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of assets.

Estimates and underlying assumptions are reviewed on a periodic basis. Future results could differ due to changes in these estimates and difference between the actual result and the estimates are recognized in the period in which the results are known /materialize.

- d) The consolidated financial statements are reported in Indian rupees and all values are rounded to the nearest crore rupees with two decimal points except where otherwise stated.

(ii). Basis of Consolidation

i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The consolidated financial statements of Itron International Limited and its subsidiaries have been consolidated on a line-by-line basis by adding together the book value of the like items of assets, liabilities, income and expenses, after eliminating intra-group balances and unrealized profits/losses on intra-group transactions, Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the

control is lost. Any resulting gain or loss is recognised in profit or loss.

ii) Joint Arrangement

Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. Itron International Limited has both joint operations and joint ventures.

(a) 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.

(b) Joint ventures

Interests in joint ventures are accounted for using the equity method (see 2(iii)), after initially being recognised at cost in the consolidated balance sheet.

iii) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealized gains on transactions between the group and its joint ventures are eliminated to the extent of the group's interest in these entities. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure

consistency with the policies adopted by the group.

The carrying amount of equity accounted investments is tested for impairment in accordance with the policy of impairment.

(iii). Statement of Cash flow

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the group are segregated based on the available information.

(iv). Foreign Currency Transactions

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the group operates. (i.e Functional Currency). The financial statements are presented in Indian rupees, which is the presentation as well as Functional currency of the group.

(a) Transactions of Indian operations:

- i. All foreign currency transactions are translated into functional Currency at the rate prevalent on the date of transaction.
- ii. Property, plant and Equipment, intangibles, investment property, prepaid expenses, inventory and non-monetary items are translated at the rate on the date of initial transaction.
- iii. Monetary items (Trade receivables, trade payables, Cash and Bank, Loans and Borrowings and other receivables & payables) and contingent assets & liabilities denominated in foreign currency are translated at the prevailing **closing selling rates for Liabilities and closing buying rate for Assets**, at each reporting date.
- iv. Foreign Exchange Gains or Losses in respect of above transactions are recognized in Statement of profit and loss.

(b) Transactions of Foreign operations:

- i. All foreign currency transactions are translated into functional Currency at the rate prevalent on the date of transaction.
- ii. Property, plant and Equipment, intangibles,

investment property, prepaid expenses, inventory and non-monetary items are translated at the rate on the date of initial transaction.

- iii. Monetary items (Trade receivables, trade payables, Cash and Bank, Loans and Borrowings and other receivables & payables) and contingent assets & liabilities denominated in foreign currency are translated at the prevailing **closing selling rates for Liabilities and closing buying rate for Assets**, at each reporting date.
- iv. Foreign Exchange Gain or Losses in respect of above transactions are recognized in statement of profit and loss.

The result and financial position of foreign operation that have a functional currency different from the presentation currency are translated in to presentation currency as follows.

- i. Assets/Liabilities - **Closing selling rates for Liabilities and closing buying rate for Assets** on the reporting date.
- ii. Income/Expenses – Average exchange rate during the year.
- iii. Exchange differences on translation of functional currency to presentation currency are – recognised in OCI (Other comprehensive income)
- iv. On disposal of Foreign Operation (on realization of complete receivables from client) transfer the component of OCI (Other comprehensive income) to profit or loss relating to respective foreign operation.

(v). Property, plant and equipment

1. Freehold land is carried at historical cost. Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any.
2. The machinery spares which can be used only in connection with an item of Property, Plant and Equipment and whose use is expected to be irregular are capitalized & depreciated/amortized over the balance life of such Property, Plant and Equipment.
3. Subsequent cost relating to property, plant & equipment shall be recognized as an asset if:
 - a) it is probable that future economic benefits associated with the items will flow to the entity; and
 - b) the cost of the item can be measured reliably.

4. Cost of asset includes the following
 - i. Cost directly attributable to the acquisition of the assets
 - ii. Incidental expenditure during the construction period is capitalized as part of the indirect construction cost to the extent the expenditure is directly related to construction or is incidental thereto.
 - iii. Present value of the estimated costs of dismantling & removing the items & restoring the site on which it is located if recognition criteria are met.
5. Cost of replacement, major inspection, repair of significant parts and borrowing costs for long-term construction projects are capitalized if the recognition criteria are met.
6. An item of property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement.
7. Amounts paid towards the acquisition of property, plant and equipment outstanding as of each reporting date and the cost of property, plant and equipment not ready for intended use before such date are disclosed under capital work- in-progress. Expenses directly attributable to project, prior to commencement of commercial operation, are considered as project development expenditure and shown under Capital Work-in-Progress.

Depreciation

- (a) Depreciation on Property, plant and Equipment is provided on Straight Line basis (SLM) over the useful life of the assets as specified in Schedule II of the Companies Act, 2013.
- (b) Each part of an item of Property, Plant and Equipment is depreciated separately if the cost of part is significant in relation to the total cost of the item and useful life of that part is different from the useful life of remaining asset.
- (c) The estimated useful life of assets for current period of significant items of property plant and equipment are as follows:

Particulars	Useful Life (yrs.)
Building/flats residential/ non-residential	60
Plant and Machinery	8-15
Survey instruments	10
Computers	3-6
Office Equipment's	5
Furniture and fixtures	10
Caravanas, Camps and temporary shed	3-5
Vehicles	8-10

- (d) Leasehold land and improvements are amortized over the lower of estimated useful life and lease term.
- (e) Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted prospectively, if appropriate.
- (f) Property plant and equipment acquired during the year, individually costing up to Rs. 5,000/- are fully depreciated, by keeping Re. 1 as token value for identification. However, Mobile phones provided to employees are charged to revenue irrespective of its value.

(vi). Intangible Assets/ Intangible assets under development

I. Other than service concession arrangement

- (a) Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at historical cost less accumulated amortization and impairment loss, if any.
- (b) Intangible assets under development represent ongoing expenditure incurred and carried at cost.

Amortization of Intangible Assets

- (a) Intangible assets are amortized over their respective estimated useful lives on a straight- line basis from the date that they are available for use.

The estimated useful life of intangibles is as follows:

Intangible Assets	Useful Life	Internally generated or self-generated
Software	Finite (36 months)	Acquired

- (b) Amortization methods, useful lives and residual values are reviewed at each reporting date.
- (c) Software cost up to Rs. 1 Lakhs in each case is fully amortized in the year of purchase, by keeping Rs. 1 as token value for identification.

II. Toll Collection Right (Toll Road Service Concession Arrangement)

The subsidiary companies recognize an intangible asset arising from service concession arrangement when it has a right to charge for usage of the concession infrastructure. An intangible asset received as consideration for providing construction or upgrade service in a service concession agreement is measured at fair value on initial recognition by reference to the fair value of the services provided. Subsequent to initial recognition, the intangible asset is measured at cost, less accumulated amortization and accumulated impairment losses.

The estimated useful life of an intangible asset in a service concession arrangement is the period from where the subsidiary is able to charge the public for use of infrastructure to the end of the concession period.

Toll collection right is amortized using straight line method on pro-rata basis from the date of addition or from the date when the right brought in to service to the expiry of concession period.

Amortization methods and useful lives are reviewed at each reporting date, with the effect of change in estimate accounted for on a prospective basis.

The carrying value of intangible asset is reviewed for impairment annually or more often if events or changes in circumstances indicate that the carrying value may not be recoverable.

Financial asset model

The Subsidiary Companies recognizes a financial asset arising from a service concession arrangement when it has unconditional contractual right to receive cash or another financial asset from grantor for the construction or upgrade service provided. Such financial assets are measured at fair value on initial recognition and classified as loans and receivables.

Subsequent to initial recognition, the financial assets are measured at amortized cost. Under this model financial asset will be reduced as and when grant has received from grantor.

III. Station development rights

Intangible assets under development represents ongoing expenditure incurred in respect of the Consultancy Project and is carried at cost. Cost includes all direct expenditure incurred including Staff Expenditure for that particular project for which the Staff is posted and indirect expenditure in the nature of depreciation of fixed assets, insurance premium & rent etc. will be split between Project Expenses and Corporate Office Expenses in ratio of 75% and 25% respectively. The 75% Project Expenses are equally distributed among the number of Stations.

Intangibles are amortised on a systematic basis over the revenue pattern it will generate. The evaluation of recoverability of intangible assets is done periodically by taking into account events or circumstances that may warrant revised estimates of useful lives or that indicate the asset may be impaired.

(vii). Investment properties

- a) Investment property comprises completed property, property under construction and property held under a finance lease that is held to earn rentals or for capital appreciation or both, rather than for sale in the ordinary course of business or for use in production or administrative functions.
- b) Investment Properties are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.
- c) The group depreciates building component of investment property over 60 years from the date of original purchase/completion of construction.
- d) Investment properties are derecognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. Difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of de-recognition.

(viii). Inventories

(a) Construction Work in Progress

Construction work-in-progress is valued at cost till such time the outcome of the job cannot be ascertained reliably and at realizable value thereafter. Site mobilization expenditure to the extent not written off valued at cost.

(b) Others

- (i) In Cost Plus contracts, the cost of all materials, spares and stores not reimbursable as per the terms of the contract is shown as inventory valued as per (III) below.
- (ii) In Item Rate and Lump Sum Turnkey contracts, the cost of all materials, spares (other than capitalized) and stores are charged to Statement of Profit and Loss in the year of use.
- (iii) Inventories are valued at lower of the cost arrived at on First in First out (FIFO) basis and net realizable value.
- (iv) Loose tools are expensed in the year of purchase.

(ix). Cash and Cash Equivalents

Cash and cash equivalent in the Balance sheet comprise of cash at bank, cash in hand, other short term deposits with banks with an original maturity of three months or less and highly liquid investments, that are readily convertible to known amount of cash and which are subject to insignificant risk of changes in value and Bank overdraft.

For the purpose of statement of cash flow, cash and cash equivalents consist of cash and short term bank deposits etc., as defined above, net of outstanding bank overdrafts since they are considered integral part of the group's cash management."

(x). Government Grant

Grant from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the subsidiary companies will comply with all attached conditions. Government grant relating to income are deferred and recognized in the profit or loss over the period necessary to match them with the costs that they intended to compensate and presented within contract revenue.

(xi). Provisions**A. Provision for Maintenance**

- a) In Cost Plus contract, no provision for maintenance is required to be made where cost is reimbursable.
- b) Item Rate and Lump Sum turnkey contracts, provision is made for maintenance to cover group's liability during defect liability period keeping into consideration the contractual obligations, the obligations of the sub-contractors, operating turnover and other relevant factors.
- c) Provision for unforeseen expenditure during design

guarantee period is made based on risk perception of management in each contract assessed at the end of each financial year. This shall, however, be subject to a minimum of Rs. 50 lakhs and maximum of the amount of Design guarantee specified in Contract Agreement with the Client.

B- Provision for Demobilization

Provision for demobilization to meet the expenditure towards demobilisation of Manpower and Plant & Equipment is made in foreign projects.

C- Others

Provision is recognized when:

- i) The group has a present obligation as a result of a past event,
- ii) A probable outflow of resources is expected to settle the obligation and
- iii) A reliable estimate of the amount of the obligation can be made.

Reimbursement of the expenditure required to settle a provision is recognised as per contract provisions or when it is virtually certain that reimbursement will be received. Provisions are reviewed at each Balance Sheet date.

D- Discounting of Provisions

Provision recognised as per above point a, b and c which expected to be settled beyond 12 months are measured at the present value by using pretax discount rate that reflects the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expenses.

(xii). Revenue Recognition**(a) Contract Revenue Recognition**

Contract revenue is measured at the fair value of the consideration received or receivable recognized to the extent it is probable that the economic benefits will flow to the group and the revenue can be reliably measured. Depending on the nature of contract, revenue is recognized as under-

- (i) In cost plus contracts, revenue is worked out by including eligible items of expenditure in the bills raised on the clients and charging specified margin thereon.
- (ii) In fixed price contracts, revenue is recognized using

the percentage of completion method. The percentage of completion is determined as a proportion of cost incurred of work certified up to the reporting date to the total estimated cost of the contract. Full provision is made for any loss in the period in which it is foreseen.

- (iii) Claims/Arbitration Awards (including interest thereon) which are granted in favour of the group, being in the nature of additional compensation under the terms of the contract are accounted as contract revenue when they are granted and where it is certain to realize the collection of such claims/awards.
- (iv) Revenue does not include Sales Tax/VAT/WCT/Service Tax etc.

(b) Construction contract revenue under service concession arrangement

Revenue related to construction or upgrade services under a service concession arrangement of subsidiary companies is recognized based on the stage of completion of the work performed, when the outcome of construction contract can be measured reliably, and where the outcome of construction contract cannot be measured reliably revenue is recognized only to the extent of contract cost incurred that is probable will be recoverable.

(c) Toll Fee

Toll Fee collection from the users of facility is accounted for as and when the amount is due and recovery is certain.

d) Other Revenue Recognition

- (i) Dividend income is recognized when the right to receive payment is established.
- (ii) Interest income is recognized taking into account the amount outstanding and the interest rate applicable using Effective Interest rate Method.

(xiii). Leases

a) Group as a lessee

Finance Lease:

- (i) that transfers substantially all the risks and rewards incidental to ownership of an asset
- (ii) are capitalised at lease inception at lower of fair value or present value of minimum lease payment
- (iii) payments are apportioned between finance charges

and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.

- (iv) Finance charges are recognised in finance costs in the statement of profit and loss.
- (v) Depreciated over the useful life of the asset. However, if there is no reasonable certainty to obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating Lease:

- (i) is classified as operating lease when significant portion of the risk and rewards are not transferred to the group.
- (ii) payment are charged to profit and loss on straight-line basis over the lease term except where lease payment are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increase.

b) Group as a lessor

Finance Lease:

- (i) is recognised when substantially all of the risks and rewards of ownership transfer from the group to the lessee.
- (ii) Payment due are recorded as receivables at the group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Operating Lease:

- (i) are the leases in which the group does not transfer substantially all the risks and rewards of ownership to the lessee.
- (ii) incomes are recognized as income in the statement of profit & loss on straight-line basis over the lease term except where lease payment are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increase.

(xiv). Liquidated Damages and Escalations

- (i) Liquidated damages/penalties (LD) due to delays arising out of the contractual obligations and provisionally withheld from contractors/under dispute are adjusted against contract cost only on final

decision in this regard. However, LD recovered/withheld by client is accounted for on recovery/withholding & adjusted against contract revenue. Possible Liquidated Damages in cases where extension is granted by the client subject to their right for levy of penalty is shown as contingent liability.

- (ii) Escalation receivable/payable is accounted for as per the provisions of the contract. Escalation receivable but not certified before close of project accounts is included in work-in-progress.

(xv). Research and development Expenses

1. Research costs are expensed as incurred.
2. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:
 - The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
 - Its intention to complete and its ability and intention to use or sell the asset
 - How the asset will generate future economic benefits
 - The availability of resources to complete the asset
 - The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

During the period of development, the asset is tested for impairment annually.

(xvi). Mobilization Expenses

The initial contract expenses on new projects for mobilisation will be recognised as construction work in progress in the year of incidence, and pro rata charged off to the project over the years at the same percentage as the stage of completion of the contract as at the end of financial year.

(xvii). Impairment of non-financial assets

An asset is treated as impaired when the carrying cost

of assets exceeds its recoverable value and impairment loss is charged to the Statement of Profit & Loss in the year in which an asset is identified as impaired. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. At each reporting date group assesses the estimate amount of impairment loss. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount and such losses either no longer exists or has decreased. Reversal of impaired loss is recognized in the Statement of Profit & Loss. For the purpose of assessing impairment, assets that cannot be tested individually are grouped in to the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or group of assets (the cash-generating units).

(xviii). Borrowing Cost

Borrowing cost in ordinary course of business are recognized as expense of the period in which they are incurred. Borrowing cost that is directly attributable to acquisition, construction or production of a qualifying asset is capitalized as part of the cost of such assets upto the commencement of commercial operations.

(xix). Employee Benefits

a) Short Term Employee Benefits

The undiscounted amount of short term employee benefits expected to be paid for the services rendered are recognized as an expense during the period when the employees render the services.

b) Post-employment benefits & other Long Term Employee Benefits

- (i) Retirement benefits in the form of provident fund and pension fund are defined contribution schemes. The contributions to the provident fund trust and pension trust are charged to the statement to the Profit and loss for the year when the contributions are due.
- (ii) The Group has Defined benefit plans like Gratuity, LTC and other retirement benefits.
- (iii) The Group has created a Trust for Gratuity. The cost of providing benefit is determined on the basis of actuarial valuation using the projected unit credit method at each year-end and is charged to the Statement of Profit & Loss.

- (iv) Provision for Defined benefit plans is made based on actuarial valuation at the year end and Actuarial gains or losses are recognized through Other Comprehensive income.
 - (v) Post-retirement Medical benefits are made based on Actuarial valuation or amount available for contribution, whichever is less.
 - (vi) Other long term employee benefit includes leave encashment. Actuarial gains or losses on other long term employee benefits are recognized through statement of profit & loss.
 - (vii) Re-measurements of the net defined benefit liability (asset) recognized in other comprehensive income shall not be reclassified to profit or loss in a subsequent period.
- (xx). Taxes**
- a. Current income tax**
- (i) Taxes including current income-tax are computed using the applicable tax rates and tax laws.
 - (ii) The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the group operates and generates taxable income.
 - (iii) Current income tax assets and liabilities for current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. Liability for additional taxes, if any, is provided/ paid as and when assessments are completed.
 - (iv) Current tax related to OCI Items is recognized in Other Comprehensive Income (OCI).
- b. Deferred tax**
- i. Deferred income tax is recognized using balance sheet approach.
 - ii. Deferred income tax assets and liabilities are recognized for temporary differences which is computed using the tax rates and tax laws that have been enacted or substantively enacted at the reporting date.
 - iii. Deferred income tax asset are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.
- iv. The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.
 - v. Deferred tax related to OCI Item are recognized in Other Comprehensive Income (OCI).
 - vi. Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investment in subsidiaries and interest in joint arrangements where the group able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.
 - vii. Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investment in subsidiaries and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary differences can be utilized.
- (xxi). Operating Segment**
- Operating segments are reported in the manner consistent with the internal reporting provided to the chief operating decision maker.
- Accordingly, the group has identified two reporting segments viz. Domestic & International.
- (xxii). Earning per share**
- In determining basic earnings per share, the group considers the net profit attributable to equity shareholders. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period. In determining diluted earnings per share, the net profit attributable to equity shareholders and weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.
- (xxiii). Contingent Liabilities and Contingent Assets**
- (a) Contingent Liabilities are disclosed in either of the following cases:
 - i) A present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation; or

- ii) A reliable estimate of the present obligation cannot be made; or
 - iii) A possible obligation, unless the probability of outflow of resource is remote.
- (b) Contingent assets is disclosed where an inflow of economic benefits is probable.
- (c) Contingent Liability and Provisions needed against Contingent Liability and Contingent Assets are reviewed at each Reporting date.
- (d) Contingent Liability is net of estimated provisions considering possible outflow on settlement.

(xxiv). Fair Value Measurement

Group measures financial instruments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. The group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

At the reporting date, the group analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the accounting policies. For this analysis, the group verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The group also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(xxv). Dividend to equity holders

Dividend paid/payable shall be recognized in the year in which the related dividends are approved by shareholders or board of directors as appropriate.

(xxvi). Financial instruments

A. Initial recognition and measurement

Financial Instruments recognized at its fair value plus or minus transaction costs that are directly attributable to the acquisition or issue of the financial instruments.

B. Subsequent measurement

B.1 Financial Assets

Financial assets are classified in following categories:

a). Debt instruments at Amortised Cost

Debt instrument shall be measured at amortised cost if both of the following conditions are met:

- (a) the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows and
- (b) the contractual terms of the asset give rise on specified

dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets are measured at amortised cost using effective interest rate method less impairment, if any. The EIR amortisation is included in finance income in the statement of profit and loss.

Following financial assets are measured at amortised cost:-

- (i) Trade receivable
- (ii) Security deposit
- (iii) Retention money
- (iv) Money held with client
- (v) Cash and cash equivalent
- (vi) Loan and advances
- (vii) Investment in Tax free bonds

b). Debt instruments at Fair value through Other comprehensive income (FVTOCI)

A 'debt instrument' is classified as at the **Fair value through other comprehensive income** if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent solely payment of principal and interest (SPPI).

