



IRCON INFRASTRUCTURE & SERVICES LIMITED

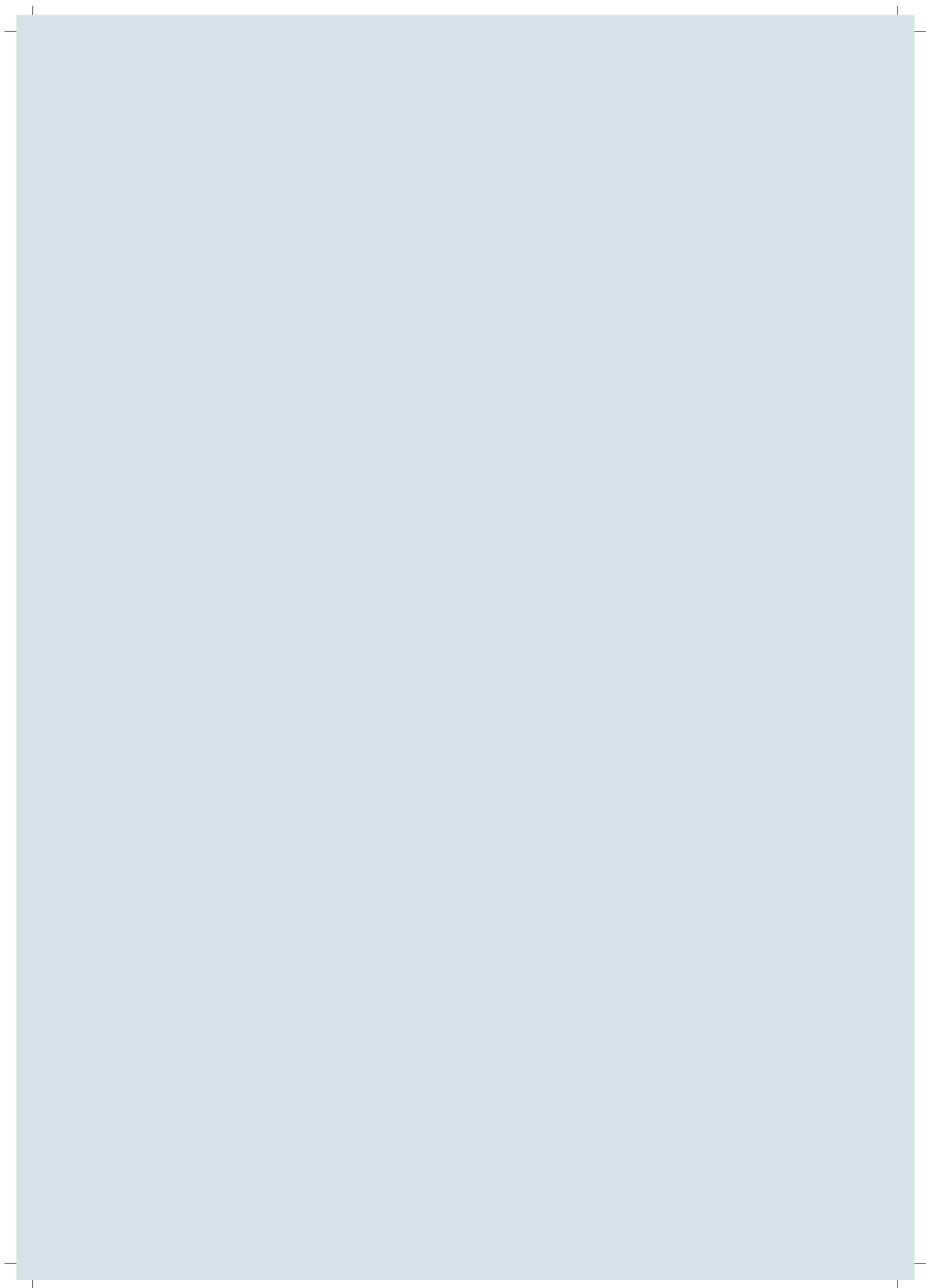


12th
**Annual
Report**
2020-21



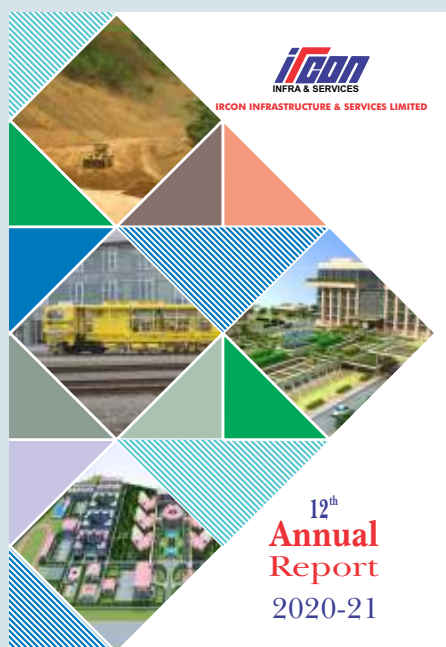
Vision & Mission

“To be recognized as a specialised infrastructure developer and establish itself as a renowned service provider for all areas of Infrastructure Projects with special emphasis on Environment, Quality and Safety”



IRCON INFRASTRUCTURE & SERVICES LIMITED

A Wholly Owned Subsidiary of IRCON International Limited, a Govt. of India Undertaking



CONTENTS

S.NO	PARTICULARS	PAGE. NO.
1.	Chairman's Address	7
2.	Directors' Report	13
3.	Report on Corporate Social Responsibility (CSR) Activities	28
4.	Management Discussion & Analysis Report	32
5.	Report on Corporate Governance	38
6.	Certificate on Corporate Governance	51
7.	Secretarial Audit Report	52
8.	Extract of Annual Return in Form MGT-9	56
9.	Particulars of Contracts or Arrangements with Related Parties in Form AOC-2	62
	Financial Statements 2020-21	
10.	Balance Sheet	67
11.	Statement of Profit & Loss	68
12.	Statement of Cash Flow	69
13.	Statement of Changes in Equity	71
14.	Accounting policies	73
15.	Notes to Accounts including Disclosures	93
16.	Auditor's Report	143
17.	No Review Certificate from C & AG	155

Board Of Directors

(Part-Time Directors)



Mr. M.K. Singh
Chairman



Mr. Surender Singh
Director
w.e.f. 01.07.2021



Mr. Parag Verma
Director



Mr. Abheejit Kumar Sinha
Director
w.e.f. 01.07.2021



Mr. A.K. Goyal
Director
from 01.12.2013 to 30.06.2021



Mr. Surajit Dutta
Director
from 01.09.2013 to 30.06.2021

Key Managerial Personnel



Mr. Ajay Pal Singh
Chief Executive Officer
(w.e.f 6th March 2020)



Mrs Pooja Chaurasia
Chief Financial Officer
(w.e.f 25th January 2019)



Ms Manisha Gola
Company Secretary
(w.e.f 28th November 2018)

STATUTORY AUDITORS

M/s K.M.G.S. & Associates Chartered Accountant
Basement 18, National Park, Lajpat Nagar-IV, New Delhi-110024

SECRETARIAL AUDITORS

M/s Kanchan Sah & Associates Company Secretaries,
I-31, Gali No. 3, Lalita Park, Laxmi Nagar, Delhi 1100924P, Sector-40,

INTERNAL AUDITOR

M/s V.M. Arora & Co., Chartered Accountants
Head Office : 152, 2nd Floor, Lajpat Nagar, Opp. Red Cross Bhawan, Jalandhar-144001

MAIN BANKER

Indian Overseas Bank
HDFC Bank

Multi Functional Complexes



Gwalior



Jammu



Siliguri



Digha



Haridwar



Indore



Bardhaman



Allahabad

Chairman's Address



Distinguished Shareholders,

It gives me immense pleasure to welcome you all to the 12th Annual General Meeting of your Company. The Annual Report for the Financial Year ending 31st March 2021, along with the Directors' Report, Audited Financial Statements, Statutory Auditors' Report and Secretarial Auditors' Report have been circulated and I request your permission to take them as read.

The world economy has experienced one of the most volatile period in 2020-21 impacting the business and day to day life in unprecedented manner all over the world. In the beginning of the financial year 2020-21, in the midst of the nationwide lockdown, our first and foremost priority was to ensure the health and well-being of all our employees while continuing to accomplish our objectives and support our clients. The nationwide lockdown tested

the agility, resilience and adaptability of evolved methods of working. Meeting out the challenges posed by the COVID 19 in accomplishment of the current assignments and getting an opportunity for new works has been very critical. However, the government's mega push on infrastructure sector will open the opportunity for us, as the Indian economy gradually regains momentum.