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned is recognised using the EIR method.

c) Debt instruments at fair value through Profit & Loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instruments, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the group may elect to designate a debt

instruments, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. If doing so reduces or eliminates a measurement or recognition inconsistency. The group has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of P&L.

B. 2 Financial liabilities

a) Financial liabilities at Amortised Cost

Financial liabilities at amortised cost represented by trade and other payables, security deposits and retention money are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest rate method.

b) Financial liabilities at FVTPL

The group has not designated any financial liabilities at FVTPL.

C. De-recognition

Financial Asset

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized only when the contractual rights to the cash flows from the asset expires or it transfers the financial assets and substantially all risks and rewards of the ownership of the asset.

Financial Liability

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of Profit & Loss.

D. Impairment of financial assets:

Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss. The group follows 'simplified approach' for recognition of impairment loss allowance on trade receivable. The application of simplified approach does not require the group to track changes in credit risk. Rather, it

recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition

Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVTOCI debt instruments. The impairment methodology applies on whether there has been significant increase in credit risk.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/expense in the statement of profit and loss.

(xxvii). Non-current Assets (or disposal groups) held for Sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. The sale is considered highly probable only when the asset or disposal group is available for immediate sale in its present condition, it is unlikely that the sale will be withdrawn and sale is expected within one year from the date of the classification. Disposal groups classified as held for sale are stated at the lower of carrying amount and fair value less costs to sell. Property, plant and equipment and intangible assets are not depreciated or amortized once classified as held for

sale. Assets classified as held for sale/distribution are presented separately in the balance sheet.

If the criteria stated by IND AS 105 “Non-current Assets Held for Sale” are no longer met, the disposal group ceases to be classified as held for sale. Non-current asset that ceases to be classified as held for sale are measured at the lower of (i) its carrying amount before the asset was classified as held for sale, adjusted for depreciation that would have been recognized had that asset not been classified as held for sale, and (ii) its recoverable amount at the date when the disposal group ceases to be classified as held for sale.

(xxviii). Financial guarantees

Financial guarantee contracts issued by the company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognised less cumulative amortisation.

3. Property, Plant and Equipment

(Rs. in crore)

Foot Notes	Freehold Land	Lease hold Land	Lease hold Buildings	Freehold Buildings/ Flats- Residential	Freehold Buildings/ Flats- Non-Res.	Plant & Machinery	Survey Instruments	Computers	Mobile Handset	Office Equipments	Furniture & Fixtures	Camps and Temp. Sheds	Vehicles	Total
	(iv)	(iii)		(i)							(v)			
Gross Carrying Amount (At Cost)														
At 01 April 2016	0.06	36.39	42.92	8.73	10.18	421.72	4.25	9.16	0.19	7.15	8.38	11.41	15.63	576.17
Additions	7.11	0	0	1.08	0	0.7	0.5	0.92	0	1.02	0.85	1.41	0.6	14.19
Disposals/Adjustments	35.09	(35.09)	(24.53)	24.53	(1.32)	(48.09)	(0.87)	(1.04)	(0.14)	(0.65)	(0.43)	(0.61)	(6.61)	(59.76)
At 31 March 2017	42.26	1.30	18.39	34.34	8.85	374.33	3.88	9.04	0.05	7.53	8.79	12.21	9.63	530.60
Additions	0.49	0.00	0.00	0.00	0.00	0.89	0.40	3.06	0.00	0.77	0.63	0.31	2.34	8.89
Disposals/Adjustments	0.00	0.00	(11.02)	(25.34)	36.36	(63.60)	(0.40)	(1.11)	(0.05)	(1.08)	(0.81)	(0.85)	(2.35)	(70.25)
Exchange (Gain)/ Loss	0.00	0.00	0.00	0.00	1.26	16.90	(0.43)	0.12	0.00	0.28	0.09	0.02	1.07	19.31
At 31 March 2018	42.75	1.30	7.37	9.00	46.47	328.52	3.45	11.11	(0.00)	7.50	8.70	11.69	10.69	488.55
Depreciation and impairment														
At 01 April 2016	0.00	0.21	7.44	5.13	3.36	359.25	2.92	8.11	0.15	5.64	7.29	5.77	14.51	419.78
Depreciation charge for the year	0.00	0.01	5.26	0.52	0.37	8.04	0.09	0.60	0.00	0.45	0.31	2.20	0.13	17.99
Impairment	0.00	0.00	0.00	0.00	0.00	1.26	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.26
Disposals/Adjustments	0.00	0.00	(3.23)	3.23	(0.44)	(43.00)	(0.67)	(1.00)	(0.15)	(1.66)	(0.34)	(0.60)	(6.17)	(54.03)
At 31 March 2017	0.00	0.22	9.47	8.89	3.29	325.55	2.34	7.70	0.00	4.43	7.26	7.37	8.47	385.00
Depreciation charge for the year	0.00	0.01	0.28	0.31	2.54	6.22	0.11	0.84	0.00	0.54	0.28	2.45	0.40	13.98
Impairment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Disposals/Adjustments	0.00	0.00	(6.90)	(3.50)	10.40	(60.11)	(0.38)	(1.04)	0.00	(1.00)	(0.74)	(0.86)	(2.24)	(66.37)
Exchange (Gain)/ Loss	0.00	0.00	0.00	0.00	0.56	12.26	0.21	0.02	0.00	1.35	0.08	0.05	0.83	15.36
At 31 March 2018	0.00	0.23	2.85	5.70	16.79	283.92	2.28	7.52	0.00	5.32	6.88	9.01	7.46	347.95
Net book value														
At 31 March 2018	42.75	1.06	4.52	3.31	29.68	44.60	1.17	3.59	(0.00)	2.18	1.83	2.68	3.23	140.59
At 31 March 2017	42.26	1.07	8.92	25.46	5.56	48.78	1.54	1.34	0.05	3.10	1.54	4.84	1.16	145.61

Foot Notes:-

i) Fixed assets held for disposal included in sales / adjustment column and transferred to other current assets at Net Book value: -

(Rs. in crore)

Block of assets	Description of the assets	Manner and expected time of disposal	Expected (Loss) / Gain on sale of non current assets	Segment	As at 31 March 2018		As at 31 March 2017	
					Gross Block	Net Block	Gross Block	Net Block
Plant and Machinery								
Northern Region	Plant and Machinery	Through e-auction like MSTC with expected time of disposal by end of year 2019		Domestic : PMD Division	4.33	0.25	5.16	0.29
Malaysia Region	Locomotives -24 Nos. (3 Nos.)	Open Tender	36.27	International	29.26	1.46	7.25	0.17
	3 No. of Track Machine, 18 Hopper wagons, 15 Flat Wagons & 2 Motor Trolley	Open Tender	2.90	International	17.04	0.85	-	-
	34 Nos. of Computer & Printers	Open Tender	-	International	0.13	0.007	-	-
	7 Nos. of Fax machine, Projector & EPABX	Open Tender	-	International	0.06	0.003	-	-
	15 Nos. of Vehicle	Open Tender	0.09	International	2.12	0.10	-	-
Mozambique Project	Plant and Machinery		-	International	5.90	0.29	5.90	0.29
Freehold Building-Residential	Residential Building at Chennai	Open Tender	-	Domestic	0.38	0.28	0.38	0.28
Total					59.22	3.24	18.69	1.03

ii) Depreciation and impairment on Property, Plant & Equipment for the year debited to Statement of Profit and Loss are as follows:-

(Rs. in crore)

Description	As at March 2018	As at March 2017
Depreciation on Tangible Assets	13.98	17.99
Impairment Loss	-	1.26
Total	13.98	19.25

iii) Includes lease hold building on Railways land for 30 years lease (Gross value Rs. 5.30 crore) for which agreement is yet to be finalised.

iv) Lease hold land includes land at Greater Noida Industrial Development Authority (GNIDA) for construction of proposed Central Inspection Cell (CIC) by the Company (Gross value Rs.0.82 crore). The request for time extension for construction of Building has been submitted to the appropriate authority.

v) Furniture & Fixtures includes Furnishings also.

vi) Depreciation and impairment : Includes Foreign Exchange Loss as on 31st March 2018 for Rs. 15.36 crore (as on 31st March 2017 : Rs. 0.47 crore).

4. Capital Work in Progress

(Rs. in crore)

Particulars	Amount
Opening balance at 01 April 2017	2.00
Additions (subsequent expenditure)	1.39
Less : Capitalised during the Year	(0.24)
Closing balance at 31 March 2018	3.15

5. Investment Property

(Rs. in crore)

Particulars	Land and Capital work in progress at Noida	Land and Capital work in progress at Gurgaon	SRO Building at Old Airport Road, Bangalore	Total
Opening balance at 01 April 2016	260.81	14.43	3.04	278.28
Additions (subsequent expenditure)*	20.58	8.62	0.00	29.20
Closing balance at 31 March 2017	281.39	23.05	3.04	307.48
Additions (subsequent expenditure)*	42.19	9.19	0.00	51.38
Closing balance at 31 March 2018	323.58	32.24	3.04	358.86
<u>Depreciation and impairment</u>				
Opening balance at 01 April 2016	0.00	0.00	0.08	0.08
Depreciation during the year	0.00	0.00	0.05	0.05
Closing balance 31 March 2017	0.00	0.00	0.13	0.13
Depreciation during the Year	0.00	0.00	0.05	0.05
Closing balance 31 March 2018	0.00	0.00	0.18	0.18
Net Block				
at 31 March 2018	323.58	32.24	2.86	358.68
at 31 March 2017	281.39	23.05	2.91	307.35

Information regarding income and expenditure of Investment property

(Rs. in crore)

Particulars	31 March 2018	31 March 2017
Rental income derived from investment properties	0.35	0.34
Direct operating expenses (including repairs and maintenance) generating rental income	0.00	0.00
Direct operating expenses (including repairs and maintenance) that did not generate rental income	0.00	0.00
Profit arising from investment properties before depreciation and indirect expenses	0.35	0.34
Less: Depreciation during the Year	(0.05)	(0.05)
Profit arising from investment properties before indirect expenses	0.30	0.29

Reconciliation of fair value

(Rs. in crore)

Particulars	Land and Capital work in progress at Noida	Land and Capital work in progress at Gurgaon	SRO Building at Old Airport Road, Bangalore	Total
Opening balance at 01-04-2016	245.45	131.84	5.05	382.34
Fair value difference	4.40	16.36	0.20	20.96
Closing balance as at 31-03-2017	249.85	148.20	5.25	403.30
Fair value difference	44.31	12.91	0.06	57.28
Closing balance as at 31-03-2018	294.16	161.11	5.31	460.58
Fair value difference for the Year	44.31	12.91	0.06	57.28
Note:-				
Investment Property self constructed	294.16	161.11	5.31	460.58
	294.16	161.11	5.31	460.58
Valuation technique used by valuer to be disclosed	Cost & Income	Cost	Cost (Land & Building)	

Description of valuation techniques used by valuer:

Cost Approach:

Under this approach, market value of the land has been estimated using Direct Comparison Approach (Market Approach). The building value has been estimated used Depreciated Replacement Cost (as if new). Within the Cost Approach, the land value is being estimated on the assumption that it is vacant and free of all encumbrances. It is added to the cost of the improvements derived by using the depreciated Replacement Cost method. Replacement cost implies "The current cost of replacement of an asset with a similar utility as if new." Building costs would include the cost of the building components and other improvements. Appropriate depreciation is being applied to the same to estimate the value."

Income Approach (DCF):

DCF analysis is the process of valuing an investment property or asset by undertaking an estimation of future cash flows and taking into account the time value of money. Under this technique, the income is projected over the investment cycle and the net income is calculated after the deduction of capital, operating, and other necessary expenses.

(Rs. in crore)

** Detail of Additions (subsequent expenditure)	As at 31 st March 2018	As at 31 st March 2017
- Work Expenses	46.17	26.79
- Consultancy Charges	0.50	0.59
- Salary & Wages	0.97	0.41
- Rates & Taxes	-	1.27
- Vehicle Operation and Maintenance	1.36	0.04
- Power, Electricity and Water charges	1.47	-
- Advertisement & Publicity	0.15	0.08
- Staff Welfare	0.02	-
- Bank Charges	0.02	-
- Repairs and Maintenance - Office & Other	0.71	0.01
- Tour & Traveling	0.01	0.01
Total	51.38	29.20

6. Intangible Assets

(Rs. in crore)

Particulars	Intangible assets under development	Other Intangibles (Software/ Lease Rights*)
Opening balance at 1 April 2016	73.86	76.47
Addition during the year	479.36	6.97
Capitalisation during the year	(6.64)	-
Sales / adjustment during the year	-	(0.01)
Closing balance at 31 March 2017	546.58	83.44
Addition during the Year	659.39	0.08
Adjustment- Cash Support due from NHA	(223.74)	-
Capitalisation during the Year	-	-
Sales / adjustment during the Year	(21.71)	(5.66)
Closing balance at 31 March 2018	960.52	77.86
<u>Amortisation and Impairment</u>		
Opening balance at 1 April 2016	-	4.57
Amortisation during the Year	-	7.39
Impairment	-	-
Sales / adjustment during the Year	-	(0.01)
Closing balance at 31 March 2017	-	11.95
Amortisation during the Year	-	2.38
Impairment	-	-
Sales / adjustment during the Year	-	(5.65)
Closing balance at 31 March 2018	-	8.68
Net book value		
At 31 March 2018	960.52	69.18
At 31 March 2017	546.58	71.49

*It includes Lease Rights of subsidiary company - Ircon Infrastructure and Services Limited which 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 constructed the buildings on the same and having lease rights (commercial Rights) of 45 years from the date of commencement of MFC.

7. Financial Assets

7.1 Investments

(Rs. in crore)

Particulars	31 st March 2018	31 st March 2017
a) Incorporated Joint Venture (fully paid-up) (Unquoted)		
Ircon-Soma Tollway Private Limited (ISTPL) 6,38,70,000 equity shares of Rs. 10 each fully paid. (31 March 2017 : 6,38,70,000) (Refer note (i) a & b)	27.39	22.72
Indian Railway Stations Development Corporation Limited 2,00,00,000 equity shares of Rs.10 each (31 March 2017 : 2,04,00,000) #	21.37	0.00
Bastar Railway Pvt. Limited 11,83,000 equity shares of Rs. 10 each (31 March 2017 : 11,83,000)	0.36	1.18
Jharkhand Central Railway Limited 1,30,00,000 equity shares of Rs. 10 each (31 March 2017 : 13,00,000)	12.83	1.12
Mahanadi Coal Railway Limited 13,000 equity shares of Rs. 10 each (31 March 2017 : 13,000)	0.01	0.01
Chhattisgarh East Railway Limited 8,35,75,700 equity shares of Rs. 10 each fully paid. (31 March 2017 : 8,35,75,700)	83.42	83.47
Chhattisgarh East-West Railway Limited 13,11,70,000 equity shares of Rs. 10 each fully paid. (31 March 2017 : 13,11,70,000)	131.04	131.08
Total (a) - Investment in Joint Ventures	276.42	239.58
(Investment at Amortised cost)		
b) Investment in Bonds (Quoted)		
8.00% Tax Free Indian Railway Finance Company Limited (IRFC) Bonds, 163,131 units of Rs.1,000 each (31 March 2017 : 163,131)	16.31	16.31
7.21% Tax Free Indian Railway Finance Company Limited (IRFC) Bonds, 500 units of Rs.10,00,000 each (31 March 2017 : 500)	49.96	49.96
8.23% Tax Free Indian Railway Finance Company Limited (IRFC) Bonds, 5,00,000 units of Rs.1,000 each (31 March 2017 : 5,00,000)	50.00	50.00
8.35% Tax Free Indian Railway Finance Company Limited (IRFC) Bonds, 500 units of Rs. 10,00,000 each (31 March 2017 : 500)	49.93	49.92
"7.15% Tax Free Indian Railway Finance Company Limited (IRFC) Bonds, 250 units of Rs. 10,00,000 each (31 March 2017 : 250) "	24.98	24.98
"7.07% Tax Free Indian Railway Finance Company Limited (IRFC) Bonds, 3,02,000 units of Rs.1,000 each (31 March 2017 : 3,02,000) "	30.20	30.20
"7.14% NHAH Tax Free Bonds, 1,99,989 units of Rs. 1,000 each (31 March 2017 : 1,99,989)"	20.00	20.00
"7.02% NHAH Tax Free Bonds, 500 units of Rs. 10,00,000 each (31 March 2017 : 500)"	50.00	49.99
Total - Investment in Bonds (Quoted)	291.38	291.36
Total non - current investments	567.80	530.94

(Rs. in crore)

Particulars	31 st March 2018	31 st March 2017
Aggregate Book value of quoted investments	291.38	291.36
Aggregate Market value of quoted investments	349.33	293.32
Aggregate Book value of unquoted investments	276.42	239.58
Aggregate amount of impairment in value of investments	0.00	0.00

Foot Note (i) :

(a) Out of 6,38,70,000 equity shares of ISTPL held by the company, 30 % shares (1,91,61,000 no.) were pledged with Punjab National Bank against the loan drawn by ISTPL outstanding as on 31.03.2018 is Rs. Nil (Rs. 126.78 crore).

(b) As per Articles of Association (Article V) of ISTPL, shareholders can transfer their shareholding subject to Concession Agreement dated 28th September 2005 signed with NHAI which provides for equity holding of not less than 51% by Consortium members in ISTPL during the construction Year and three years following Commercial Operation Date, which was achieved on 19.04.2010. Thereafter, the aforesaid shareholding can be diluted to 26% subject to the pre-emption right of the other shareholders.

IRSDC - Indian Railway Stations Development Corporation Limited, a Subsidiary with equity participation of 51% from IRCON : Ministry of Railway vide letter dated 10.04.2017 has decided to transfer 1% equity to RLDA from IRCON, thereby revising the ownership and non-controlling interest to 50:50. The composition of IRSDC was converted to Joint venture with 1% share transferred by Ircon to RLDA at a value of Rs. 0.40 crore.

Financial Assets

7.2 Loans

(Rs. in crore)

Particulars	31 st March 2018	31 st March 2017
A. Secured, considered good		
Staff Loans and Advances	0.41	0.66
Total (A) - Secured Loans	0.41	0.66
B. Unsecured, considered good		
(i) Loans to Related Parties:		
Joint Ventures		
- Chhattisgarh East Railway Ltd.	0.00	39.00
- Chhattisgarh East West Railway Ltd.	39.00	39.00
Total (i)	39.00	78.00
(ii) Others:		
Staff Loans & Advances *	0.25	0.25
Total (ii)	0.25	0.25
Total (B) - Unsecured Loans (i+ii)	39.25	78.25
Grand Total - Loans	39.66	78.91

* Details of amount due from Directors:

(Rs. in crore)

Particulars	31 st March 2018	31 st March 2017
Amount due from directors included in staff loans and advances	0.0068	0.0116
Total	0.0068	0.0116

7.3 Other Financial Assets

(Rs. in crore)		
Particulars	31 st March 2018	31 st March 2017
a) Considered Good		
Security Deposits		
- Government Departments	0.01	0.05
- Others	0.18	0.15
Retention Money with Client	61.63	20.51
Money Withheld by Client	3.47	3.57
Fixed Deposits more than 12 months {refer foot note (i)}	4.18	0.41
Fixed Deposits received from Contractors {refer foot note (ii)}	9.02	5.23
Interest Accrued on Advances to Staff #	0.50	0.59
Interest Accrued on Advances to Rail Land Development Authority (RLDA)	3.44	-
Interest Accrued on Loans to Related Party	0.01	-
Others		
- Recoverable from Govt of Mozambique	35.62	70.78
- Recoverable from RLDA {refer foot note (iii) (a) & (b)}	2,616.09	-
- Others - Advance Lease Rent	0.01	0.04
Construction cost incurred in terms of SCA	2.44	-
b) Unsecured, Considered Good		
Security Deposits		
- Government Departments	0.04	0.04
Interest Accrued on Advances to Staff	0.00	0.01
Total - Other Financial Assets	2,736.64	101.38
Grand Total - Other Financial Assets	2,736.64	101.38

Details of amount due from Directors:

(Rs. in crore)		
Particulars	31 st March 2018	31 st March 2017
Amount due from directors included in interest accrued on staff loans and advances	-	-
Total	-	-

Foot Notes:-

- (i) Includes FDRs under Lien for Rs. 0.41 crore (Rs. 0.41 crore)
- (ii) Fixed Deposits received from Contractors are realisable, if the contractor fails to fulfil its obligations as per the terms and conditions of the contract agreement.
- (iii) (a) The Group has raised a loan from Indian Railway Finance Corporation ("IRFC") (Refer note 15.1) which in turn have been paid to Railway Land Development Authority ("RLDA") in terms of lease agreement. As per the Memorandum of understanding ("MOU") entered between RLDA and the Group, all installments of principal and interest, as also any default or additional interest, and other costs, expenses and charges associated with the loan (or otherwise payable under or

pursuant to the Loan Agreement), shall be paid by RLDA to the Group, at least five (5) days prior to their respective due date under the Loan Agreement, into such account as maybe designated by IRFC. RLDA and Ministry of Railways (“MoR”) shall mutually enter into appropriate arrangements for corresponding disbursement of funds from MoR to RLDA. The terms and conditions of this recoverable amount is same as in the case of the said loan.