I am pleased to share with you an update on your company's performance for 2020-21.

Financial Profile

During the Financial Year 2020-21, your Company has recorded operating revenue of INR 194.39 crores, registering 48% increase over previous year's operating income of INR 131.13 crores and has booked total revenue of INR 199.54 crores as compared to INR 135.51 Crore of

the previous year. The Company has achieved Profit before tax of INR 14.11 crores and Profit after tax of INR 5.75 crores.

The rising turnover in the financial year 2020-21 was primarily due to execution of project management consultancy projects. Thus, the revenue booked during the financial year 2020-21 under this area was INR 167.76 crore while in 2019-20, it was INR 106.65 crore only.

Operational Profile

Your Company had undertaken the development of Multi-Functional Complexes for the Ministry of Railways at twenty-four identified railway station premises. IrconISL has successfully sub-leased 23 MFCs to third parties. Out of these 23 sub-leased MFCs, the MFC at Tarapith, Rajgir and Thiruvalla were considered financially unviable and returned to Rail Land Development Authority (RLDA) in accordance with the terms of the agreements. Your company had terminated the sub-lease agreements of MFCs at Kannur and Mysuru due to non-payment of lease-rent and other dues by sub-lessee. The sub lessees had filled petitions against the termination in the respective High Courts and stay was granted in both the cases. However, during the year, both the Sub lessees of Kannur and Mysuru MFC have unconditionally withdrawn the case from the respective High Courts.

Your Company is providing Project Management Consultancy (PMC) services to Ministry of External Affairs (MEA) in two major projects.

Firstly, the 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 having construction cost of Rs. 1518 crores. The Project Management Consultancy agreement for the same was signed on 09.03.2017.

Secondly, the Construction of 69 Bridges including Approach Road on Tamu-Kyigone-Kalewa (TKK) section of the Trilateral Highway in Myanmar having construction cost of Rs. 293.93 crores. The Project Management

Consultancy agreement for the same was signed on 26.10.2017.

During the year your Company has secured two new Project Management Consultancy project in India for LC No.114 B on Ahmedabad Botad Railway Line in the State of Gujarat for Ahmedabad (R&B) Division for an amount of Rs.5.25 Lakh per month and for Inspection, Supervision & Quality Control related works of Assembly and Launching of Steel Superstructure within the Railway portion including fabrication & installation of bearing for "Construction of Road Over Bridges (ROB) at various locations in lieu of LC gates in Maharashtra area under Central Railway for Maharashtra Railway Infrastructure Development Corporation for an amount of Rs.2.26cr for 24 Months.

Apart from the new projects received during the year, your company is also providing Project management consultancy in respect of twelve projects in India, the major of which are as follows :-

Your Company is providing Project Management Consultancy for establishment of Shri Vishwakarma Skill University (SVSU) at Dudhola, Palwal, Haryana. The estimated value of the project is approx. Rs. 425 crores (approx.). The work has commenced on 18.10.2018 and is scheduled to be completed by December-2021.

Your Company is also providing a Project Management Consultancy for construction of new State-of-Art Building of Department of Science & Technology at Technology Bhawan, New Mehrauli Road, New Delhi. The estimated project cost is Rs. 192 crores (approx.). The work commenced on 31.08.2018 and handing over of the Phase 1 of the project is in process.

Your Company is also providing Project Management Consultancy service for construction of Barrack accommodation for security personnel at 07 Land Ports by Land Ports Authority of India (LPAI) having total project cost of Rs. 199.05 crores (approx.).

Your company is also providing Project Management

IRCON INFRASTRUCTURE & SERVICES LIMITED

A Wholly Owned Subsidiary of IRCON International Limited, a Govt. of India Undertaking



Consultancy service for construction of Multi Modal Logistic Park (MMLP) at three location i.e (1) Paradip (Odisha), (2) Near Kadakola, Mysuru District, Karnataka, and (3) Dahej, Gujarat, awarded by Container Corporation of India Ltd. (CONCOR) having estimated cost of Rs 66.88 crores, Rs 93 Crore and Rs 201 crores respectively.

Your Company is also providing a Project Management Consultancy for development of handling facilities for M/s IFFCO at MMLP Paradip port Odisha awarded by CONCOR India Limited on 08.05.2019. The estimated project cost is Rs. 98.50 crores (approx.).

Your company is also providing Project Management Consultancy services for construction of two Navodaya Vidyalaya at JNV, Agar Malwa (Madhya Pradesh) and Sabarkantha (Gujarat) for Navodaya Vidyalaya Samiti (an autonomous organization under Ministry of HRD). The agreements for both the projects were signed on 14.09.2017 and the estimated project cost is approx. Rs. 25.09 crores and Rs. 29.09 crores, respectively.

Your Company has entered into an agreement with Chhattisgarh East Railway Limited (CERL) dated 22.08.2019 for operation and Maintenance of East Rail Corridor Phase I Project Assets in Kharsia - Korichhappar Section of CERL in South East Railway. The estimated cost of the project is approx. Rs. 87 crores.

Your Company is also providing Project Management Consultancy for Construction of Infrastructure works at NDRF Academy at Nagpur, agreement signed on 24.01.2019, having estimated cost of Rs. 79.90 crores (approx.).

Your Company is also undertaking the work of "Supply of Manpower" for Ircon International Limited's Algeria, Kolkata and Bangladesh Project and has earned operating income of Rs 0.88 crore during the financial year 2020-21.

Your Company is also undertaking the work of "Leasing of Machinery" to Ircon International Limited for its various Projects and has earned operating income of Rs 2.33 crore

during the financial year 2020-21.

Corporate Governance, CSR and Sustainability

Your Company is committed to good corporate governance and compliance with the requirement of corporate governance under the DPE Corporate Governance Guidelines and all other applicable laws, rules, regulations, and ensure transparency while conducting the business in an ethical manner. A separate section on corporate governance furnishing applicable details forms part of the Directors' Report. During the year your Company has spent an amount of Rs 24.89 Lakh towards Corporate Social Responsibility (CSR) initiative. A separate section on Corporate social responsibility furnishing required details forms part of the Directors' Report.

Acknowledgement

On behalf of the Board of Directors and the Company, I extend our sincere gratitude to Ministry of Railways, Ministry of External Affairs, Ministry of Home Affairs, Ministry of Science & Technology, Shri Vishwakarma Skill University, Rail Land Development Authority and most importantly our holding company Ircon International Limited and the shareholders thereon, for their continued support and guidance. I also appreciate the efforts of the company's employees, who are our most valuable asset and would also like to thank our clients, vendors and partners for their trust and support.

As we look at navigating the business forward in the new financial year, uncertainties have resurfaced with the emergence of a strong, second wave of the COVID-19 pandemic but, we are sure that with all your dedication, intellect, hard work, and support, our competitiveness will only get better through the month ahead and we will come out of this downturn and be better positioned to take our company forward.