Further under MOU, RLDA has transferred the leasehold rights in the Project site at Bandra East in favour of the Group, together with the rights to undertake commercial development thereon. The Group shall be entitled to appoint appropriate developer(s) through open, competitive and transparent bid process for the purposes of undertaking the commercial development of the Project Site, and for the purposes thereof further sub-lease the Project Site (together with all associated Development Rights) to the developers so identified by the Group.

- (b) Includes advance paid to RLDA for an amount of Rs. 15 crore as per Memorandum of Understanding (MOU) dated 3rd August 2017 for redevelopment of Safdarjung Railway Station.

8. Deferred Tax Assets

(Rs. in crore)

Particulars	31 st March 2018	31 st March 2017
Provisions	117.77	131.48
Property, Plant and Equipment and Intangible Assets	(16.15)	(13.23)
Others	32.26	26.78
Closing balance as at 31st March 2018	133.88	145.03

Reconciliation / Movements in Deferred Tax Assets

(Rs. in crore)

Particulars	Provisions	PPE and Intangible Assets	Others	Total
As at 31 March 2016	176.95	(0.72)	35.36	211.59
(Charged)/Credited :				
- to profit or loss	(45.46)	(12.51)	(8.58)	(66.56)
- to Other Comprehensive Income	-	-	-	-
As at 31 March 2017	131.48	(13.23)	26.78	145.03
(Charged)/Credited :				
- to profit or loss	(13.72)	(2.94)	5.48	(11.18)
- to Other Comprehensive Income	-	-	-	-
As at 31 March 2018	117.77	(16.15)	32.26	133.88

Deferred tax liabilities have been off set as they relate to the same governing law.

Income Tax Expense

Profit or loss Section

(Rs. in crore)

Particulars	31 st March 2018	31 st March 2017
Current income tax:		
Current income tax charge	178.97	123.34
Adjustments in respect of current income tax of previous year	(43.37)	-18.34
Deferred tax:		
Relating to origination and reversal of temporary differences	11.18	66.54
Income tax expense reported in the statement of profit or loss	146.78	171.54

OCI section

Income tax related to items recognised in OCI during the year:

(Rs. in crore)

Particulars	31 st March 2018	31 st March 2017
Net loss/(gain) on measurements of defined benefit plans	(0.95)	1.67
Net loss/(gain) on exchange gain/ loss	1.68	5.59
Income tax charged to OCI	0.73	7.26

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2017 and 31 March 2018:

(Rs. in crore)

Particulars	31 st March 2018	31 st March 2017
Accounting profit before tax from continuing operations	560.51	576.52
Profit/(loss) before tax from a discontinued operation	0.00	0.00
Accounting profit before income tax	560.51	576.52
At India's statutory income tax rate	189.58	170.63
Adjustments in respect of current income tax of previous years	(43.37)	(18.18)
Utilisation of previously unrecognised tax losses	0.00	0.00
- Non taxable items	(52.04)	(33.46)
- Rate Difference	0.00	(5.19)
- Other	(0.64)	23.47
<u>Non-deductible expenses for tax purposes:</u>	0.42	
- Other country additional tax	30.11	(2.87)
- Non-deductible Incomes	21.99	
	1.46	18.90
At the effective income tax rate of 26.56% (31 March 2017: 26.59%)	147.51	153.30
Income tax expense reported in the statement of profit and loss	147.51	153.30
Income tax attributable to a discontinued operation		
	147.51	153.30

9. Other Non-Current Assets

(Rs. in crore)

Particulars	31 st March 2018	31 st March 2017
a) Capital Advances		
Security Deposit	0.01	0.0
Total - Capital Advances	0.01	0.0
b) Advances Other than Capital Advances		
Advances to Contractors against material and machinery	19.93	43.49
Advances to Contractors, Suppliers and Others	68.61	310.09
Deposits with Tax Departments	0.20	0.21
Total - Advances Other than Capital Advances	88.74	353.79
c) Others		
Unsecured, considered good		
Interest Accrued on :		
- Advances to Contractors, Suppliers & others	52.20	43.05
Prepaid Expenses	0.00	3.97
Fair valuation adjustment	0.13	2.82
Total - Others	52.33	49.84
d) Considered Doubtful		
Advances to Contractors, Suppliers and Others	0.00	0.91
Less: Allowance for doubtful advances	0.00	(0.91)
Total - Considered Doubtful	0.00	0.00
Grand Total	141.08	403.63

10. Inventories

(Rs. in crore)

Particulars	31 st March 2018	31 st March 2017
Raw Material		
- In Hand	20.51	34.64
- With Third Parties	9.94	4.28
- In Transit	0.18	1.78
Others (Scrap)	1.80	-
Construction Work In progress (at Cost)	108.31	98.64
Total	140.74	139.34

11. Financial Assets

11.1 Investments

(Rs. in crore)

Particulars	31 st March 2018	31 st March 2017
Investment at Cost		
Investment at Fair Value through Profit & Loss		
Investment in Mutual funds (Quoted)		
UTI Money Market Fund - Direct Plan - Daily Dividend : No. of Units : 1,69,594.888 (31 March 2017 : Nil)	17.02	-
SBI Premier Liquid Fund - Daily Dividend Plan : No. of Units : Nil (31 March 2017 : 10,88,384)	-	109.19
IDBI Liquid fund - Direct Plan - Daily Dividend (Reinvestment) : No. of Units : 19,86,853.588 (31 March 2017 : Nil)	199.15	-
UTI Liquid Cash Plan - Direct Plan - Daily Dividend : No. of Units : Nil (31 March 2017 : 13,80,381)	-	140.72
Total Investments	216.17	249.91
Aggregate book value of quoted investments	216.17	249.91
Aggregate Market value of quoted investments	216.17	249.91
Aggregate amount of impairment in value of investments	-	-

11.2 Trade Receivables

(Rs. in crore)

Particulars	31 st March 2018	31 st March 2017
Secured : Considered good		
- Trade receivables	34.22	29.79
Unsecured : Considered good		
- Trade receivables	659.54	443.07
Considered Doubtful		
- Trade receivables	26.71	20.85
Less : Impairment allowances for doubtful debts	(26.71)	(20.85)
Total	693.76	472.86

11.3 Cash and Cash equivalents

(Rs. in crore)

Particulars	Foot Note	31 st March 2018	31 st March 2017
Cash in hand		0.10	0.18
Cheques/drafts in hand		0.94	0.00
Balances with banks:			
– On current accounts		216.13	223.82
– Flexi Accounts	(i)	246.31	225.32
– Deposits with original maturity of less than three months	(i) & (iii)	1,110.57	1,004.44
		1,574.05	1,453.76

11.4 Bank Balances other than Cash and Cash equivalents

(Rs. in crore)

Particulars	Foot Note	31 st March 2018	31 st March 2017
Other Bank Balances			
– Deposits with original maturity of more than 3 months but less than 12 months	(i)	3,098.16	3,088.45
– Fixed Deposits received from Contractors	(ii)	18.33	210.92
		3,116.49	3,299.37

Foot Notes :-

- (i) Includes Clients Fund of Rs. 2,884.78 crore (Rs.3,141.33) on which interest is passed on to them.
- (ii) Fixed Deposits received from Contractors are realisable, if the contractor fails to fulfil its obligations as per the terms and conditions of the contract agreement.
- (iii) Includes Rs. 593.55 crore which is earmarked for expenses for project site at Bandra (East).

11.5 Loans

(Rs. in crore)

Particulars	31 st March 2018	31 st March 2017
A. Secured, considered good		
Staff Loans and Advances	0.98	1.23
Total (A) - Secured Loans	0.98	1.23
B. Unsecured, considered good		
(i) Loans to Related Parties:		
Joint Ventures		
Chhattisgarh East Railway Limited	-	78.00
(ii) Others:		
Staff Loans & Advances *	0.93	0.99
Total (B) - Unsecured Loans (i) + (ii)	0.93	78.99
Grand Total	1.91	80.22

* Details of amount due from Directors:

(Rs. in crore)

Particulars	31 st March 2018	31 st March 2017
Amount due from directors included in staff loans and advances	0.0048	0.0048
Total	0.0048	0.0048

11.6 Other Financial Assets

(Rs. in crore)

Particulars	31 st March 2018	31 st March 2017
a) Considered Good		
Security Deposits		
- Government Departments	7.67	7.07
- Others	1.70	1.72
Retention Money with client	10.59	51.56
Money Withheld by Client	68.93	67.64
Earnest Money Deposit	40.33	0.35
Interest Accrued on :		
- Advance to Staff	0.67	0.72
- Loans to Related Parties	-	15.44
- Deposits with Banks	77.37	116.12
- Bonds	17.86	17.87
Others:		
Other Recoverable-NHAI	100.98	-
(ia) Recoverable from Related Parties		
Joint Ventures		
- Indian Railway Station Development Corporation Limited	0.71	-
- RICON	0.81	0.64
- International Metro Civil Contractor	2.84	2.84
- Metro Tunnelling Group	4.04	3.86
- Ircon Soma Tollway Pvt. Ltd.	7.04	7.04
- IRCON - AFCON JV	46.40	29.85
- Chhattisgarh East Railway Limited	1.02	2.48
- Mahanadi Coal Railway Limited	0.57	0.37
b) Share Application Money pending Allotment		
Indian Railway Stations Development Corporation Limited - 2,00,00,000 equity shares of Rs.10 each	20.00	-
Gandhinagar Railway and Urban Development Corporation Limited - 26000 Equity Shares of Rs 10 each*	-	0.03
(ii) Recoverable from Govt. of Mozambique	35.92	35.81
(iii) Claims Recoverable from Clients	4.39	8.74
(iv) Other Recoverable	14.69	5.30
(v) Billable Revenue / Receivable not due {refer foot note (ii)}	262.07	293.52
(vi) Others - Advance Lease Rent	0.21	0.14
Total - Other Financial Assets - Good	726.81	669.11

(Rs. in crore)

Particulars	31 st March 2018	31 st March 2017
c) Considered Doubtful		
Security Deposits		
- Government Departments	0.11	0.55
- Others	0.18	0.18
Earnest Money Deposit	-	0.05
Retention Money with Client	7.29	7.19
Money Withheld by Client	6.05	5.65
Others	-	-
Less : Impairment allowance for doubtful financial assets (others)	(13.63)	(13.64)
Total - Other Financial Assets - Doubtful	0.00	0.00
Grand Total - Other Financial Others	726.81	669.11

(i) Debts due by officers of the company, firms in which any director is a partner or private company in which any director is a member except JVs and Subsidiaries are Rs. Nil (Rs. Nil).

Details of amount due from Directors:

(Rs. in crore)

Particulars	31 st March 2018	31 st March 2017
Amount due from directors included in interest accrued on staff loans and advances	-	-
Total	-	-

- ii) (a) Includes Value of work amounting to Rs. 7.99 crore (Rs. 1.61 crore) certified by client, but not billed by reporting date.
 (b) Includes Rs. 8.50 crore (Rs. 2.48 crore) from Chhattisgarh East Railway Limited, a Joint Venture Company.
 (c) Includes Rs. 1.07 crore (Rs. 0.31 crore) from Chhattisgarh East West Railway Limited, a Joint Venture Company.
- iii) * IRSDC has invested in Gandhinagar Railway and Urban development Corporation Limited (a joint venture if IRSDC & Govt. of Gujarat) on 31.03.2017 of Rs. 2.60 Lakhs for which shares were pending for allotment. Share are allotted on 11/05/2017

12. Current Tax Assets (Net)

(Rs. in crore)

Particulars	31 st March 2018	31 st March 2017
Taxes Paid including TDS & Advance Tax (Net of Provision for Tax)	40.61	3.77
Income Tax Refundable	-	1.81
Current tax Asset (Net)	40.61	5.58

12.1 Other Current Assets

(Rs. in crore)

Particulars	Foot Note	31 st March 2018	31 st March 2017
a) Advances Other than Capital Advances			
Advances to Contractors against material and machinery		331.99	45.08
Advances to Contractors, Suppliers and Others		219.30	141.73
Advance to Staff (Festival & other Advance)		-	0.05
Advance Recoverable from :-			
- Sales Tax (including TDS)		315.73	302.55
Less : Deposited under Protest		(218.65)	(210.48)
- Value Added Tax		91.99	94.68
- Goods & Services Tax		201.94	-
- Service Tax input credit		0.01	4.19
Total - Advances Other than Capital Advances		942.31	377.80
b) Others			
Interest Accrued on:			
Deposits & Advances with:			
- Contractors, Suppliers & Others		47.18	43.00
Construction Work in Progress (At realisable value)		116.18	97.59
Assets held for disposal	(i)	3.24	1.03
Prepaid Expenses		6.47	3.58
Fair valuation adjustment		0.37	5.19
Lease Equalisation		-	0.14
WCT Receivables		0.57	-
Others		0.19	-
Total - Others		174.20	150.53

(Rs. in crore)

Particulars	Foot Note	31 st March 2018	31 st March 2017
c) Considered Doubtful			
Advances to Contractors, Suppliers and Others		15.89	15.32
Sales Tax (including TDS)		36.04	35.89
Others		0.04	0.10
Value Added Tax		7.17	7.18
Less: Impairment allowance for doubtful advances		(59.14)	(58.49)
Total - Considered Doubtful		0.00	0.00
Grand Total (a+b+c)		1,116.51	528.33

(i) Property, Plant & Equipment beyond economic repair and / or held for disposal (at lower of the realizable value and book value) :

(Rs. in crore)

Block of assets	Description of the assets	Manner and expected time of disposal	Expected (Loss) / Gain on sale of non current assets	Segment	As at 31 st March 2018		As at 31 st March 2017	
					Gross Block	Net Block	Gross Block	Net Block
Plant and Machinery								
Northern Region	Plant and Machinery	Through e - auction like MSTC with expected time of disposal by end of year 2019	36.27	Domestic : PMD Division	4.33	0.25	5.16	0.29
Malaysia Region	Locomotives - 24 Nos. (3 Nos.)	Open Tender	2.90	International	29.26	1.46	7.25	0.17
	3 No. of Track Machine, 18 Hopper wagons, 15 Flat Wagons & 2 Motor Trolley	Open Tender	-	International	17.04	0.85	-	-
	34 Nos. of Computer & Printers	Open Tender	-	International	0.13	0.007	-	-
	7 Nos. of Fax machine, Projector & EPABX	Open Tender	-	International	0.06	0.003	-	-
	15 Nos. of Vehicle	Open Tender	0.09	International	2.12	0.10	-	-
Mozambique Project	Plant and Machinery		-	International	5.90	0.29	5.90	0.29
Freehold Building - Residential	Residential Building at Chennai	Open Tender	-	Domestic	0.38	0.28	0.38	0.28
Total					59.22	3.24	18.69	1.03

13. Equity Share capital

(Rs. in crore)

Particulars	As at 31 st March 2018	As at 31 st March 2017
Authorised share capital		
40,00,00,000 Equity shares of Rs.10 each {refer note (i)}		
(10,00,00,000 Equity shares of Rs.10 each as at 31st March 2017)	400.00	100.00
	400.00	100.00
Issued/Subscribed and Paid up Capital		
9,40,51,574 Equity shares of Rs.10 each-fully paid {refer note (ii)}		
(9,89,80,000 Equity shares of Rs.10 each-fully paid as at 31st March 2017)	94.05	98.98
	94.05	98.98

Details of shareholders holding in the company

Name of the shareholder	As at 31 st March 2018		As at 31 st March 2017	
	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	93,783,574	99.71	98,712,000	99.73
Indian Railway Finance Corporation Limited	244,000	0.26	244,000	0.25
Bank of India	24,000	0.03	24,000	0.02
Total	94,051,574	100.00	98,980,000	100.00

Aggregate no. of equity shares issued as bonus, shares issued for consideration other than cash and shares bought back during the Year of five years immediately preceding the reporting date.

Particulars	As at 31 st March 2018	As at 31 st March 2017	As at 31 st March 2016	As at 31 st March 2015	As at 31 st March 2014	As at 31 st March 2013	As at 31 st March 2012
	No. of Share	No. of Share	No. of Share	No. of Share	No. of Share	No. of Share	No. of Share
Equity shares allotted other than cash-	-	-	-	-	-	-	-
Equity shares issued as bonus shares	-	79,184,000	-	-	-	9,898,000	-
Equity shares Buy Back	4,928,426	-	-	-	-	-	-
Total	4,928,426	79,184,000	-	-	-	9,898,000	-

Terms / Rights attached to Equity Shares :

(a) Voting

The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity share is entitled to one vote per share.

(b) Liquidation

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Reconciliation of the number of equity shares and share capital

Particulars	As at 31 st March 2018		As at 31 st March 2017	
	No. of Share	Rs. in crore	No. of Share	Rs. in crore
Issued/Subscribed and Paid up equity Capital outstanding at the beginning of the year	98,980,000	98.98	19,796,000	19.80
Add: Shares Issued during the year	-	-	79,184,000	79.18
Less: Shares Buy Back during the year	(4,928,426)	(4.93)	-	-
Issued/Subscribed and Paid up equity Capital outstanding at the end of the year	94,051,574	94.05	98,980,000	98.98

- (i) Increase in Authorised Share Capital to Rs. 400 crore was approved in the Extra Ordinary General Meeting held on 22.05.2017
- (ii) Department of Investment and Public Asset Management (DIPAM) had instructed the Company to buy back shares to the extent of 5% of paid up capital. Total shares proposed to be bought back is 49,41,818 in numbers at book value of these shares. BoD at its 236th meeting dated 21.09.2017 approved proposal to buy back by the company of its fully paid up equity shares of Rs. 10 each not exceeding 49,41,818 shares from the existing shareholders. As on the closing date of submission of offer i.e. 04.12.2017 offer for 49,28,426 shares held by Govt. of India was received.

14. Other Equity

(Rs. in crore)

Particulars	31 st March 2018	31 st March 2017
(a) Retained Earnings		
Opening Balance	427.72	339.46
Add: Transfer from surplus in statement of profit and loss	411.62	386.22
Less: Dividend declared and paid during the year including Corporate Dividend Tax	(117.05)	(107.22)
Less: Interim Dividend including Tax thereon	(114.52)	(114.52)
Less: Bonus issue	-	(79.18)
Add: Re-measurement of defined benefit plans (net of tax)	(1.80)	3.15
Less: Payment of Fee for increase in Authorised Capital	(1.99)	(0.19)
Less: Payment for Buy Back of Shares	(234.57)	-
Less: Changes in carrying value of investments in Joint Ventures Other than share in Profit/(Loss)	(0.01)	-
Closing Balance	369.40	427.72
(b) General Reserve		
Opening Balance	3,284.64	3,284.64
Add: Transfer from Retained Earnings	-	-
Closing Balance	3,284.64	3,284.64
(c) Capital Redemption Reserve		
Opening Balance	-	-
Add: Transfer for Buy Back of Equity Shares	4.93	-
Closing Balance	4.93	-
(d) Items of other comprehensive income		
Opening Balance	5.56	(5.01)
Debt Instruments Through OCI	-	-
Foreign Currency Translation (net of tax)	3.18	10.57
Closing Balance	8.74	5.56
Grand Total	3,667.71	3,717.92

Distribution made and proposed dividend

(Rs. in crore)

Particulars	31 st March 2018	31 st March 2017
Cash dividends on equity shares declared / paid:		
Dividend declared during 2017-18: INR 27.80 per share (FY 2016-17: INR 45.00 per share)	97.25	89.08
Dividend distribution tax final dividend	19.80	18.14
Interim dividend paid during 2017-18: INR 10.11 per share (FY 2016-17: INR 9.61 per share)	95.15	95.15
Dividend distribution tax on interim dividend	19.37	19.37
Total	231.57	221.74
Proposed dividends on equity shares:		
Dividend for 31 March 2018: INR 10.34 per share (31 March 2017: INR 27.80 per share)	97.25	97.25
Dividend distribution tax on proposed dividend	19.99	19.80
Total	117.24	117.05

15. Financial Liabilities (Non Current)

15.1 Borrowings

(Rs. in crore)

Particulars	31 st March 2018	31 st March 2017
Loan From Indian Railway Finance Corporation	3,200.00	-
Interest Accrued but not Due	3.08	-
Total	3,203.08	0.00

Notes:-

(a) Terms and Conditions of the unsecured Loan :

The repayment of principal of the Loan Amount shall be made in 5 (five) equal instalments commencing from April 15, 2019.