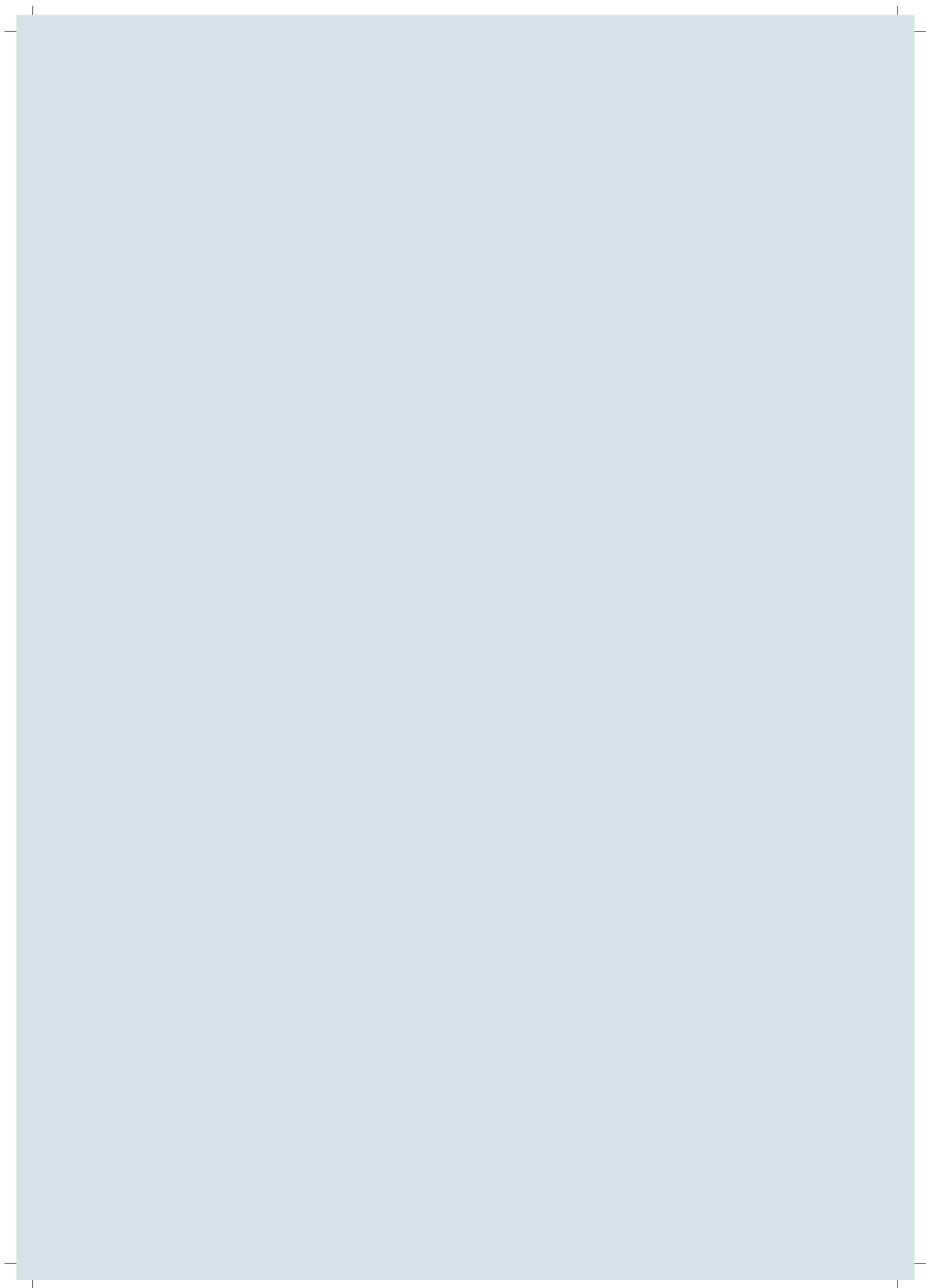
(M.K. Singh)

Chairman

(DIN 06607392)