(b) Rate of Interest :

(i) The Company will pay interest on the principal amount of the Loan advanced and outstanding from time to time, at the rate of 8.77% (Eight point seven seven percent) per annum ("Applicable Interest rate") (exclusive of applicable interest tax, service tax and / or any such other taxes / levies / duties). such taxes / levies / duties, if any, applicable, shall be payable (in the same manner and time as the principal and interest) by the Borrower to the Lender over and above the rates specified above.

(ii) The Applicable Interest Rate shall be fixed for currency of loan term.

(c) Termination of the Memorandum of Understanding (MOU)

(i) Upon the occurrence of certain identified events the MOU would stand terminated, whereupon Ircan would be substituted by such entity as agreed to between IRFC, Ircan, RLDA & Ministry of Railways (MoR). MoR would be entitled to pre pay the entire outstanding under the Loan Agreement on termination of this agreement.

15.2 Trade Payables

(Rs. in crore)

Particulars	31 st March 2018	31 st March 2017
Micro, Small & Medium Enterprises (Refer Note no. 46)	-	-
Others		
Other Contractor & Suppliers	-	0.45
Related Parties	0.46	-
Total	0.46	0.45

15.3 Other Financial Liability

(Rs. in crore)

Particulars	31 st March 2018	31 st March 2017
Deposits and Retention money	320.95	129.26
Amount Payable to Client	0.55	80.87
Total	321.50	210.13

16. Provisions

(Rs. in crore)

Particulars	Foot Note	31 st March 2018	31 st March 2017
Provision for Employee Benefits	16.1	88.73	71.78
Provision for Doubtful Assets	16.2	99.51	93.89
Other Provisions	16.3	252.02	302.46
		440.26	468.13
Less: Impairment Provision for Doubtful Assets (Presented Separately)	16.2	99.51	93.89
Total		340.75	374.24
Current		265.43	298.05
Non Current		75.32	76.19

The disclosure of provisions movement as required under the requirements of Ind AS 37 is as follows :

16.1 Provision for Employee Benefits

(a) Provision for Retirement Benefits

(Rs. in crore)

Particulars	Gratuity	Leave Salary	Settlement Allowance on Retirement	Post Retirement Medical Benefits	Pension	Total
As at 31-March-2017	0.01	55.88	1.33	8.32	0.00	65.54
Current	0.00	5.64	0.13	6.66	0.00	12.43
Non Current	0.01	50.24	1.20	1.66	0.00	53.11
Provision made during the year	0.01	12.24	0.00	4.49	0.00	16.74
Less: Utilization during the year	0.00	9.49	0.00	0.00	0.00	9.49
Less: Write Back during the year	0.00	0.02	0.04	0.00	0.00	0.06
(Exchange Gain) / Loss	0.00	0.01	0.00	0.00	0.00	0.01
As at 31-March-2018	0.02	58.62	1.29	12.81	0.00	72.74
Current	0.00	5.67	1.29	12.81	0.00	19.77
Non Current	0.02	52.95	0.00	0.00	0.00	52.97

(b) Provision for other Employee Benefits

(Rs. in crore)

Particulars	Performance Related Pay	Leave Travel Concession	Total
As at 31-March-2017	5.91	0.33	6.24
Current	5.91	0.05	5.96
Non Current	0.00	0.28	0.28
Provision made during the year	10.04	0.00	10.04
Less: Utilization during the year	0.00	0.02	0.02
Less: Write Back during the year	0.00	0.27	0.27
As at 31-March-2018	15.95	0.04	15.99
Current	15.95	0.01	15.96
Non Current	0.00	0.03	0.03

16.2 Provision for Doubtful Assets

(Rs. in crore)

Particulars	Doubtful Debts	Doubtful Advances	Total
As at 31-March-2017	20.85	73.04	93.89
Current	20.85	73.04	93.89
Non Current	0.00	0.00	0.00
Provision made during the year	6.65	0.95	7.60
Less: Utilization during the year	0.00	0.28	0.28
Less: Write Back during the year	0.78	0.94	1.72
(Exchange Gain) / Loss	0.00	0.02	0.02
As at 31-March-2018	26.72	72.79	99.51
Current	26.72	72.79	99.51
Non Current	0.00	0.00	0.00

16.3 Other Provisions

(Rs. in crore)

Particulars	Demobilisation	Corporate Social Responsibility	Maintenance	Foreseeable Loss	Design Guarantee	Legal Cases #	Other Expenses	Total
As at 31-March-2017 #	19.25	0.95	66.78	6.02	51.40	86.51	71.55	302.46
Current	19.18	0.95	56.49	6.02	38.96	86.51	71.55	279.66
Non Current	0.07	0.00	10.29	0.00	12.44	0.00	0.00	22.80
Provision made during the year	0.18	0.03	16.80	0.00	0.00	13.90	2.34	33.25
Less: Utilization during the year	0.73	0.91	25.66	2.77	0.00	7.62	9.30	46.99
Less: Write Back during the year	5.24	0.00	1.37	0.00	41.76	0.13	0.25	48.75
(Exchange Gain) / Loss	0.12	0.00	(0.48)	0.00	4.88	0.00	5.72	10.24
Unwinding of discount	0.06	0.00	1.31	0.00	0.44	0.00	0.00	1.82
As at 31-March-2018	13.64	0.07	57.38	3.25	14.96	92.66	70.06	252.02
Current	12.84	0.07	35.86	3.25	14.96	92.66	70.06	229.70
Non Current	0.80	0.00	21.52	0.00	0.00	0.00	0.00	22.32

Refer Note No. 27

17. Other Non- Current Liabilities

(Rs. in crore)

Particulars	31 st March 2018	31 st March 2017
a) Advances		
Advance from clients	914.36	1,688.27
Deferred Income	-	33.70
b) Others		
Fair valuation adjustment	-	22.93
Others	0.56	0.56
Total	914.92	1,745.46

18. Financial Liabilities

18.1 Trade Payables

(Rs. in crore)

Particulars	31 st March 2018	31 st March 2017
Micro, Small & Medium Enterprises (Refer Note No. 46)	5.67	-
Others		
(a) Contractor & Suppliers (Refer Note No. 27)	504.37	360.65
(b) Related Parties	-	-
Total	510.04	360.65

18.2 Other Financial Liabilities

(Rs. in crore)

Particulars	31 st March 2018	31 st March 2017
Gratuity Payable	16.15	-
Deposits, Retention money and Money Withheld (Refer Note No. 27)	520.99	506.23
Amount Payable to Client	335.13	140.44
Others (including Staff Payable)	74.82	57.32
Total	947.09	703.99

19. Other Current Liabilities

(Rs. in crore)

Particulars	31 st March 2018	31 st March 2017
a) Advances		
Advance from clients	2,524.48	1,982.61
- Less: Deposits under protest	(218.65)	(210.48)
Advance contract receipts	245.47	99.96
Deferred income	-	4.71
b) Others		
Statutory dues	213.20	74.34
Fair valuation adjustment	-	24.98
Others	-	0.01
Total	2,764.50	1,976.13

19.1 Current Tax Liability (Net)

(Rs. in crore)

Particulars	31 st March 2018	31 st March 2017
Provision for tax (Net of Advance Tax)	14.13	23.83
Current tax Liability (Net)	14.13	23.83

20. Revenue from operations

(Rs. in crore)

Particulars	For the year ended 31 st March 2018	For the year ended 31 st March 2017
Contract Revenue	3,880.03	2,895.70
Loco lease	-	0.88
Machinery hire charges	5.50	9.15
MFC Leasing	14.83	13.66
Project Management Consultancy	15.50	18.53
Other Revenue		
- Amortisation of financial instruments	47.91	29.34
- Other Operating Revenue	37.40	10.15
	4,001.17	2,977.41

21. Other Income

(in Rs. crore)

Particulars	For the year ended 31 st March 2018	For the year ended 31 st March 2017
Interest Income :		
Interest on Tax Free Bonds	22.08	22.06
Interest on refund of income-tax	19.58	11.93
Interest on staff advances	0.18	0.21
Interest on loan to Related Parties *	13.52	11.32
Interest on other advances	3.78	7.37
Interest income on unwinding of financial instruments	7.69	7.54
Bank Interest Gross	241.69	311.60
Less:- Interest passed to clients	(166.61)	(163.82)
	75.08	147.78
Others :		
Profit on sale of assets	4.08	0.35
Miscellaneous Income	23.52	22.09
Exchange Fluctuation Gain	32.04	-
Less:- Exchange Fluctuation Loss	(30.67)	-
Dividend Income	16.34	4.82
Less:-Dividend passed to clients	(2.33)	(1.45)
	14.01	3.37
Total	184.89	234.03

*** Interest on loan to Related Parties:**

Particulars of Related Parties	2017-18	2016-17
- Chhattisgarh East Railway Limited	10.44	6.26
- Chhattisgarh East-West Railway Limited	3.08	4.86
- IRCON AFCON JV	-	0.20
	13.52	11.32

22. Operating and Other (Administrative) Expenses

(Rs. in crore)

Particulars	Foot Note	Operating		Other (Administrative)	
		For the year ended 31 st March 2018	For the year ended 31 st March 2017	For the year ended 31 st March 2018	For the year ended 31 st March 2017
Materials and Stores consumed:					
Opening Balance		38.92	89.87	-	-
Add: Purchases during the Year *		342.61	321.04	-	-
Less: Closing Balance		(32.24)	(38.92)	-	-
		349.29	371.99		
Work Expenses (Refer Note No. 27)		2,875.29	2,083.44	-	-
Increase / (Decrease) in WIP		(10.56)	(47.86)	-	-
Design, Drawing, Business Development & Consultancy Charges		13.77	16.87	-	-
Inspection, Geo Technical Investigation & Survey Exp. Etc.		14.24	16.26	-	-
Repairs and Maintenance of Machinery		6.34	11.50	-	-
Hire charges of machinery		2.79	3.26	-	-
Exchange Fluctuation Loss		-	71.59	-	-
Less:- Exchange Fluctuation Gain		-	(33.13)	-	-
Net Exchange Fluctuation Loss		-	38.46	-	-
Rent - Non-residential		5.24	5.29	1.42	1.23
Rates and Taxes		27.27	30.30	1.01	1.63
Vehicle Operation and Maintenance		10.07	9.99	1.61	1.52
Repairs and Maintenance					
- Building		0.12	0.07	0.85	0.91
- Office and Others		10.96	3.23	3.59	4.09
Power, Electricity and Water charges		2.34	2.19	1.42	1.59
Insurance		5.86	5.55	0.15	0.40
Travelling & conveyance		11.85	9.21	2.13	3.00
Printing & stationery		1.41	1.19	0.93	0.61
Postage, telephone & telex		1.49	1.51	0.64	0.48
Legal & Professional charges		8.46	5.52	6.58	4.49
Security services		3.13	3.68	0.25	0.41
Business promotion		0.33	0.39	0.89	0.34
Write-off of :					
- Bad debts		-	0.60	-	-
- Bad advances		-	2.00	-	-
- Bad assets		0.29	0.11	-	-
Bank & other Financial Charges		0.07			
Loss on sale of Assets/Stores		-	-	0.10	0.03
Interest on Late Payment of Statutory dues		0.14	-	-	-
Director sitting fee		-	-	0.14	0.07
Donation		-	-	0.01	0.04
Auditors remuneration	(i)	0.03	-	0.67	0.62
Advertisement & publicity		0.16	0.40	7.43	6.23
Training & Recruitment		0.01	-	1.75	0.30
Corporate social responsibility (Refer Note 39)		0.13	-	8.73	5.92
Miscellaneous expenses		4.35	2.86	1.64	2.73
Provisions (Addition - Write Back) (Refer Note 16)		(9.64)	(9.05)	-	-
Provisions Utilised (Refer Note 16)		(47.27)	(78.29)	-	-
Total		3,287.96	2,490.67	41.94	36.64

(ii) Payment to Statutory Auditors:

(Rs. in crore)

Particulars	For the year ended 31 st March 2018	For the year ended 31 st March 2017
(a) Audit Fee - current Year	0.42	0.35
(b) Tax Audit Fees - current Year	0.13	0.11
(c) Certification Fees	0.03	0.06
(d) Travelling & out of pocket expenses:		
- Local	0.08	0.08
- Foreign	0.04	0.05
Total	0.70	0.65

* Includes Exchange gain/ loss due to implementation of Ind AS for Rs. 0.10 crore (As at 31st March 2017 : Rs. 0.13 crore).

23. Employee Remuneration and Benefits

(Rs. in crore)

Particulars	Foot Note	For the year ended 31 st March 2018			For the year ended 31 st March 2017		
		Operating	Other (Administrative)	Total	Operating	Other (Administrative)	Total
Salaries, wages and bonus	(i)	137.94	47.21	185.15	104.86	40.42	145.28
Contribution to provident and other funds		8.55	3.72	12.27	7.25	4.05	11.30
Foreign service contribution		1.14	1.23	2.37	0.80	0.83	1.63
Retirement Benefits		13.72	23.57	37.29	13.25	(17.20)	(3.95)
VRS expenses		0.00	0.00	0.00	0.00	0.00	0.00
Staff Welfare		1.13	0.64	1.77	1.27	0.54	1.81
Total		162.48	76.37	238.85	127.43	28.64	156.07

Foot Notes:-

Includes income-tax on non-monetary perks **Rs. 0.22 crore** (As at 31st March 2017 : Rs. 0.33 crore).

24. Finance Cost

(Rs. in crore)

Particulars	Foot Nots	For the year ended 31 st March 2018	For the year ended 31 st March 2017
Interest Expense	(i)	3.08	
Less: Interest on Advance to Rail Land Development Authority (RLDA)		<u>(3.08)</u>	9.65
Other Borrowing Cost			
- Bank Guarantee & Other Charges			8.67
Interest on Unwinding of financial Instruments			29.66
Amortisation of financial Instruments			7.31
Unwinding of discount on provisions			3.35
Total		64.56	58.64

Foot Notes:-

Includes interest on income-tax **Rs. 0.003 crore** (As at 31st March 2017 : Rs. 9.65 crore).

25. Depreciation, amortization and impairment

(Rs. in crore)

Particulars	Other Items of OCI	
	For the year ended 31 st March 2018	For the year ended 31 st March 2017
Property, Plant and equipment	13.98	17.99
Intangible Assets	2.38	7.39
Investment Property	0.05	0.05
Impairment of Assets	-	1.26
Total	16.41	26.69

26. Components of Other Comprehensive Income (OCI)

The disaggregation of changes to OCI by each type of reserve in equity is shown below

(Rs. in crore)

Particulars	Foreign Currency Translation	
	For the year ended 31 st March 2018	For the year ended 31 st March 2017
Remeasurement of Defined benefit plans	(2.75)	4.82
Income Tax relating to Items that will not be reclassified to profit and loss	0.95	(1.67)
Total	(1.80)	3.15

(Rs. in crore)

Particulars	Foreign Currency Translation	
	For the year ended 31 st March 2018	For the year ended 31 st March 2017
Foreign Exchange Translation Differences	4.86	16.16
Income Tax relating to Items that will be reclassified to profit and loss	(1.68)	(5.59)
Total	3.18	10.57
Grand Total	1.38	13.72

27. Prior Year Errors

(Rs. in crore)

Particulars	31 st March 2018	31 st March 2017
Impact on equity (increase/(decrease) in equity)		
Other Financial Liabilities current	-	0.04
Other Current Liabilities	-	(0.74)
Provision for Legal cases	-	0.51
Net Impact on Equity (Decrease)	-	(0.19)

Particulars	31 st March 2018	31 st March 2017
Impact on statement in profit and loss (increase/(decrease) in profit)		
Operating & Administrative Expenses	-	(0.19)
Attributable to Equity Holders	-	(0.19)

Impact on basic and diluted earnings per share (EPS) (increase/(decrease) in EPS)

Particulars	31 st March 2018	31 st March 2017
Earnings per share for continuing operation		
Basic, profit from continuing operations attributable to equity holders	-	(0.01)
Diluted, profit from continuing operations attributable to equity holders	-	(0.01)

27.A Exceptional Items

(Rs. in crore)

Particulars	31 st March 2018	31 st March 2017
Profit on Sale of Investments	0.00	73.69
Total	0.00	73.69

28. Fair Value Measurements

(i) Financial Instruments by Category

(Rs. in crore)

Particulars	As at 31 st March 2018			As at 31 st March 2017		
	FVTPL	FVTOCI	Amortized Cost	FVTPL	FVTOCI	Amortized Cost
Financial Assets						
(i) Investments						
Tax Free Bonds (including accrued interest)	-	-	309.24	-	-	309.23
Investment in mutual funds	216.17	-	-	249.91	-	-
(ii) Trade Receivables	-	-	693.76	-	-	472.86
(iii) Loans	-	-	41.57	-	-	159.13
(iv) Retention Money and Money Withheld	-	-	144.62	-	-	143.28
(v) Security Deposit with Govt. Dept. & Others recoverable	-	-	85.50	-	-	124.36
(vi) Cash and Cash Equivalents	-	-	1,574.05	-	-	1,453.76
(vii) Bank Balances other than (ii) above	-	-	3,116.49	-	-	3,299.37
(viii) Others - Financial Assets	-	-	3,215.47	-	-	484.98
Total Financial Assets	216.17	-	9,180.70	249.91	-	6,446.97
Financial Liabilities						
(i) Trade payables	-	-	510.50	-	-	361.10
(ii) Security Deposits & Retention Money	-	-	841.94	-	-	635.49
(iii) Borrowings	-	-	3,203.08	-	-	-
(iv) Others - Financial Liability	-	-	426.65	-	-	278.63
Total Financial Liabilities	-	-	4,982.17	-	-	1,275.22

(ii) Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical financial instruments that the entity can access at measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents the fair value measurement hierarchy of financial assets and liabilities measured at fair value on recurring basis and at amortised cost

(ii) (a) Assets and liabilities which are measured at amortized cost for which fair values are disclosed.

Particulars	Carrying value		Fair value	
	31 st March 2018	31 st March 2017	31 st March 2018	31 st March 2017
Financial Asset				
Tax Free Bonds	309.24	309.23	349.33	293.32
Retention Money and Money Withheld	144.62	143.28	144.62	142.48
Security Deposit with Govt. Dept. & Others	85.50	124.36	85.50	124.39
Total Assets	539.36	576.87	579.45	560.19

Particulars	Carrying value		Fair value	
	31 st March 2018	31 st March 2017	31 st March 2018	31 st March 2017
Financial Liabilities				
Amortised Cost				
Trade Payables	510.50	361.10	510.50	361.85
Security Deposits & Retention Money	841.94	635.49	841.94	630.16
Total Liabilities	1,352.44	996.59	1,352.44	992.01

(ii) (b) Assets which are measured through Profit & loss account for which fair values are disclosed.

Particulars	Carrying value		Fair value	
	31 st March 2018	31 st March 2017	31 st March 2018	31 st March 2017
Investment in mutual funds	216.17	249.91	216.17	249.91
Total Assets	216.17	249.91	216.17	249.91

- i) The carrying amounts of current trade receivables, trade payables, security deposits and retention money, cash and cash equivalents, bank balances and other financial assets and liabilities are considered to be the same at their fair values, due to their short term nature.
- ii) The fair value of long term security deposits, retention money and long term trade payables were calculated based on cash flows discounted using current market rate. They are classified as level 3 fair values hierarchy due to inclusion of unobservable inputs.
- iii) Investment in unquoted equity of subsidiaries and joint ventures are stated at carrying value as per Indian GAAP as on 31-3-2015 as per exemption provided by Para 10 of IND AS 27.
- iv) Loans and Advances given to related parties are at market rate, therefore the carrying amount of such loans and advances are equal to their fair value.
- v) Financial assets are recognised at transaction price, as the effect of measuring these at fair value is immaterial.

Quantitative disclosures fair value measurement hierarchy for financial assets as on 31 March 2018:-

	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets measured at fair value on recurring basis:					
Investment in mutual fund	31.03.2018	216.17	216.17	0.00	0.00
Financial assets measured at Amortised Cost for which fair value are disclosed:					
Investment in Tax free Bonds	31.03.2018	349.33	349.33	0.00	0.00
Retention Money and Money Withheld	31.03.2018	144.62	0.00	0.00	144.62
Security Deposit with Govt. Dept. & Others	31.03.2018	85.50	0.00	0.00	85.50

There have been no transfers among Level 1, Level 2 and Level 3 during the Year.

Quantitative disclosures fair value measurement hierarchy for financial liabilities as on 31 March 2018:-

	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial Liabilities measured at Amortised Cost for which fair value are disclosed:					
Trade Payables	31.3.2018	510.50	0.00	0.00	510.50
Security Deposits & Retention Money	31.3.2018	841.94	0.00	0.00	841.94

There have been no transfers among Level 1, Level 2 and Level 3 during the Year.

Quantitative disclosures fair value measurement hierarchy for financial assets as on 31 March 2017:-

	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets measured at fair value on recurring basis:					
Investment in mutual fund	31.3.2017	249.91	249.91	0.00	0.00
Financial assets measured at Amortised Cost for which fair value are disclosed:					
Investment in Tax free Bonds	31.3.2017	293.32	293.32	0.00	0.00
Retention Money and Money Withheld	31.3.2017	142.48	0.00	0.00	142.48
Security Deposit with Govt. Dept. & Others	31.3.2017	124.39	0.00	0.00	124.39

There have been no transfers among Level 1, Level 2 and Level 3 during the Year.

Quantitative disclosures fair value measurement hierarchy for financial liabilities as on 31 March 2017:-

	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial Liabilities measured at Amortised Cost for which fair value are disclosed:					
Trade Payables	31.03.2017	361.85	0.00	0.00	361.85
Security Deposits & Retention Money	31.03.2017	630.16	0.00	0.00	630.16

There have been no transfers among Level 1, Level 2 and Level 3 during the Year.

iii Financial Risk Management

The Group's principal financial liabilities comprise trade, other payables and borrowings. The Group's principal financial assets include loans to related parties, trade and other receivables, and cash and short-term deposits that derive directly from its operations. The Group also holds investment in mutual funds and tax free bonds. The Group's activities expose it to some of the financial risks: market risk, credit risk and liquidity risk.

a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instruments will fluctuate because of changes in market prices. Market risk comprises Foreign Currency Risk and Interest rate risk. Financial instruments affected by market risk includes 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 the group are naturally hedged. (Refer Note No. 37)

As of March 31, 2018 and March 31, 2017, every 1% increase or decrease of the respective foreign currency would impact our profit before tax by approximately Rs. 0.70 crore and Rs. 2.63 crore respectively.

ii) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instruments will fluctuate because of change in market interest rate. The Group manages its interest risk in accordance with the companies policies and risk objective. Financial instruments affected by interest rate risk includes tax free bonds and deposits with banks. Interest rate risk on these financial instruments are very low as interest rate is fixed for the period of financial instruments. Also, the Group does not have any interest risk on loans / borrowings as it bears fixed rate of interest.

b) Credit risk

The Group's customer profile include Ministry of Railways, public sector enterprises, state owned companies in India and abroad. Accordingly, the Group's customer credit risk is low. The Group's average project execution cycle is around 24 to 36 months. General payment terms include mobilisation advance, monthly progress payments with a credit period ranging from 45 to 60 days and certain retention money to be released at the end of the project. In some cases retentions are substituted with bank / corporate guarantees. The Group has a detailed review mechanism of overdue customer receivables at various levels within organisation to ensure proper attention and focus for realisation.

Trade and other receivables

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.

The following table gives details in respect of revenues generated from top five projects.

(Rs. in crore)

Particulars	For the Year ended	
	31 March ,2018	31 March ,2017
Revenue from top Projects		
Revenue from top 5 Projects	1,913.95	1,504.21
	1,913.95	1,504.21

(i) Provision for Expected Credit Losses

As At 31.03.2018

a) Expected Credit Loss for Trade Receivables under simplified Approach

(Rs. in crore)

Ageing	< 6 M	> 6 < 12	> 12 < 24	> 24 < 36	> 36	Total
Gross Carrying Amount	644.59	24.00	11.01	20.56	20.32	720.48
Expected Credit rate	0.00%	0.00%	0.00%	33.22%	97.88%	3.71%
Expected Credit losses (Loss provision Allowance)	0.00	0.00	0.00	(6.83)	(19.89)	(26.72)
Gross Carrying Amount of Trade Receivables	644.59	24.00	11.01	13.73	0.43	693.76

b) Expected Credit Loss for loans and investments

(Rs. in crore)

Particulars		Assets Group	Carrying Value	Expected Probability of Default	Expected credit Loss	Carrying Amount Net of Expected credit Loss
Loss allowance measured at Life Time ECL	Financial assets for which credit risk has increased and not credit impaired	Security Deposits and EMD	50.22	0.01	0.29	49.93
		Interest Accrued on Advances to Staff	-	-	-	-
		Retention Money & Security Deposit	157.96	0.08	13.34	144.62
			208.18		13.63	194.55

As At 31.03.2017

a) Expected Credit Loss for Trade Receivables under simplified Approach

(Rs. in crore)

Ageing	< 6 M	> 6 < 12	> 12 < 24	> 24 < 36	> 36	Total
Gross Carrying Amount	379.78	47.11	38.45	7.93	20.44	493.71
Expected Credit rate	0.14%	0.00%	0.00%	8.70%	96.04%	4.22%
Expected Credit losses (Loss provision Allowance)	(0.53)	0.00	0.00	(0.69)	(19.63)	(20.85)
Gross Carrying Amount of Trade Receivables	379.25	47.11	38.45	7.24	0.81	472.86

b) Expected Credit Loss for loans and investments

(Rs. in crore)

Particulars		Assets Group	Carrying Value	Expected Probability of Default	Expected credit Loss	Carrying Amount Net of Expected credit Loss
Loss allowance measured at Life Time ECL	Financial assets for which credit risk has increased and not credit impaired	Security Deposits and EMD	17.30	0.05	0.78	16.52
		Interest Accrued on Advances to Staff	0.00	1.00	0.00	0.00
		Retention Money & Security Deposit	156.12	0.08	12.84	143.28
			173.42		13.62	159.80

C) Liquidity risk

The Group manages liquidity risk by maintaining sufficient cash and marketable securities and by having access to funding through an adequate amount of committed credit lines. The treasury department regularly monitors the position of cash and cash equivalents vis-à-vis projections. Assessment of maturity profiles of financial assets and financial liabilities and maintenance of Balance Sheet liquidity ratios are considered while reviewing the liquidity position.

The Group's investment policy and strategy are focused on preservation of capital and supporting the Group's liquidity requirements. The senior Management of the Group oversees its investment strategy and achieve its investment objectives. The Group typically invests in government of India debt bonds and mutual funds. The policy requires investments generally to be investment grade, with the primary objective of minimising the potential risk of principal loss.

The NHA bonds bear a fixed rate of interest thus they are not affected by the change in bond yield rates and the mutual funds are highly liquid assets which are paid out monthly and re-invested.

The table below provides details regarding the significant financial liabilities as at 31 March 2018 and 31 March 2017

Particulars	As on 31 March, 2018		
	Less than 1 Year	1-2 years	2 Years and above
Borrowings	-	643.08	2,560.00
Trade payables	510.05	0.45	-
Other financial liabilities	947.07	111.43	210.09

Particulars	As on 31 March, 2017		
	Less than 1 Year	1-2 years	2 Years and above
Borrowings	-	-	-
Trade payables	360.64	0.46	-
Other financial liabilities	703.98	133.01	77.13

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.

(iv) Capital Management

The Group objective to manage its capital in a manner to ensure and safeguard their ability to continue as a going concern so that the Group can continue to provide maximum returns to shareholders and benefit to other stakeholders. The Group has paid dividend as per the guidelines issued by Department of Public Enterprises (DPE) as follows :-

Dividends :-		(Rs. in crore)	
Particulars	31-Mar-18	31-Mar-17	
Dividend Paid	192.40	184.23	
Total	192.40	184.23	

Further, the Group manages its capital structure to make adjustments in light of changes in economic conditions and the requirements of the financial covenants. During the year, the Group has gone for buy back of 4,928,426 shares held by the Government of India through Ministry of Railways.

Loan raised by the Group from IRFC during the year which in turn has been given to RLDA will be repaid from the amount received from RLDA.

Debt Equity Ratio		(Rs. in crore)	
Particulars	31-Mar-18	31-Mar-17	
Borrowings (Note No. 15.1)	3,203.08	-	
Long Term Debt	3,203.08	-	
Equity (Note No. 13)	94.05	98.98	
Other Equity (Note No. 14)	3,667.71	3,717.92	
Total Equity	3,761.76	3,816.90	
Debt Equity Ratio	0.85	-	

29. a) The consolidated financial statements are prepared in accordance with the requirement of section-129(3) of the Companies Act, 2013 and rules made there under as applicable from the financial year starting from 1st April, 2015. Accordingly, the company (also referred to as holding company), its subsidiaries and joint venture (jointly referred to as the 'Group') considered in the consolidated financial statements are as follows:

Name of Subsidiary/Joint Ventures	Country of Origin	% age Share	
		31.03.2018	31.03.2017
Subsidiaries;			
1. Ircon Infrastructure and Services Limited. (IISL)	India	100.00%	100.00%
2. Indian Railway Station Development Corporation Limited. (IRSDC)	India	-----	51%
3. Ircon PB Tollway Limited. (IPBTL)	India	100.00%	100.00%
4. Ircon Shivpuri Guna Tollway Limited. (ISGTL)	India	100.00%	100.00%
5. Ircon Devanagare Haveri Highway Limited	India	100.00%	-----

Name of Subsidiary/Joint Ventures	Country of Origin	% age Share	
		31.03.2018	31.03.2017
Joint Ventures:			
1. Itron-Soma Tollway Private Limited (ISTPL)	India	50.00%	50.00%
2. Chattisgarh East Railway Limited (CERL)	India	26.00%	26.00%
3. Chattisgarh East-West Railway Limited (CEWRL)	India	26.00%	26.00%
4. Mahanadi Coal Rail Limited (MCRL)	India	26.00%	26.00%
5. Jharkhand Central Railway Limited (JCRL)	India	26.00%	26.00%
6. Baster Railway Pvt. Ltd. (BRPL)	India	26.00%	26.00%
7. Indian Railway Station Development Limited (IRSDC)	India	50%	-

*During the period, Ministry of Railways vide letter dated 10-04-2017 transferred 1% equity to RLDA from Itron, therefore IRSDC has been Joint Venture Company which was subsidiary company till 18th September, 2017.

- b) The financial statements of the entities used for the purpose of consolidation have the same reporting date as that of the Company.
- c) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Holding Company's separate financial statements. The differences in accounting policies, if any, of the Holding Company and its Joint Ventures are not material.

30. Contingent liabilities and Contingent Assets

(I) Contingent Liabilities:

- (a) Claims against the company not acknowledged as debt;
- Rs. 421.08 crore** (Rs. 418.82 crore) net of provision of **Rs. 69.38 crore** (Rs.56.44 crore,). Against this the Company has counter claims of **Rs. 258.41 crore** (Rs. 278.24 crore). Interest on claims is not considered, being unascertainable.
 - 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.
 - Rs. 307.62 crore** (Rs. 141.66 crore) relating to Direct tax which includes **Rs. 197.23 crore** (Rs. 64.95 crore) on account of appeal filed by Income tax department before Income Tax appellate tribunal (ITAT) & High Court against order passed by Commissioner of Income tax (Appeals) & ITAT in favour of company.
 - Indirect tax disputed demands under appeal **Rs.327.43 crore** (Rs.266.27 crore) of which **Rs.110.44 crore** (Rs. NIL) has been reimbursed by the client and **Rs.43.89 crore** (Rs. 61.35 crore) are reimbursable from the clients.

Movement in respect of claims/demand at S. No. (I), (iii) and (IV) are as under:

(Rs. in crore)

S. No.	Particulars	Balance as at 31 st March 2017	Reduction during the year in respect of opening balance	Addition during the year	Balance as at 31 st March 2018
(i)	Claims against company (net of provision made)	418.82	96.16	98.42	421.08
(ii)	Demand relating to Direct Tax	141.66	46.84	212.80	307.63
(iii)	Indirect tax disputed demands under appeal	266.27	21.45	82.60	327.43
	Total	826.75	164.45	393.82	1,056.14

(b) Guarantees excluding financial guarantee

In respect of Joint arrangements/ Others:

- i. Sales-tax liability of International Metro Civil Contractor of **Rs. 4.25 crore** (Rs. 4.25 crore) and Service Tax **Rs. 1.01 crore** (Rs. 1.01 crore).
- ii. Bank guarantee in case of Ircon-RCS-PFLEIDERER of **Rs. 1.40 crore** (Rs. 1.40 crore).
- iii. Income Tax liability in the case of Metro Tunnelling Group of **Rs. 0.01 crore** (Rs.0.96 crore). Regular assessment for FY 2010-11, 2012-13 & 2013-14 has resulted in a demand of **Rs. 0.24 crore** as on 31.03.2018. The JV is disputing the assessment and has filed appeals against the orders.
- iv. Recovery suit against the International Metro Civil Contractor by M/s Sai Engineers is **Rs. 0.02 crore** (Rs. 0.02 crore).
- v. Bank Guarantee in case of Ircon - Afcon JV for **Rs. 14.28 crore** (Rs.25.72 crore) for Bhairab Railway Bridge Project, Bangladesh.

(c) Other money for which company is contingent liable

(Rs. in crore)

S. No.	Particulars	Balance as at 31 st March 2017	Reduction during the year in respect of opening balance	Addition during the year	Balance as at 31 st March 2018
(i)	Liquidated damages pending disposal of application for extension of time by clients	9.67	Nil	Nil	9.67

(II) Contingent Assets:

- i) Claims raised by Ircon on some of its clients and awarded by arbitrators in favour of Ircon against which clients have gone to court, not accounted for as receivables are **Rs.178.79 crore** (Rs.179.06 crore) including interest calculated upto 31.03.2018 as per arbitration award.
- ii) Counter Claims raised by Ircon on sub-contractors and awarded by arbitrators in favour of Ircon against which sub-contractors have gone to court, not accounted for as receivables are **Rs.13.80 crore** (Rs. 8.92 crore).
- iii) Insurance Claim of **USD 0.84 Mn** (USD 0.82 Mn) and Ethiopian **Birr 1.00 Mn** (ETB 0.95 Mn) equivalent to **Rs.5.66 crore** (Rs. 5.50 crore) including interest calculated upto 31.03.2018 awarded by Honourable Supreme Court of Ethiopia in favour of Ircon has not been accounted for, pending execution order by High Court of Ethiopia.

31. Commitments

a) Estimated amount of contracts remaining to be executed on capital account (net of advances) is **Rs. 733.70 crore** (Rs. 875.35 crore).

b) Other Commitments:

Commitments for fund/providing guarantee to/on behalf of joint arrangements:

- i) For subscribing towards balance share of equity of **Rs. 76.82 crore** (Rs. 33.66 crore) to joint venture company.
- ii) For release of balance shareholder's loan of **Rs. 169.00 crore** (Rs. 52.00 crore) to joint venture company.
- iii) Counter guarantee to State bank of India for issuance of letter of credit to Joint operation, Ircon Afcons JV, amounting to **Rs. 30.93 crore** (Rs. 2.26 crore).
- iv) An undertaking to Punjab National Bank for non-disposal of 21% of present holding of the company (1,34,12,700 shares of Rs. 10 each) in Joint Venture Company, Ircon-Soma Tollway Private Limited, amounting to **Rs. Nil** (Rs.13.41 crore).

32. There are certain claims against the Company not acknowledged as debt **Rs. 1,098.26 crore** (Rs.860.98 crore) net of provisions of **Rs. 1.13 crore** (Rs. 1.13 crore). In case such claims against the Company do materialize, it will be reimbursable from the clients. Against this the company has counter claims of **Rs.1,062.59 crore** (Rs. 950.94 crore). Interest on claims not considered, being unascertainable but would also be reimbursable.

- 33.** The Holding Company is liable to pay **Rs 0.04 crore** (Rs.0.70 crore) on account of taxes on construction profits of Sri Lanka projects which shall be directly reimbursed by Sri Lankan Railway to Sri Lankan Inland Revenue Department. Therefore, the same has not been provided in the books of accounts.
- 34.** (a) The company has made a provision for tax without considering the deduction under section 80IA of Income Tax Act 1961. For the period commencing from AY 2000-01 to 2017-18, deduction u/s 80-IA was allowed to company by CIT (A) for six different years (AY 2004-05, 2005-06, 2007-08, 2012-13, 2013-14 and 2014-15) and for AY 2000-01 it was allowed by ITAT. For these seven years provision has not been written back. Company has decided to carry this provision having conservative approach considering appeals filed by department against company for these years.
- (b) The company is offering global income for tax in India after excluding the income in accordance with DTAA agreements where income earned from foreign country are excluded from global income offered for taxation. The company was allowed exclusion method upto AY 2005-06, thereafter credit against taxes paid in foreign countries have been allowed from taxes computed on global income by department. After paying the due tax the issue has been contested by filing appeals which are pending for disposal before ITAT.
- 35.** (a) The Holding Company had 25% equity stake in Comphanhia Dos Caminhos De Ferro Da Beira SARL Mozambique (CCFB), a Joint Venture Company incorporated as per Mozambican laws in the year 2004 to execute a railway project awarded by the Government of Mozambique (GOM) on BOT basis and had paid USD 1.25 Mn (**Rs. 5.53 crore**). Other shareholders were RITES & CFM, Mozambique with 26% & 49% share respectively.
- (b) On 8th December 2011, Government of Mozambique (GoM) unilaterally terminated the concession agreement and took over the project which in the opinion of company was unlawful and against the provision of agreement. Consequently, CCFB initiated arbitration against the said decision of GoM. Dispute has now been amicably settled with Government of Mozambique on 21st October 2015 through settlement agreement. As per the settlement agreement, IRCON will get in installments an amount of USD 40.31 Million and out of this 23.525 USD (equivalent to INR 158.98 crore) was received up to 31.03.2017 and third installment of Rs 5.595 Mn (equivalent to INR 36.40 crore) has received in October 2017. Balance two installments of USD 5.595 Mn each are due on 18.10.2018 & 18.10.2019 which will be received through the confirmed Letter of Credit opened by Government of Mozambique.
- 36.** (a) Some of the balances shown under debtors, advances and creditors are subject to confirmation / reconciliation/ adjustment, if any. The Group has been sending letters for confirmation to parties. However, the Group does not expect any material dispute w.r.t. the recoverability/ payment of the same.
- (b) In the opinion of the management, the value of current assets, loans and advances on realization in the ordinary course of business, will not be less than the value at which these are stated in the balance sheet.