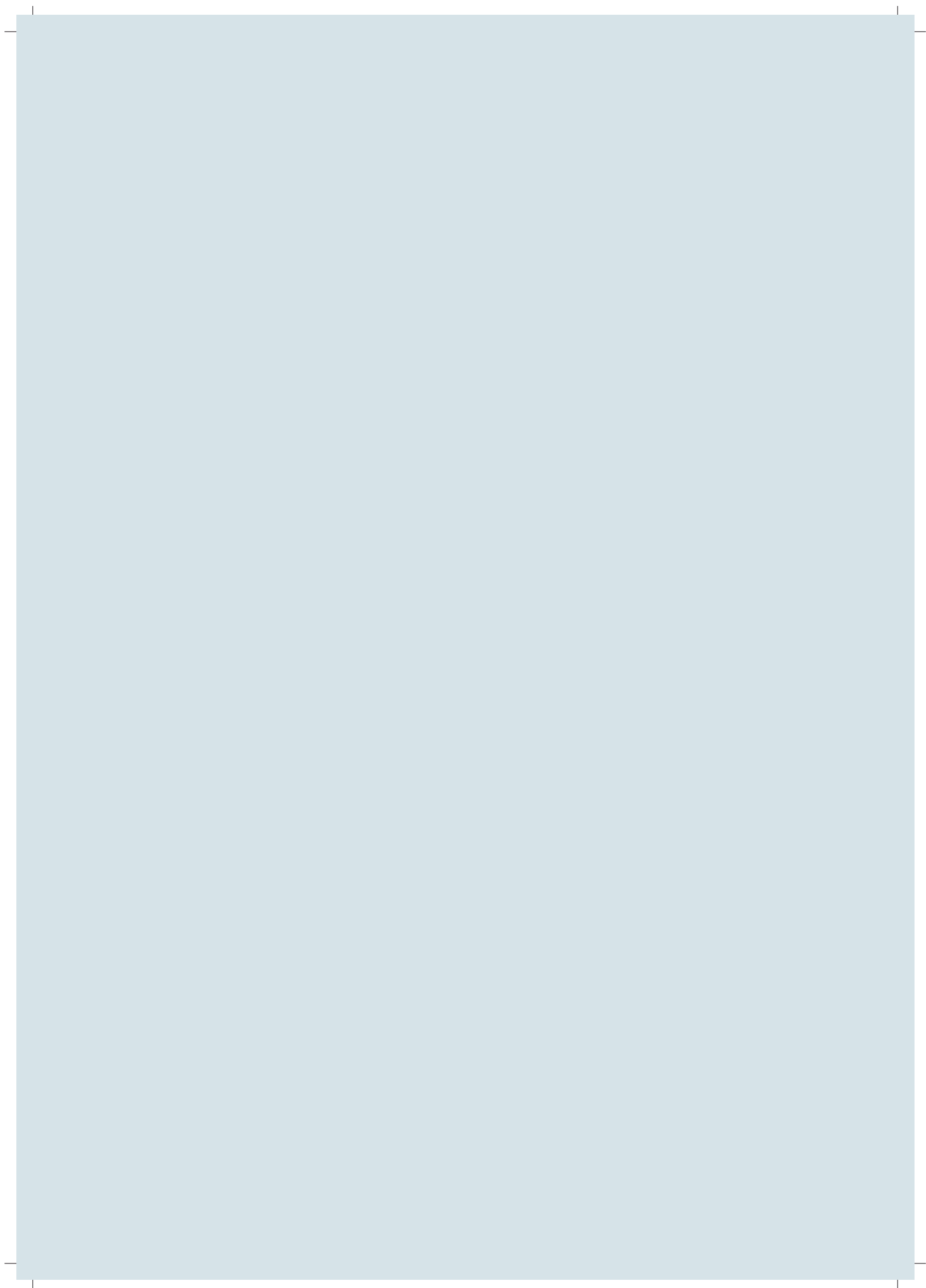
Place: New Delhi

Date: 17.08.2021



Directors' Report





Directors' Report

Distinguished Shareholders of Ircon Infrastructure & Services Limited (IrconISL),

The Directors of your Company have pleasure in presenting their 12th Annual Report of the affairs of the Company for the financial year 2020-21.

1. FINANCIAL PERFORMANCE / HIGHLIGHTS

A. Financial Performance:

During the financial year 2020-21, your Company has recorded a total operating income of Rs 194.39 crore, registering 48% increase over previous year's operating income of Rs 131.13 crore. The increase in total operating income is majorly due to the execution of consultancy projects.

The Company during the financial year 2020-21 has achieved Profit Before Tax (PBT) of Rs 14.11 Crore and the Profit After Tax (PAT) of Rs 5.75 Crore.

The Earning Per Share for the financial year 2020-21 is Rs 0.88.

The net worth of the Company as on 31st March, 2021 is Rs 159.64 Crore.

B. Financial Performance Indicators:

Some important indicators of financial performance of the Company for the year 2020-21 vis – a – vis 2019-20 are given below: (₹ in crores)

S. No.	Particulars	2020-21	2019-20
1.	Authorized Share Capital	65.00	65.00
2.	Subscribed & Paid-up Share Capital	65.00	65.00
3.	Reserves & Surplus	94.64	88.89
4.	Capital Work-in-progress	2.88	2.30
5.	Total Revenue	199.54	135.51
6.	Revenue from Operations	194.39	131.13
7.	Profit before tax	14.11	14.86
8.	Profit after tax	5.75	11.51
9.	Net worth	159.64	153.89
10.	Earnings Per Share (Rs.)	0.88	1.77

C. Transfer to Reserve

Your Company has transferred Rs 5.75 Crore to the Reserve during the financial year 2020- 21.