37. (a) Foreign exchange recognised statement of profit and loss:

(Rs. in crore)

Particulars	2017-18	2016-17
i) Profit or (loss) (except those recognised as financial instrument and measured at fair value)	1.37	(38.35)
ii) Other Comprehensive Income	4.86	16.15
TOTAL	6.23	(22.20)

(b) Disclosure of unhedged foreign currency exposure

The unhedged foreign currency exposure is as under:

(Rs. in crore)

Particulars	Currency	As at 31 st March 2018		As at 31 st March 2017	
		Foreign Currency in Crore	INR Crore	Foreign Currency in Crore	INR Crore
Assets :					
Advance to Contractors					
	DZD	0.07	0.04	5.18	3.06
	ZAR	0.87	4.85	2.73	13.24
	BDT	0.48	0.37		
	ETB	0.02	0.05	0.02	0.06
	NPR	1.37	0.86	1.75	1.10
Trade Receivables					
	BTN	-	-	2.92	2.92
	BDT	29.97	23.25	-	-
	DZD	32.85	18.81	19.66	11.65
	Euro	1.68	130.29	0.13	9.16
	MYR	0.20	3.37	0.41	6.02
	ZAR	0.70	3.90	2.39	11.18
	USD	0.31	20.18	0.91	58.73
Cash & Bank Balances					
	BTN	-	-	0.46	0.46
	BDT	2.70	2.08	5.39	4.21
	DZD	116.24	62.84	125.69	74.16
	ETB	0.00	0.01	-	0.01
	Euro	0.17	11.79	0.44	29.69
	LKR	2.97	1.24	14.81	6.31
	MYR	0.43	7.30	3.10	45.35
	ZAR	7.02	39.17	1.14	5.34
	USD	0.66	42.28	3.25	208.29
Other Assets					
	DZD	0.90	0.51	2.72	1.64
	ETB	0.07	0.18	0.07	0.21
	MZN	0.06	0.06	-	-
	Euro	0.32	25.70	0.05	3.68
	LKR	0.22	0.09	-	-
	MYR	0.04	0.68	2.58	37.80
	BDT	0.12	0.09		
	ZAR	4.70	26.24	0.16	0.75
	USD	1.77	114.92	1.69	108.26
	NPR	2.63	1.65	2.24	1.40
Liabilities :					
Advance from Client					
	BDT	109.71	85.11	115.45	93.61
	Euro	-	-	0.07	4.68

(Rs. in crore)

Particulars	Currency	As at 31 st March 2018		As at 31 st March 2017	
		Foreign Currency in Crore	INR Crore	Foreign Currency in Crore	INR Crore
	ZAR	-	-	4.36	21.17
	USD	-	-	0.41	26.62
Trade Payable					
	BTN	-	-	0.67	0.67
	BDT	0.14	0.10	1.37	1.13
	DZD	13.26	7.59	30.44	17.96
	Euro	0.54	42.47	0.33	22.71
	JPY	0.05	0.03	0.05	0.03
	MYR	0.02	0.36	0.27	3.89
	ZAR	1.56	8.73	0.24	1.14
	USD	1.18	77.80	1.84	67.50
Other Liabilities					
	BTN	-	-	0.38	0.38
	BDT	3.51	2.72	3.35	2.70
	DZD	4.85	2.77	22.59	13.33
	ETB	1.36	3.23	0.10	0.27
	Euro	0.12	9.96	0.11	7.69
	MYR	0.11	1.89	0.99	14.48
	ZAR	16.89	94.22	1.62	7.85
	USD	1.18	134.80	1.08	71.49
	NPR	2.06	1.29	3.15	1.97

The unhedged foreign currency exposures are naturally hedged.

DZD- Algerian Dinar, ZAR-South African Rand, LKR-Sri Lankan Rupee, ETB-Ethiopian Birr, MYR-Malaysian Ringgit, NPR-Nepalese Rupee, MZN-Mozambican Metical, BTN-Bhutanese Ngultrum, BDT-Bangladeshi Taka, AUD-Australian Dollar, JPY-Japanese Yen

38. Disclosure regarding Leases:

I. Assets taken on operating lease:

The Group's leasing arrangements are in respect of operating leases of premises for residential use of employees, offices, guesthouses and transit camps. Most of the leasing arrangements are cancellable and are usually renewable on mutually agreed terms. The amounts of lease payments during the year are as under:

- Lease payments (net of recoveries) in respect of premises for residential use of employees **Rs. 3.55 crore** (Rs.3.75 crore) (included in salaries & wages note 23).
- Lease payments in respect of office premises, guesthouses and transit camps – **Rs. 6.66 crore** (Rs. 6.51 crore) (included in operating & administrative expenses note 22.).

II. Assets given on operating lease:

- The Group has given certain commercial/residential premises on operating lease which are cancellable by giving appropriate notices as per respective agreements.
- The Group has also provided Plant & Machinery (Locomotives) on wet lease basis to a foreign client till 31.12.2015.
- The Group has sub-leased 23 Multi-Functional Complexes to various sub-lessees upto 31.03.2018. Out of which, sub-lease agreement of 6 MFC's has been terminated.

(d) The amount of lease rent received during the year is as under:

1. Lease rent in respect of non-residential premises – **Rs. 7.89 crore** (Rs. 8.01 crore) (included in miscellaneous income note 21.)
2. Lease rent in respect of locomotives - **Rs. NIL** (Rs.0.88 crore) (included in loco lease note 20)
3. Lease rent in respect of sub-leasing of 23 MFCs - **Rs. 14.83 crore** (Rs 13.66 crore) (included in MFC lease note 20).

(e) Future minimum lease rental receivable as on 31.03.2018 in respect of non – cancellable operating lease for each of the following period is as under:

(Rs. in crore)

Lease Rent Receivable	31 March 2018	31 March 2017
Within One year		
- Premises	0.37	0.35
- Locomotives	NIL	NIL
- Multi Functional Complexes (MFCs)	18.34	17.20
After one year but not more than five years		
- Premises	2.16	2.06
- Locomotives	NIL	NIL
- Multi Functional Complexes (MFCs)	104.89	80.21
More than five years		
- Premises	0.93	1.41
- Locomotives	NIL	NIL
- Multi Functional Complexes (MFCs)	762.81	895.35

(f) Details of assets given on lease during the year:

(Rs. in crore)

Particulars	As at 31 st March 2018			As at 31 st March 2017		
	Premises	Locos	MFCs	Premises	Locos	MFCs
Gross Carrying amount of assets	3.51	-	75.45	3.51	30.9	97.27
Depreciation for the year	0.06	-	2.05	0.07	-	1.99
Impairment loss for the year	0.00	-	---	-	0.21	-
Accumulated Depreciation	0.47	-	5.97	0.41	29.35	5.35

39. Segment Reporting:

A. General Information:

- (i) The Company has determined reportable operating segments from geographical perspective.
- (ii) The Company's source of risk and rewards are derived from the units spread across the globe and hence, International projects and Domestic projects are considered as individual operating segments.
- (iii) The operating segments have been reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM).
- (iv) These operating segments are monitored by company's Chief Operating Decision Maker (CODM) and strategic decisions are made on the basis of segments results. Segment performance is evaluated based on the profit of each segment.

B. Information about reportable segments and reconciliation to amounts reflected in the financial statements:

(Rs. in crore)

Particulars	International		Domestic		Total	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
A. Turnover						
Revenue from External Customers	588.49	253.80	3,412.68	2,694.27	4,001.17	2,948.07
Company share of turnover in Integrated Joint operations	26.09	88.28	0.25	1.62	26.34	89.90
Interest Income	6.02	6.97	135.89	201.24	141.91	208.21
Other Income	15.36	5.47	27.62	49.68	42.98	55.15
Inter-segment	-	-	-	-	-	-
Total Revenue	635.96	354.52	3,576.44	2,946.81	4,212.40	3,301.33
B. Result						
Profit before Provision, Depreciation, Interest, Exceptional items and Tax.	23.62	12.09	536.39	502.84	560.01	514.93
Less: Provision & write backs (Net)	(44.46)	(41.42)	34.82	32.37	(9.64)	(9.05)
Depreciation, amortization and impairment	4.12	7.48	12.29	19.21	16.41	26.69
Interest	0.00	-	-	9.65	-	9.65
Exceptional item	-	(73.69)	-	-	-	(73.69)
Share in Profit/(Loss) of Joint Ventures	-	-	5.16	5.60	5.16	5.60
Profit Before Tax	63.96	119.72	494.44	436.01	558.40	555.73
Tax Expense	27.15	65.56	119.63	105.98	146.78	171.54
Profit After Tax	36.81	54.16	374.81	330.03	411.62	384.19

C. Other Information

(Rs. in crore)

Particulars	International		Domestic		Total	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
Assets	604.06	659.96	12,174.17	8,571.44	12,778.23	9,231.40
Liabilities	465.74	556.92	8,550.73	4,837.76	9,016.47	5,394.68
Investment in Joint Ventures accounted for by the equity method	0.00	-	276.43	239.57	276.43	239.57
Non-Current Assets Other than financial instruments, deferred tax assets, net defined benefit assets	30.74	48.06	1,642.46	1,428.60	1,673.20	1,476.66
Capital Expenditure (Addition to PPE, CWIP, Investment Property, Other Intangible Assets and Intangible assets under development)	3.07	1.12	718.06	530.60	721.13	531.72

D. Information about major Customers:

- (i) During the year ended March 31, 2018, Operating Revenue of approximately 48.62% (38.15%) derived from single external customers in Domestic Segment.

40. Interest in other Entities

Disclosure in respect of Joint arrangements

- (a) Unincorporated Joint operations:

- i) For projects in operation:

S. No.	Name of the Joint operations	Principal place of Business	Partner(s) and Country of Origin	Participating Interest (in %) as on 31 st March	
				March 2018	March 2017
1.	IRCON-SPSCPL	J&K, India	Ircon, India SPSCPL, India	50.00 50.00	50.00 50.00
2.	IRCON-AFCONS	Bangladesh	Ircon, India Afcons Infrastructure Ltd., India	53.00 47.00	53.00 47.00
3.	Express Freight Consortium	Gujarat, Maharashtra, India	Mitsui, Japan Ircon, India Tata Project Ltd., India	51.00 30.00 19.00	51.00 30.00 19.00
4.	Express Freight Railway Consortium	Maharashtra, India	Mitsui, Japan Ircon, India Tata Project Ltd., India	51.00 30.00 19.00	51.00 30.00 19.00

- ii) For projects which have been completed:

S. No.	Name of the Joint operations	Principal place of Business	Partner(s) and Country of Origin	Participating Interest (in %) as on 31 st March	
				March 2018	March 2017
1	RICON	Delhi NCR, India	Ircon, India RITES, India	49.00 51.00	49.00 51.00
2	Ircon-COBRA-ELIOP	Delhi NCR, India	Ircon, India COBRA, Spain ELIOP, Spain	61.22 34.35 4.43	61.22 34.35 4.43
3	Ircon- Sree Bhawani Builders	Chennai, India	Ircon, India Sree Bhawani Builders, India	24.21 75.79	24.21 75.79
4	Ircon-SMJ Project JV	Tamilnadu, India	Ircon, India Sumber Mitra Jaya, Indonesia	55.00 45.00	55.00 45.00

S. No.	Name of the Joint operations	Principal place of Business	Partner(s) and Country of Origin	Participating Interest (in %) as on 31 st March	
				March 2018	March 2017
5	International Metro Civil Contractor. (IMCC)	Delhi NCR, India	Dywidag, Germany	29.00	29.00
			Larsen & Tubro Ltd., India	26.00	26.00
			Samsung Corp., Korea	26.00	26.00
			Shimizu Corp., Japan	9.50	9.50
			Irecon, India	9.50	9.50
6	Metro Tunnelling Group (MTG)	Delhi NCR, India	Dywidag, Germany	29.00	29.00
			Larsen & Tubro Ltd., India	26.00	26.00
			Samsung Corp., Korea	26.00	26.00
			Shimizu Corp., Japan	9.50	9.50
			Irecon, India	9.50	9.50
7	Irecon-GANNON Dunkerly	Uttar Pradesh, India	Irecon, India	55.70	55.70
			GANNON Dunkerly	44.30	44.30
8	Irecon-RCS-PFLEIDERER	J&K, India	Irecon, India	65.08	65.08
			Rayalseema Concrete Sleepers Pvt. Ltd, India	21.87	21.87
			Pfleiderer Infrastructure tecnik Gmbh & Co, Germany	13.05	13.05

(b) Joint-Venture Companies:

S. No.	Name of JV Company	Principal place of Business	Shareholders and country of origin	Participating of Ownership	
				As at 31 st March 2018	As at 31 st March 2017
1	Irecon-Soma Tollway Private Limited (ISTPL)	Maharashtra, India	Irecon, India	50.00	50.00
			Soma Enterprise Limited, India	50.00	50.00
2	Chhattisgarh East Railway Limited (CERL)	Chhattisgarh, India	Irecon, India	26.00	26.00
			SECL, India	64.00	64.00
			CSIDC	10.00	10.00
3	Chhattisgarh East-West Railway Limited (CEWRL)	Chhattisgarh, India	Irecon, India	26.00	26.00
			SECL, India	64.00	64.00
			CSIDC	10.00	10.00
4	Mahanadi Coal Rail Limited (MCRL)	Odisha, India	Irecon, India	26.00	26.00
			MCL, India	64.00	64.00
			GoO, India	10.00	10.00

S. No.	Name of JV Company	Principal place of Business	Shareholders and country of origin	Participating of Ownership	
				As at 31 st March 2018	As at 31 st March 2017
5	Jharkhand Central Railway Limited (JCRL)	Jharkhand, India	Ircon, India CCL, India GoJ, India	26.00 64.00 10.00	26.00 64.00 10.00
6	Baster Railway Private Limited (BRPL)	Chhattisgarh, India	Ircon, India NMDC, India SAIL, India CMDC, India	26.00 43.00 21.00 10.00	26.00 43.00 21.00 10.00
7	Indian Railway Station Development Corporation Limited**	New Delhi, India	Ircon, India RLDA	50.00 50.00	- -

****Ministry of Railway vide letter dated 10.04.2017 has decided to transfer 1% equity to RLDA from IRCON, thereby revising the ownership and non-controlling interest to 50:50.**

(c) Contingent Liabilities of the Joint arrangements are disclosed in note 31 (b).

41. Related Party disclosures: Related party to be identified at per IND AS

a) Enterprises where control exists:

(i) Subsidiary Companies: -

- Ircon Infrastructure and Services Limited. (IISL)
- IrconPB Tollway Limited. (IPBTL)
- IrconShivpuriGuna Tollway Limited (ISGTL)
- Devangare Haveri Highway Limited (IDHHL)
- Indian Railway Station Development Corporation Limited till September 18, 2017

(ii) Joint arrangements: -

- Unincorporated Joint operations – As per Note no. 40 (a) above
- Joint Venture Companies – As per Note no. 40 (b) above.

b) Key management personnel:

- (i) Whole time Directors: -S/Shri S.K. Chaudhary, M.K.Singh, Deepak Sabhlok and Hitesh Khanna till March 28, 2018.
- (ii) Directors (Official Government nominated): - S/Shri Rajiv Chaudhary, S/Shri S.C Jain w.e.f. 3rd January, 2017 to 17th November, 2017, S/Shri Ved Pal w.e.f. 22nd November, 2017.
- (iii) Independent Directors: - S/Shri Avineesh Matta, Ms. Vasudha V. Kamat, Dr. C.B Venkataramana w.e.f 29th sept 2017, Dr. Narendra Singh Raina, w.e.f 17th oct 2017, and Sh. Ashok Kumar Ganju w.e.f. March 8, 2018 and S/Shri Sanjay Kumar Singh till 02nd July 2018

Company Secretary: -

Smt. Sumita Sharma till 27th October, 2017

Smt. Iti Matta w.e.f. 1st November, 2017 to 4th January, 2018

Smt. Ritu Arora w.e.f 4th January, 2018

iv) Disclosure of transactions with related parties:

(Rs. in crore)

Particulars	Transactions During the year		Particulars of Contracts/ Arrangements
	2017-18	2016-17	Nature of Transaction
1. Remuneration to key management personnel (b above) & Sitting Fees to other Independent Directors	As per Note No. 42		
2. Purchase of Goods & Services (including CSR expenses)/Lease of PPE/Any other transaction			
Joint Arrangements/ Joint Venture			
Chhattisgarh East Railway Limited (CERL)	-	0.70	Interest paid
IRCON AFCONS JV	0.46	-	Purchase of Equipment and Material
Total	0.46	0.70	
3. Sale of Goods & Services/Interest Income/ Any other transaction			
Joint Arrangements/ Joint Venture			
Ircon-Soma Tollway Private Limited. (ISTPL)	0.03	0.03	Rent for the Premises
Chhattisgarh East Railway Limited (CERL)	189.85	130.07	Consultancy & works receipts
Chhattisgarh East Railway Limited (CERL)	10.44	6.26	Interest on Loan
Chhattisgarh East-West Railway Limited (CEWRL)	60.50	37.51	Consultancy receipts
Chhattisgarh East-West Railway Limited (CEWRL)	3.08	4.87	Interest on Loan
IRCON AFCONS JV	-	0.20	Interest on Loan
Mahanadi Coal Rail Limited (MCRL)	6.66	5.54	Consultancy & work receipts
Baster Railway Private Limited (BRPL)	24.00	-	
Jharkhand Central Railway Limited (JCRL)	3.77	-	Consultancy & work receipts
Total	298.33	184.48	
4. Equity Investments in Joint Venture			
Joint Arrangements/ Joint Venture			
Chhattisgarh East Railway Limited (CERL)	-	43.41	
Chhattisgarh East-West Railway Limited (CEWRL)	-	130.00	
Baster Railway Pvt. Ltd. (BRPL)	-	1.18	
Jharkhand Central Railway Limited (JCRL)	11.70	1.30	
CCFB		(5.53)	Disinvestment
Indian Railway Station Development Corporation Limited (IRSDC)	20.00	-	Application money pending for Share Allotment
Indian Railway Station Development Corporation Limited (IRSDC)	(0.40)	-	Disinvestment

(Rs. in crore)

Particulars	Transactions During the year		Particulars of Contracts/ Arrangements
	2017-18	2016-17	Nature of Transaction
5. Loan To Joint Arrangements			
Joint Arrangements/ Joint Venture			
Chhattisgarh East Railway Limited (CERL)	26	78.00	Loan Disbursed
Chhattisgarh East Railway Limited (CERL)	(143.00)	-	Repayment of loan
Chhattisgarh East-West Railway Limited (CEWRL)	39.00	19.50	Loan Disbursed
Chhattisgarh East-West Railway Limited (CEWRL)	(39.00)	-	Repayment of loan
IRCON AFCONS JV	-	7.50	Loan Disbursed
IRCON AFCONS JV	-	(7.50)	Repayment of loan
6. Reimbursement of deputation staff expenses, rent & other misc. expenses (Income)			
Joint Arrangements/ Joint Venture			
Indian Railway Station Development Corporation Limited (IRSDC)	4.23	-	Rent and electricity during the year transaction
Ircon-Soma Tollway Private Limited (ISTPL)	-	0.56	Reimbursement
Indian Railway Station Development Corporation Limited (IRSDC)	-	1.51	
Mahanadi Coal Rail Limited (MCRL)	0.28	-	Reimbursement
IRCON AFCONS JV	-	-	Reimbursement
Trust			
Ircon Gratuity Trust	7.77	7.82	Reimbursement
Ircon Gratuity Trust	14.34	-	Contribution to Trust
Ircon Employees Contributory PF Trust	34.12	28.52	Contribution to Trust
Ircon Pension Trust	8.84	7.61	Contribution to Trust
Ircon Medical Trust	-	3.38	Contribution to Trust
Total	69.58	49.40	

(v) Disclosure of amount due to/from related parties

(Rs. in crore)

Particulars	Amount	
	As at 31 st March 2018	As at 31 st March 2017
Amount Receivables		
(1) Loan outstanding to Joint Venture (Including interest accrued)		
Joint Arrangements/ Joint Venture	39.01	171.44
Chhattisgarh East Railway Limited (CERL)	-	127.67
Chhattisgarh East-West Railway Limited (CEWRL)	39.01	43.77
(2) For Other Services, reimbursements etc.		
Joint Arrangements/ Joint Venture		
Indian Railway Station Development Corporation Limited (IRSDC)	0.71	0.48
Ircon-Soma Tollway Private Limited (ISTPL)	7.23	7.71
Baster Railway Pvt. Ltd. (BRPL)	28.32	-
Chhattisgarh East Railway Limited (CERL)	36.31	41.29
Chhattisgarh East-West Railway Limited (CEWRL)	54.72	5.29
Mahanadi Coal Rail Limited (MCRL)	0.58	4.72
Express Freight Corridor (EFC)	0.18	
Express Freight Railway Consortium (EFRC)	0.15	
RICON	-	0.44
Trust		
Ircon Gratuity Trust	1.12	2.26
Amount Payable		
1) For Other Services		
Joint Arrangements / Joint Venture		
Chhattisgarh East Railway Limited (CERL)	-	28.15
Chhattisgarh East-West Railway Limited (CEWRL)	-	18.57
IRCON AFCONS	-	7.80
Mahanadi Coal Rail Limited (MCRL)	-	0.02
Ircon-Soma Tollway Private Limited (ISTPL)	3.05	
2) Advance work receipts		
Joint Venture		
Mahanadi Coal Rail Limited (MCRL)	8.87	5.52
Baster Railway Private Limited (BRPL)	9.78	-
3) Advance Received		
Joint Arrangements/ Joint Venture		
Jharkhand Central Railway Limited (JCRL)	0.62	5.00
Trusts		
Gratuity Trust	14.34	

d) Transaction with the Related Government entities

Apart from transactions reported above, the company has transactions with related Government entities which includes but not limited to the following:

Name of Government: Ministry of Railways, Government of India (Significant control over company)

Certain significant transactions & Closing balances:

Transactions during the year:

(Rs. in crore)

S.No.	Particulars	2017-18	2016-17
i)	Sales	1,733.28	1,265.20
ii)	Interest Passed on	166.61	159.36
iii)	Dividend Paid	191.87	183.73
iv)	Dividend Passed on	2.33	1.45

Note: Purchases are heterogeneous in nature, thus immaterial. Hence not disclosed.