D. Foreign Exchange Earnings & Outgo:

During the Financial Year 2020-21, the Foreign Exchange earnings of the Company is Rs 2.27 Crore on account of Manpower supply for Ircon's Malaysia, Algeria and Bangladesh Projects and Project Management Consultancy (PMC) fees from foreign project. The Foreign Exchange outgo of the company is Rs 1.02 Crore on account of foreign projects in Myanmar and Manpower expenses of Ircon's Malaysia, Algeria & Bangladesh Projects. The Net Foreign exchange earning of the company during the Financial Year 2020-21 is Rs 1.25 Crore.

E. Dividend:

In order to conserve the resources of the Company and to plough back profits for growth of the Company, the Board of Directors do not recommend any dividend on the Equity Shares of the Company for the Financial Year ended on 31st March 2021.

F. Share Capital:

There is no change in the Authorized Share Capital of Rs. 65 crores, and Paid-up Share Capital of Rs. 65 crores during the Financial Year 2020-21, which is 100% held by IRCON INTERNATIONAL LIMITED (hereinafter referred as IRCON).

2. OPERATIONAL PERFORMANCE

- A. Your Company had set up 24 MFCs at 23 Station namely Alleppey, Bardhaman, Digha, Haridwar, Indore, Rampurhat, Raipur, Siliguri, Madurai, Mysore, Udaipur, Allahabad, Bilaspur, Gwalior, Hyderabad, Hubli, Jabalpur, Jodhpur, Kannur, Rajgir, Tarapith, Thiruvalla, Jammu (MFC with budget hotel) and Jammu MFC(small).

Three MFCs (Tarapith, Rajgir and Thiruvalla) are proposed to hand over to RLDA as they became unviable and could not be sub leased.

IrconISL had terminated the MFCs at Kannur (Kerala) & Mysore (Karnataka) due to non- payment of lease-rent & other dues. Sub lessees of both the MFCs had filed the Petition against termination and stay was granted by High Court in both the cases. However, the sub lessee of Kannur and Mysore MFC has withdrawn their case from the respective High Court on 25.03.2021 and 12.07.2021 respectively.

B. On-going Foreign Projects

Your Company is executing the following two projects in Myanmar -

- (a) IrconISL is providing Project Management Consultancy services to Ministry of External Affairs (MEA) for Construction of Two Lane Road on NH Specifications from Paletwa to India-Border (Zorinpui) from km 0.00 to km 109.2 in Chin State of Myanmar having construction cost of Rs. 1518 crores.

The PMC agreement between MEA and IrconISL was signed on 09.03.2017. The EPC (Engineering, Procurement & Construction) contract was awarded by MEA to M/s EPI-C&C

(JV) [a Joint Venture of M/s. C&C Constructions Ltd. and M/s. Engineering Projects (India) Ltd. and EPC agreement was signed between MEA and EPI-C&C JV on 31.03.2017. The work commenced on 31.05.2017 and was originally scheduled to be completed on 30.05.2020.

The project is in difficult hilly terrain and there were delays in mobilization, submission of designs and shortage of funds on part of EPC Contractor. Lead JV member of Contractor i.e. M/s. C & C Constructions Ltd is undergoing Corporate Insolvency Resolution Process in terms of NCLT order dated 14.02.2019 and has abandoned the section from km. 0 to km. 60 since April 2019 without any Progress & demobilized its staff. The other JV member of Contractor i.e. M/s EPIL has abnormally delayed the appointment of their major Sub Contractors/ Sub agencies for their portion of works from Km. 60 to 109.2.

The project has experienced clashes between local ethnic groups and Myanmar Army since its inception, which have escalated from 01.01.2019. As per instructions of Indian Embassy and Ministry of External Affairs, all expatriates have been evacuated from project site on 25.03.2020. Indian team has also been pursuing with Govt. of Myanmar for permissions for working from Zorinpui side (Indian side) since commencement of project, which have been given of late in Jan/Feb'2020 and EPIL's sub-contractor has taken up the works in stretch from Km. 104 to 109 and work is in progress in different layers in said stretch. Work shall be taken up in other stretches based on availability of security permissions. The works also suffered due to COVID-19 pandemic ensued globally and also due to closure of international border restricting movement of manpower, material and machinery across India- Myanmar border. EPC Contractor has applied for extension of time upto 31.10.2022 for reasons not attributable to them. EOT-1 for period upto 19.11.2020 has already been recommended to MEA and EOT-2 is under scrutiny. The physical progress of the project up to March, 2021 is 3.89 % only.