Closing balances:

(Rs. in crore)

S.No.	Particulars	2017-18	2016-17
i)	Receivable	89.51	88.16
ii)	Billable revenue/receivables not due	68.97	68.50
iii)	Claims recoverable	-	0.87
iv)	Advance Received	2,714.83	3,247.36
v)	Advance work receipts	1.58	0.38
vi)	Loan from IRFC under Ministry of Railways	3,200.00	-
vii)	Advance payment against lease to RLDA	2,580.00	-

42. Details of remuneration to Directors/Key Managerial Persons:

(Rs. in crore)

S.No.	Particulars	2017-18	2016-17
I	Salary & allowances*	2.10	1.51
II	Contribution to provident fund, pension	0.18	0.14
III	Reimbursement of medical expenses	0.02	0.03
IV	Sitting fee	0.14	0.07
V	Other benefits	0.26	0.33
	TOTAL	2.70	2.08

Outstanding loan to Shri M K Singh as on 31.03.2018 is Rs 1.16 Lakhs (Rs 1.64 Lakh).

*Figures of 2017-18 include PRP of Rs.0.13 crore paid during the financial year; 2015-16.

Recovery as applicable has been made from Directors who have been provided with Company accommodation and car.

43. During the year, holding company has carried out assessment on impairment of individual assets by working out the recoverable amount based on lower of the net realisable value and carrying cost in terms of Ind AS 36, "Impairment of Assets" notified under section 133 of the companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian accounting standards) Amendment Rules 2016.

Accordingly, impairment loss of **Rs. NIL** (Rs. 1.26 Crore) has been provided for.

44. Disclosure under Ind AS-19 on Employee benefits

Provident Fund

The Holding Company pays fixed contribution of Provident Fund at a pre-determined rate to a separate trust, which invests the funds in permitted securities. The trust is required to pay a minimum rate of interest on contribution to the members of the trust. The amount available in the fund including the returns on investment is greater than the obligation of the company. During the year, the Holding Company has contributed **Rs. 11.81 crore** (Rs. 10.84 crore) to the trust.

Gratuity

The Holding Company has implemented IRCON Employees Group Gratuity Scheme to provide financial assistance to the employees of the Holding Company as a social security measure on the termination of their employment due to superannuation, retirement, resignation, physical incapacitation or death. The scheme is managed by a separate Trust formed in the year 2015-16 for this purpose and approved by the Income Tax Authorities. Funds of the Trust are managed by LIC of India. As on 31.03.2018, a Liability of **Rs. 14.34 crore** has been booked in the books of accounts based on actuarial valuation.

Pension

The Holding Company has implemented IRCON Defined Contribution Superannuation Pension Scheme, 2009 w.e.f. 01.04.2009, for all regular employees drawing pay in IDA scale who would complete 15 years of service in the Company (including service in other CPSEs) upto normal retirement date. The scheme is managed by a separate Trust formed in the year 2015-16 for this purpose and approved by the Income Tax Authorities. Holding Company's share of contribution amounting to Rs.6.32 crore for the period from 01.04.2017 to 28.02.2018 has been paid and accounted for during the year 2017-18. Liability for the month of March 2018 of **Rs. 0.77 crore** (Rs.0.51 Crore) has been provided in the books of accounts.

Post-Retirement Medical Facility (PRMF)

The Holding Company had established an irrevocable trust by initial one-time contribution of Rs 12 crore during the year 2000-01 for providing annuity, medical and other benefits to the spouse of employees who die in harness as also the medical benefits to the employees (and spouse) who superannuate from the Company. This being a voluntary welfare measure, the Company is not liable for providing such benefits to its employees. However, Holding Company has also kept provision of **Rs.12.81 crore** (Rs 8.32 crore) based on the decision of management.

Leave Encashment

The liability towards encashment of leave as per rules of the Holding Company is recognised on the basis of actuarial valuation except for employees posted in foreign projects. Since, the foreign assignments are treated as dies - non, liability for those employees is provided in the books on accrual basis as the amount is payable to employee on repatriation.

Leave Travel Concession (LTC)

The company has made a provision in respect of leave travel concession (LTC) on the basis of actuarial valuation in accordance with IND AS-19.

Other Retirement Benefits

Other retirement benefits include settlement at home-town or to the place where he or his family intends to settle in India including Baggage Allowance. The liability on this account is recognized on the basis of actuarial valuation.

The summarised position of various employee benefits recognised in the statement of profit and loss and balance sheet as on 31.03.2018 is as under:

(i) Service Cost

(Rs. in crore)

S.No.	Particulars	Gratuity	Leave Encashment*	LTC	Other Retirement Benefits
a)	Current Service Cost	3.72 (3.55)	4.04 (3.40)	0.01 (0.01)	3.45 (2.63)
b)	Past Service Cost including curtailment Gains/Losses	8.94 (--)	-- (--)	-- (--)	-- (--)
c)	Gains or Losses on Non routine settlements	-- (--)	-- (--)	-- (--)	-- (--)
d)	Difference in HPL leave days balance in Opening	-- (--)	-- ((26.66))	-- (--)	-- (--)
	Total	12.66 (3.55)	4.04 ((23.26))	0.01 (0.01)	3.45 (2.63)

* Except employees posted on Foreign Projects

(ii) Net Interest Cost

S.No.	Particulars	Gratuity	Leave Encashment*	LTC	Other Retirement Benefits
a)	Interest cost on Defined Benefit Obligation	5.32 (5.40)	4.07 (4.07)	0.03 (0.02)	6.15 (5.35)
b)	Interest Income on Plan Assets (Expected)	5.38 (5.02)	-- (--)	-- (--)	5.03 (4.45)
c)	Net Interest Cost (Income)	(0.07) (0.38)	4.07 (4.07)	0.03 (0.02)	1.11 (0.89)

*Except employees posted on Foreign Projects

(iii) Changes in Present Benefit Obligation

S.No.	Particulars	Gratuity	Leave Encashment*	LTC	Other Retirement Benefits
a)	Present value of obligation as at the beginning of the period	70.89 (72.06)	54.25 (80.90)	0.33 (0.23)	81.95 (71.27)
b)	Difference in HPL leave days balance in Opening	- (-)	- ((26.66))	- (-)	- (-)
c)	Interest Cost	5.32 (5.40)	4.07 (4.07)	0.03 (0.02)	6.15 (5.35)
d)	Service Cost	3.72 (3.55)	4.03 (3.40)	0.01 (0.01)	3.45 (2.63)
e)	Past Service Cost including curtailment Gains/ Losses	8.94 (-)	- (-)	- (-)	- (-)
f)	Benefits Paid	(9.24) ((5.56))	(8.97) ((4.90))	(0.02) ((0.08))	(1.82) ((1.11))
g)	Total Actuarial (Gain)/Loss on Obligation	2.41 ((4.57))	3.73 ((2.56))	(0.31) (0.16)	7.30 (3.82)
h)	Present Value of obligation as at the end of the period	82.04** (70.89)	57.12 (54.25)	0.04 (0.33)	97.02 (81.95)

* Except employees posted on Foreign Projects.

**Resigned employees liability of Rs.7,59,722 is added in total PBO.

(iv) Actuarial (Gain)/Loss on Obligation

S.No.	Particulars	Gratuity	Leave Encashment*	LTC	Other Retirement Benefits
a)	Actuarial (Gain) Loss on arising from change in Demographic Assumption	-- (--)	-- (--)	-- (--)	-- (--)
b)	Actuarial (Gain)/Loss on arising from change in Financial Assumption	-- (--)	-- (--)	-- (--)	- (-)
c)	Actuarial (Gain) Loss on arising from Experience Adjustment	2.41 ((4.57))	3.73 ((2.56))	(0.31) (0.16)	7.30 (3.82)

* Except employees posted on Foreign Projects .

(v) Actuarial (Gain)/Loss on Plan Asset

S.No.	Particulars	Gratuity	Leave Encashment *	LTC	Other Retirement Benefits
a)	Expected Interest Income	5.38 (5.02)	- (--)	- (--)	5.03 (4.45)
b)	Actual Income on Plan Asset	5.16 (5.56)	- (--)	- (--)	4.87 (5.46)
c)	LIC Mortality Charges	-- ((0.29))	- (--)	- (--)	-- (--)
d)	Actuarial gain (loss) for the year on Asset	(0.22) (0.24)	- (--)	- (--)	(0.16) (1.00)

* Except employees posted on Foreign Projects.

(vi) Balance Sheet and related analysis

S.No.	Particulars	Gratuity	Leave Encashment*	LTC	Other Retirement Benefits
a)	Present Value of the obligation at end	82.04 (70.89)	57.12 (54.25)	0.04 (0.33)	97.02 (81.95)
b)	Fair Value of plan assets	67.69 (71.77)	-- (--)	-- (--)	70.19 (67.12)
c)	Unfunded Liability/provision in Balance Sheet	(14.35) (0.87)	(57.12) ((54.25))	0.04 ((0.33))	(26.84) ((14.83))
d)	Unfunded liability recognized in Balance Sheet	(14.35) (0.87)	(57.12) ((54.25))	0.04 ((0.33))	(26.84) ((14.83))

* Except employees posted on Foreign Projects.

(vii) The amounts recognized in the income statement

S.No.	Particulars	Gratuity	Leave Encashment*	LTC	Other Retirement Benefits
a)	Service Cost	12.66 (3.55)	4.03 ((23.26))	0.01 (0.01)	3.45 (2.63)
b)	Net Interest Cost	(0.07) (0.38)	4.07 (4.07)	0.03 (0.02)	1.11 (0.89)
c)	Net actuarial (gain)/ loss recognized in the period	-- (--)	3.73 ((2.56))	-- (--)	-- (--)
d)	Actuarial gain / (loss) for the year on PBO	- (-)	- (-)	(0.31) ((0.16))	- (-)
e)	Expense recognized in the Income Statement	12.60 (3.93)	11.84 ((21.75))	(0.28) (0.03)	4.56 (3.52)

* Except employees posted on Foreign Projects.

(viii) Other Comprehensive Income (OCI)

S.No.	Particulars	Gratuity	Leave Encashment*	LTC	Other Retirement Benefits
a)	Net Cumulative unrecognized actuarial gain/(loss) opening	-- (--)	-- (--)	-- (--)	-- (--)
b)	Actuarial gain/(loss) for the year on PBO	(2.41) (4.57)	-- (--)	-- (--)	(7.30) ((3.82))
c)	Actuarial gain /(loss) for the year on Asset	(0.22) (0.24)	-- (--)	-- (--)	(0.16) (1.01)
d)	Unrecognized actuarial gain/(loss) at the end of the year	(2.63) (4.81)	-- (--)	-- (--)	(7.46)** ((2.81))

* Except employees posted on Foreign Projects.

** The unrecognized actuarial loss (OCI) of **Rs. 7.46 crore** (Rs 2.81 crore) consisting of loss of **Rs.7.65 crore** (Rs 2.97 crore) in respect of liability towards Post-Retirement Medical Benefits (PRMB) and gain of **Rs.0.19 crore** (Rs 0.16 crore) in respect of liability towards Settlement allowance. Since the liability in respect of PRMB has not been provided as per Actuarial valuation and has been restricted as per DPE guidelines, therefore, the OCI in respect of PRMB, as per Actuarial valuation, has not been considered.

(ix) Change in plan assets

S.No.	Particulars	Gratuity	Leave Encashment*	LTC	Other Retirement Benefits
a)	Fair value of plan assets at the beginning of the period	71.77 (66.96)	-- (--)	-- (-)	67.12 (59.38)
b)	Actual Income on plan assets	5.47 (5.56)	-- (--)	-- (-)	4.87 (5.46)
c)	LIC Mortality Charges	(0.31) ((0.30))	-- (--)	-- (-)	- (--)
d)	Employer contribution	-- (5.11)	-- (--)	-- (-)	- (3.38)
e)	Benefits paid	(9.24) ((5.56))	-- (--)	-- (-)	(1.80) ((1.10))
f)	Fair value of plan assets at the end of the period	67.69 (71.77)	-- (--)	-- (-)	70.19 (67.12)

* Except employees posted on Foreign Projects.

(x) Major categories of plan assets (as percentage of total plan assets)

S.No.	Particulars	Gratuity	Leave Encashment*	LTC	Other Retirement Benefits
a)	Government of India Securities	-- (--)	-- (--)	-- (-)	-- (--)
b)	State Government securities	-- (--)	-- (--)	-- (-)	-- (--)
c)	High Quality Corporate Bonds	-- (--)	-- (--)	-- (-)	-- (--)
d)	Equity Shares of listed companies	-- (--)	-- (--)	-- (-)	-- (--)
e)	Property	-- (--)	-- (--)	-- (-)	-- (--)
f)	Funds Managed by Insurer	100% (100%)	-- (--)	-- (-)	100% (100%)
g)	Bank Balance	-- (--)	-- (--)	-- (-)	-- (--)
	Total	100% (100%)	-- (-)	-- (-)	100% (100%)

* Except employees posted on Foreign Projects.

(xi) Change in Net Defined Benefit Obligation

S.No.	Particulars	Gratuity	Leave Encashment*	LTC	Other Retirement Benefits
a)	Net defined benefit liability at the start of the period	(0.88) (5.11)	54.25 (80.90)	0.33 (0.23)	14.83 (11.89)
b)	Service Cost	12.66 (3.55)	4.04 ((23.26))	0.01 (0.01)	3.45 (2.63)
c)	Net Interest Cost (Income)	(0.07) (0.38)	4.07 (4.07)	0.03 (0.02)	1.11 (0.89)
d)	Re-measurements	2.63 ((4.81))	3.73 ((2.56))	(0.31) (0.16)	7.46 (2.81)
e)	Contribution paid to the fund	-- ((5.11))	-- (--)	-- (--)	-- ((3.38))
f)	Benefit paid directly by the enterprise	-- (--)	(8.97) ((4.90))	(0.02) ((0.08))	(0.01) ((0.02))
g)	Net defined benefit liability at the end of the period	14.35 ((0.88))	57.12 (54.25)	0.04 (0.33)	26.84 (14.83)

* Except employees posted on Foreign Projects.

(xii) Bifurcation of PBO at the end of the year in current and non-current

S.No.	Particulars	Gratuity	Leave Encashment*	LTC	Other Retirement Benefits
a)	Current Liability (Amount due within one year)	8.70** (7.31)	4.57 (4.52)	0.01 (0.03)	1.97 (2.01)
b)	Non-current liability (Amount due over one Year)	73.33 (63.58)	52.53 (49.73)	0.03 (0.30)	95.05 (79.93)
	Total PBO at the end of the year	82.04 (70.88)	57.12 (54.25)	0.04 (0.33)	97.02 (81.95)

* Except employees posted on Foreign Projects.

**Resigned employees liability of 7,59,722 is added in total PBO.

(xiii) Expected contribution for the next Annual reporting period.

S.No.	Particulars	Gratuity	Leave Encashment*	LTC	Other Retirement Benefits
a)	Service Cost	4.42 (3.73)	4.68 (3.71)	0.01 (0.02)	3.87 (2.82)
b)	Net interest Cost	1.08 ((0.07))	4.28 (4.07)	-- (0.03)	5.05 (4.39)
c)	Net actuarial (gain)/loss recognized in the period	-- (--)	-- (1.90)	-- (--)	-- (--)
d)	Expected Expense for the next annual reporting period	5.50 (3.67)	8.96 (9.67)	0.01 (0.05)	8.92 (7.22)

* Except employees posted on Foreign Projects.

(xiv) Sensitivity Analysis of the defined benefit obligation

a) Impact of the change in discount rate					
S.No.	Particulars	Gratuity	Leave Encashment*	LTC	Other Retirement Benefits
	Present value of obligation at the end of the period	82.04	57.12	0.04	97.02
i)	Impact due to increase of 0.50%	(2.35)	(2.17)	-	(2.80)
ii)	Impact due to decrease of 0.50%	2.50	2.34	-	2.97

b) Impact of the change in salary increase					
	Present value of obligation at the end of the period	82.04	57.12	-	1.29
i)	Impact due to increase of 0.50%	1.25	2.32	-	0.05
ii)	Impact due to decrease of 0.50%	(1.29)	(2.17)	-	(0.05)

* Except employees posted on Foreign Projects.

(Previous year figures are shown under bracket () to differentiate from current year figures.)

Sensitivity due to mortality & withdrawals are not material & hence impact of change not calculated.

Sensitiveness as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

(xv) Actuarial Assumptions

a. Method used	Projected Unit Credit Method
b. Discount rate	7.50%
c. Rate of increase in compensation levels	8.00%
d. Average outstanding service of employees up to retirement	12.19 to 13.19 years
e. Estimated term of benefit obligations	10.14 to 10.77 years

45. Disclosure under Ind AS-11 on Revenue from contracts in progress

- Method Used to determine Contract Revenue: - Percentage of completion.
- Method Used to determine the Stage of completion of Contract in progress: - Proportion of cost incurred of work certified up to the reporting date to the total estimated cost of the contract.
- Other details: (Rs. in crore)

Details	Up to 31 March 2018	Up to 31 March 2017
(a) Contract revenue recognized as revenue in the period	3,780.74	2,889.62
(b) Aggregate amount of costs incurred and recognized profits (less recognized losses)	12,696.95	12,967.41
(c) Amount of advances received from client	690.93	3,288.64
(d) Amount of retentions (by client)	86.45	50.05
(e) Gross amount due from clients for contract work	410.70	305.65

46. The Group has received information from few of its suppliers of their being covered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). Based on this information, there are **Rs.5.67 crore** (Rs. Nil) amounts due to Micro, Small and Medium Enterprises as at 31st March 2018.

47. (i) Gross amount required to be spent on Corporate Social Responsibility (CSR) by the Group during the year is **Rs. 7.87 crore** (Rs. 6.87 crore).

(ii) During the year, Group has spent **Rs. 8.86 crore** (Rs 5.92 crore) as against required amount of **Rs. 7.87 crore** (Rs 6.87 crore) on Corporate Social Responsibility (CSR) activities. Break up of expenditure incurred is as follows;

(Rs. in crore)

Sr. No.	Description	2017-18	2016-17
1.	Eradicating hunger, poverty & malnutrition, promoting preventive healthcare & sanitation & making available safe drinking water	3.74	1.45
2.	Promoting Education, including special education and employment enhancing vocation skills especially among children.	3.10	0.84
3.	Setting up homes and hostels for women and orphans, Setting up old age homes, day care centres and such other facilities for senior citizens.	-	-
4.	Ensuring environmental sustainability	1.88	3.18
5.	Rural Development Projects	0.14	0.46
	TOTAL	8.86	5.93

(iii) Amount spent during the year

(Rs. in crore)

Sr. No.	Description	In Cash	Yet to be paid in cash	Total
1.	Construction/acquisition of asset	0.85	-	0.85
2.	Other purposes	8.01	-	8.01

*Assets purchased and handed over to respective organisation and are not being held by the Company.

(iv) CSR exp. yet to be incurred is **Rs. NIL** (Rs 0.95 crore).

48. Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

(Amount in Rupees)

Particulars	31 st March, 2018	31 st March, 2017
Basic EPS		
From Continuing operations	42.13	38.81
From Discontinued operation	-	-
Diluted EPS*	42.13	38.81

*Diluted EPS amounts are also same as basic EPS because company has no dilutive potential Equity shares.

The following reflects the income and share data used in the basic EPS computations:

(Rs. in crore)

Particulars	31 st March, 2018	31 st March, 2017
Profit attributable to equity holders of the company used in calculating EPS:		
From Continuing operations	411.62	384.19
From Discontinued operation	-	-
Profit attributable to equity holders for Basic Earnings Per Share	411.62	384.19

The following reflects the weighted average number of shares used in calculating basic EPS

(Numbers of Shares)

Particulars	31 st March, 2018	31 st March, 2017
Weighted average number of Equity shares for basic EPS*	9,76,97,259	9,89,80,000
Effect of dilution:		
Weighted average number of Equity shares adjusted for the effect of dilution*	9,76,97,259	9,89,80,000

*The weighted average number of shares takes into account the weighted average effect of changes in treasury share transactions during the year. There have been no other transactions involving Equity shares or potential Equity shares between the reporting date and the date of authorization of these financial statements.

49. Service Concession Arrangements (SCA)

Public to private service concession arrangements are recorded in accordance with Appendix "A"- Service Concession Arrangements (Ind AS-11). Appendix "A" is applicable if:

- The Grantor controls or regulates which services the operator should provide with the infrastructure, to whom it must provide them, and at what price; and
- The grantor controls- through ownership, beneficial entitlement, or otherwise- any significant residual interest in the infrastructure at the end of the term of the arrangement. If both of the above conditions are met simultaneously, an intangible asset is recognized to the extent that the operator receives the right to charge users of the public service, provided that these charges are conditional on the degree to which the service is used.

These intangible assets are initially recognized at cost, which is understood as the fair value of the service provided plus other direct costs directly attributable to the operation. They are then amortized over the term of the concession.

Group has entered into service concession arrangement with National Highway Authority of India (NHAI) for four laning of Shivpuri Guna Section and for four laning of Phalodi Bikaner Section in terms of which NHAI (the grantor) has authorized the group to develop, finance, design, engineer, procure, construct, operate and maintain the Projects and to exercise and/or enjoy the rights, powers, benefits, privileges authorizations and entitlements upon its completion. In terms of the said agreement group has an obligation to complete construction of the projects of four laning of Shivpuri Guna section and four laning of Phalodi Bikaner Section and to keep the project assets in proper working condition including all projects assets whose lives have expired. The Concession period shall be 20 years for Shivpuri Guna project and 26 years for Phalodi Bikaner project commencing from the appointment date. At the end of the concession period, the assets will be transferred back to National Highway Authority of India (NHAI).

In case of material breach in terms of agreement the NHAI and group have right to terminate the agreement if they are not able to cure the event of default in accordance with such agreement.

Ircan DHHL has been incorporated on 11.05.2017 as an SPV by Ircan International Limited (Ircan) pursuant to LOA issued by NHAI on 29.03.2017 for executing the project works of “Six – laning of Davangere – Haveri from km 260+000 to km 338+923 of NH-48 (old NH-4) in the state of Karnataka to be executed as Hybrid Annuity Project on DBFOT under NHDP Phase – V” in accordance with the terms of the concession agreement signed with NHAI as its main business object.

Presently, the project is under execution phase and the operation and maintenance phase shall commence on completion of construction.

Group has recognized revenue of **Rs.687.86 crore** (Rs. 472.29 crore) on construction of intangible assets under service concession agreement. Group has recognized **Rs.38.58 crore** (Rs. 16.32 crore) as profit on construction of intangible assets under service concession arrangement .The revenue recognized in relation to construction of intangible assets under service concession arrangement represents the fair value of services provided towards construction of intangible assets under service concession arrangement. The group has not recognised any revenue from operation of toll roads since the construction is in process. The revenue shall be booked once the operation of line is commenced.

- 50.** The Company has engaged agents/consultants to secure contracts and provide other services for foreign projects, being implemented in three countries. Pending assessment of services provided by the agent/ consultants, the company has not accounted for expenses aggregating to **Rs.4.96 crore** (Rs 3.80 crore) comprising of **Rs. 1.16 crore** (Rs 1.36 crore) during financial year 2017-18.

51. Financial guarantee

- a) The holding company has issued financial guarantee (undertaking) to Punjab National Bank on behalf of and in respect of term loan facility availed by its Joint venture company, Ircan Soma Tollway Private Limited (ISTPL), to make good 50% of total shortfall in the dues, if any, in the event of termination of the concession agreement. Loan outstanding as on 31.03.2018 is **Rs. NIL** (Rs. 63.07 crore). The said financial guarantee has been recognised as per Ind AS 109. The ISTPL has repaid the loan amount during the current period.
- b) The Group uses the same accounting policies in the consolidated financial statements, like transactions & events in similar circumstances except in case of ISTPL, where the said JV company did not apply the financial guarantee policy as prescribed under IND AS -109.

Accordingly, the appropriate adjustment has been made in consolidated financial statement and following amounts has not been considered.

Investment in ISTPL **Rs. NIL** (Rs.0.28 crores), other financial liability **Rs. NIL** (Rs.0.04 crore) & Other income **Rs. NIL** (Rs. 0.09 crores).

- 52.** In one of the projects under Northern Region, provision in respect of legal expenses amounting to Rs 11.52 crore has not been provided in the accounts based on the legal opinion that the liability is primarily not of the company.
- 53.** During the financial year 2017-18, based on Expert opinion taken by management it was decided that the effects of discounting security deposit with client and contractor, Retention money with client and contractor and money withheld with client and contractor was not material for the preparation and presentation of financial statements. Ind AS 8- “Accounting Policies, Changes in Accounting Estimates and errors” allows that the policies specified by Ind AS need not to be applied when the effect of applying them is immaterial. Hence, it has been decided to discontinue

discounting the same, consequently in the current year the carrying value of the financial liabilities have been increased by **Rs. 48.70 crore**, financial assets have been increased by **Rs. 6.45 crore**, non-financial liabilities have been decreased by **Rs. 42.70 crore** and non-financial assets have been decreased by **Rs. 6.24 crore**. The resultant net impact on current year's Profit and Loss is amounting to **Rs. 0.80 crore**, which is not considered as material for the preparation and presentation of financial statements.

54. Work in some areas is yet to be started / delayed due to issues related to delay in approval of drawings, demand of local villagers, utility shifting, land acquisition and availability, forest clearance etc. Due to these operational issues, there is delay in achieving project milestone - II and III. Company has filed a request to NHAI for modification of milestone timelines under clause 12.4.2. of the concession agreement without damage / financial implication on part of the company. Company has received intimation from the Independent Engineer regarding the delay in achieving milestone. Further NHAI has deducted a sum of Rs. 720.12 Lakhs on account of damages upto 31st May 2018 (upto 31st March, 2018 - Rs. 160.45 lakhs). The Company is already in communication with the NHAI, since the delay is not attributable to IPBTL. As such IPBTL is not recognizing the claim against the delay as a liability or a contingent liability since the Company is of the view that the delay is not attributable to IPBTL. Further, amount deducted by NHAI upto 31st March 2018 of **Rs. 160.45 Lakhs** is shown as recoverable (Considered Good) under Other Financial Assets.

55. Events occurring after Reporting period

Refer to Note 14 for the final dividend recommended by the directors which is subject to the approval of shareholders in the ensuing meeting.

56. Standards issued but not effective for the financial year 2017-18

IND AS 115 Revenue from Contracts with Customers:

The Ministry of Corporate Affairs notified IND AS -115 "Revenue from contracts with Customers" in respect of accounting periods commencing on or after 1 April 2018, superseding IND AS – 11 "Construction Contracts" and IND AS-18 "Revenue".

The company's current revenue recognition policy is broadly aligned to the principles enunciated in IND AS -115 and does not require any material change. The management is in the process of evaluating IND AS -115 and does not expect any material impact on the company's financial position as at 31 march 2018 and on the financial results of the company in the first year of implementation viz. financial year commencing on 1 April 2018.

57. Certain prior periods amounts have been reclassified for consistency with the current period's presentations. These reclassifications have no affect on the reported results of operations.

Note 58

(i) Disclosure pursuant to Indian Account Standard (IND AS-112): Disclosure of interest in Other Entities:-
Joint Ventures

(a) Summarised Balance Sheet of joint venture(s)

(Rs. in crore)

Particulars	Bastar Railways Private Limited (BRPL)		Chattisgarh East Railway Limited (CERL)		Chattisgarh East West Railway Limited (CEWRL)		Indian Railway Stations Development Corporation Ltd (IRSDC)	
	As at 31.3.2018	As at 31.3.2017	As at 31.3.2018	As at 31.3.2017	As at 31.3.2018	As at 31.3.2017	As at 31.3.2018	As at 31.3.2017
Non-Current Assets	34.23	10.23	1134.97	786.45	562.38	302.21	26.66	20.24
Current Assets	0.73	3.09	34.45	81.59	29.43	399.38	40.97	24.37
Total Assets (A)	34.96	13.32	1,169.42	868.04	591.81	701.59	67.63	44.61
Non-Current Liabilities	-	-	838.86	189.16	54.03	167.16	0.06	0.05
Current Liabilities	33.86	9.81	25.13	373.29	34.19	30.68	4.79	4.52
Total Liabilities (B)	33.86	9.81	863.99	562.45	88.22	197.84	4.85	4.57
Net Assets (A-B)	1.10	3.51	305.43	305.59	503.59	503.75	62.78	40.04
a) Includes Cash & Cash Equivalents	0.70	3.09	13.87	76.83	21.10	386.21	0.31	4.09
b) Includes Financial Liabilities (including Trade payables and other payables but excluding provisions)	33.86	9.81	863.54	560.98	87.81	193.94	4.31	3.87

(Rs. in crore)

Particulars	Irrcon - Soma Tollway Private Limited		Jharkhand Central Rail Limited (JCRL)		Mahanadi Coal Rail Limited (MCRL)	
	As at 31.3.2018	As at 31.3.2017	As at 31.3.2018	As at 31.3.2017	As at 31.3.2018	As at 31.3.2017
Non-Current Assets	465.19	559.81	188.35	180.58	33.62	14.20
Current Assets	50.23	17.06	40.08	27.67	0.25	0.03
Total Assets (A)	515.42	576.87	228.43	208.25	33.87	14.23
Non-Current Liabilities	437.16	503.20	175.58	175.58	-	-
Current Liabilities	23.47	28.23	3.51	-	33.84	14.19
Total Liabilities (B)	460.63	531.43	179.09	175.58	33.84	14.19
Net Assets (A-B)	54.79	45.44	49.34	32.67	0.03	0.04
a) Includes Cash & Cash Equivalents	5.60	6.94	0.36	-	0.21	0.01
b) Includes Financial Liabilities (including Trade payables and other payables but excluding provisions)	376.09	471.24	-	-	22.87	9.68

Note 58

(i) Disclosure pursuant to IND AS-112: Disclosure of interest in Other Entities:- Joint Ventures

(b) Summarised Statement of Profit and Loss of Joint Ventures:

(Rs. in crore)

Particulars	Bastar Railways Private Limited (BRPL)		Chattisgarh East Railway Limited (CERL)		Chattisgarh East West Railway Limited (CEWRL)		Indian Railway Stations Development Corporation Ltd (IRSDC)	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
Revenue	-	-	-	-	-	-	8.03	0.15
Interest Income	0.08	0.02	-	-	-	0.01	1.69	1.76
Other Income	-	-	-	-	-	-	0.26	0.20
Depreciation and amortisation	-	-	-	-	-	-	1.58	5.65
Interest expense	-	-	-	-	-	-	-	-
Income tax	-	-	-	-	-	-	(0.80)	(0.10)
Profit for the year	(2.41)	(0.09)	(0.16)	(0.15)	(0.15)	(0.07)	2.74	(4.54)
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income	(2.41)	(0.09)	(0.16)	(0.15)	(0.15)	(0.07)	2.74	(4.54)

(Rs. in crore)

Particulars	Ircon - Soma Tollway Private Limited		Jharkhand Central Rail Limited (JCRL)		Mahanadi Coal Rail Limited (MCRL)	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
Revenue	175.87	153.34	-	-	-	-
Interest Income	1.95	2.90	1.72	0.38	-	-
Other Income	0.07	1.65	-	-	-	-
Depreciation and amortisation	58.29	58.31	-	-	-	-
Interest expense	51.71	56.15	-	0.21	-	-
Income tax	-	-	-	-	-	-
Profit for the year	9.34	11.70	(0.03)	(0.58)	(0.01)	-
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	9.34	11.70	(0.03)	(0.58)	(0.01)	-

Note 58

(i) Disclosure pursuant to Indian Account Standard (IND AS-112): Disclosure of interest in Other Entities:- Joint Ventures

(c) Reconciliation of carrying amounts of joint ventures:

(Rs. in crore)

Particulars	Bastar Railways Private Limited (BRPL)		Chattisgarh East Railway Limited (CERL)		Chattisgarh East West Railway Limited (CEWRL)		Indian Railway Stations Development Corporation Ltd (IRSDC)	
	As at 31.3.2018	As at 31.3.2017	As at 31.3.2018	As at 31.3.2017	As at 31.3.2018	As at 31.3.2017	As at 31.3.2018	As at 31.3.2017
Opening net assets	3.51	-	305.59	138.79	503.75	3.82	20.00	44.58
Profit for the year	(2.41)	(0.09)	(0.16)	(0.15)	(0.15)	(0.07)	2.74	(4.54)
Increase in paid up share capital	-	2.43	-	166.95	-	500.00	-	-
Other Comprehensive Income	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-
Equity component of other financial instruments			-	-	-	-	-	-
Other Adjustment (Application Money Pending Allotment)	-	1.17	-	-	-	-	20.00	-
Closing net assets	1.10	3.51	305.43	305.59	503.59	503.75	42.74	40.04
Group's share in %								
(i) In Paid up Share Capital and Profit	32.82%	0.53%	27.31%	27.31%	26.02%	26.02%	50.00%	51.00%
(ii) In Share Application Money Pending Allotment	0%	100%	-	-	-	-	-	-
Group's share								
(i) In Paid up Share Capital and Profit	0.36	0.01	83.42	83.47	131.04	131.08	21.37	20.42
(ii) In Share Application Money Pending Allotment	0.00	1.17	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-	-	-
Carrying amount	0.36	1.18	83.42	83.47	131.04	131.08	21.37	20.42

(Rs. in crore)

Particulars	Iicon - Soma Tollway Private Limited		Jharkhand Central Rail Limited (JCRL)		Mahanadi Coal Rail Limited (MCRL)	
	As at 31.3.2018	As at 31.3.2017	As at 31.3.2018	As at 31.3.2017	As at 31.3.2018	As at 31.3.2017
Opening net assets	45.45	33.75	32.67	(0.06)	0.04	0.04
Profit for the year	9.34	11.70	(0.03)	(0.58)	-	-
Increase in paid up share capital	-	-	16.69	4.51	-	-
Other Comprehensive Income	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-
" Equity component of other financial instruments "	-	-	-	-	-	-
Other Adjustment (Application Money Pending Allotment)	-	-	-	28.80	-	-

(Rs. in crore)

Particulars	Ircon - Soma Tollway Private Limited		Jharkhand Central Rail Limited (JCRL)		Mahanadi Coal Rail Limited (MCRL)	
	As at 31.3.2018	As at 31.3.2017	As at 31.3.2018	As at 31.3.2017	As at 31.3.2018	As at 31.3.2017
Closing net assets	54.79	45.45	49.33	32.67	0.04	0.04
Group's share in %						
(i) In Paid up Share Capital and Profit	50.00%	50.00%	26.00%	28.86%	26.00%	26.00%
(ii) In Share Application Money Pending Allotment	-	-	-	-	-	-
Group's share						
(i) In Paid up Share Capital and Profit	27.39	22.72	12.83	1.12	0.01	0.01
(ii) In Share Application Money Pending Allotment	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-
Carrying amount	27.39	22.72	12.83	1.12	0.01	0.01

(ii) Additional information pursuant to Schedule III to the Companies Act, 2013 for the year ended 31.03.2018

(Rs. in crore)

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in Profit or (Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount (Rs.)	As % of Consolidated Profit or Loss	Amount (Rs.)	As % of Consolidated Other Comprehensive Income	Amount (Rs.)	As % of Consolidated Total Comprehensive Income	Amount (Rs.)
Parent Company								
Ircon International Limited	81.31%	3,058.81	95.09%	391.41	100.00%	1.38	95.11%	392.79
Subsidiaries								
Ircon Shivpuri Guna Tollway Limited (ISGTL)	3.98%	149.67	-0.01%	-0.06	0.00%	-	-0.01%	-0.06
Ircon PB Tollway Limited (IPBTL)	4.49%	168.92	0.20%	0.83	0.00%	-	0.20%	0.83
DHHL	0.02%	0.68	0.15%	0.63	0.00%	-	0.15%	0.63
Ircon Infrastructure & Services Limited (IISL)	2.85%	107.25	3.32%	13.65	0.00%	-	3.31%	13.65
Total Subsidiaries		426.52		15.05		-		15.05
Non- Controlling interest in Subsidiaries	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Net Amount of Subsidiaries		426.52		15.05		-		15.05
Joint Ventures								
Bastar Railways Private Limited (BRPL)	0.01%	0.36	-0.19%	(0.79)	0.00%	-	-0.19%	(0.79)

(Rs. in crore)

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in Profit or (Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount (Rs.)	As % of Consolidated Profit or Loss	Amount (Rs.)	As % of Consolidated Other Comprehensive Income	Amount (Rs.)	As % of Consolidated Total Comprehensive Income	Amount (Rs.)
Chattisgarh East Railway Limited (CERL)	2.22%	83.42	-0.01%	(0.04)	0.00%	-	-0.01%	(0.04)
Chattisgarh East West Railway Limited (CEWRL)	3.48%	131.04	-0.01%	(0.04)	0.00%	-	-0.01%	(0.04)
Ircon - Soma Tollway Private Limited	0.73%	27.39	1.13%	4.67	0.00%	-	1.13%	4.67
Jharkhand Central Rail Limited (JCRL)	0.34%	12.83	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
Mahanadi Coal Rail Limited (MCRL)	0.00%	0.01	0.00%	(0.00)	0.00%	-	0.00%	(0.00)
Indian Railway Stations Development Corporation Limited (IRSDCL)	0.57%	21.37	0.33%	1.37	0.00%	-	0.33%	1.37
Total Joint Ventures		276.42		5.16		-		5.16
Net Total	100%	3,761.75	100%	411.62	100%	1.38	100%	413.00

For K G Somani & Co.

Chartered Accountants
FRN : 006591N

Ashish Kumar Batta
Partner
M. No. 095597

Place : New Delhi
Date : 3rd August, 2018

For and on behalf of Board of Directors

M. K. Singh
Director Finance
DIN - 06607392

S. K. Chaudhary
Chairman & Managing Director
DIN - 00515672

Ritu Arora
Company Secretary
FCS No. 5270

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013
ON THE CONSOLIDATED FINANCIAL STATEMENTS OF IRCON INTERNATIONAL LIMITED
FOR THE YEAR ENDED 31 MARCH 2018.

The preparation of consolidated financial statements of **IRCON INTERNATIONAL LIMITED** for the year ended 31 March 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139 (5) read with section 129(4) of the Act are responsible for expressing opinion on the financial statements under Section 143 read with section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section. 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 03 August 2018.

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 2018 under section 143(6)(a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statements of subsidiaries namely Ircon Infrastructure and Services Limited, Ircon PB Tollway Limited, Ircon Shivpuri Guna Tollway Limited and Ircon Devanagare Haveri Highway Limited and Joint Venture namely Indian Railway Station Development Corporation Limited but did not conduct supplementary audit of the financial statements of Jointly Controlled Entities (as per Annexure) for the year ended on that date. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' Report under section 143 (6) (b) of the Act.

For and on the behalf of the
Comptroller & Auditor General of India

Place: New Delhi
Dated: 13th September, 2018

Sd/-
(B.R. Mondal)
Principal Director of Audit
Railway Commercial, New Delhi

ANNEXURE

List of Joint Ventures of IRCON INTERNATIONAL LIMITED, New Delhi for which supplementary audit was not conducted under section 143 (6) (a) read with section 129 (4) of the Companies Act, 2013 for the year 2017-18.

Joint Ventures

1. Ircon-Soma Tollway Private Limited (ISTPL)
2. Chattisgarh East Railway Limited (CERL)
3. Chattisgarh East-West Railway Limited (CEWRL)
4. Mahanadi Coal Rail Ltd (MCRL)
5. Jharkhand Central Railway Ltd (JCR)
6. Baster Railway Pvt Ltd (BRPL)

Sd/-
Sr. Audit Officer (Co-ordination)
Railway Commercial





IRCON INTERNATIONAL LIMITED

(A Government of India Undertaking)

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