Excavation Work in Progress at Km 103.400 to 103+500



Km 5.650 (Subgrade Top)

- (b) IrconISL is also providing Project Management Consultancy services to Ministry of External Affairs (MEA) for Construction of 69 Bridges including Approach Road on Tamu-Kyigone -Kalewa (TKK) section of the Trilateral Highway in Myanmar having construction cost of Rs.293.93 crores.

The PMC agreement between MEA and IrconISL was signed on 26.10.2017 and EPC contract was awarded by MEA to M/s. NCSL-MTDCL JV [a Joint Venture of M/s. Niraj Cement Structurals Ltd. and M/s. Manipur Tribal Development Corporation Ltd. and EPC agreement was signed between MEA and NCSL- MTDCL JV on 08.11.2017. The work commenced on 28.11.2017 and was scheduled to be completed on 27.11.2020. Due to Nil progress in 13 months of works and various other defaults made by EPC Contractor, MEA has terminated the EPC Contract on 24.12.2018. Contractor challenged the termination by filing writ petition in Hon'ble High Court of Manipur on 29.12.2018 which was dismissed by court on 29.03.2019. Subsequently Contractor filed Writ Appeal in Division Bench of Manipur High Court on 04.04.2019 and the same was also dismissed in Aug'2020.

Pending removal of legal blockade, decision was taken by MEA in June'2019 to invite tenders for 1st bridge separately and the bid received after three rounds of tendering is much higher than estimated costs. Negotiations with L-1 bidder has been held and their final offer is awaited. It was also decided to prepare Detailed Project Report and Final DPR was submitted by IrconISL to MEA on 04.02.2020. The report has been vetted by MoRTH, NHAI and CRRI. Tender for 68 bridges shall be invited after acceptance of DPR and revised cost estimate by MEA.

C. On-going Projects in India

Your Company is executing the following twelve Indian projects –

- a. Your Company is providing Project Management Consultancy (PMC) for establishment of Shri Vishwakarma Skill University (SVSU) at Dudhola, Palwal, Haryana at the approx. cost of Rs. 425.20 crores (including PMC fees). The physical progress of the project as on date is 52% and is scheduled to be completed by December-2021.



Model of Shri Vishwakarma Skill University, Dudhola, Palwal



Shri Vishwakarma Skill University – Construction Site

- b. Your Company is also providing a Project Management Consultancy for construction of new State-of-Art Building of Department of Science & Technology at Technology Bhawan, New Mehrauli Road, New Delhi at the estimated project cost of approx. Rs. 192 crores (including PMC fees). The work has been completed for Phase – 1 in which Block-I, Block-II and Block-III

are involved. Block-II & Block -III are already handed over and handing over of Block I is in process.



Model of New State of Art Building of DST



DST – Construction Site

- c. Your Company is also providing a Project Management Consultancy for construction of Barrack accommodation for security personnel at 07 Land Ports by Land Ports Authority of India (LPAI) namely, 1. Attari- Punjab, 2. Agartala-Tripura, 3. Raxual-Bihar, 4. Jogbani- Bihar, 5. Petrapole – West Bengal, 6. Dawki – Meghalaya and 7. Moreh – Manipur, at a total cost of approx. Rs. 199.05 crores (including PMC fees). The work at Attari, Punjab is scheduled to be completed by September-2021. The work at Jogbani-Bihar is scheduled to be completed by December-2021. The works are in progress at other two locations of Dawki- Meghalaya and Petrapole-West Bengal.



Construction site – Attari, Punjab



Construction Site – Jogbani, Bihar

- d. Your Company is also providing a Project Management Consultancy for construction of Multi Modal Logistic Park near Kadakola station, Mysuru District, Karnataka. The agreement for the same was signed on 20.01.2017. The total estimated cost of project is 93 Crores. The physical progress of the project as on date is 8%. The schedule date of completion of project is 28.09.2022.
- e. Your Company is also providing a Project Management Consultancy for construction of Multi Modal Logistic Park (MMLP) at Paradip (Odisha) awarded by Container Corporation of India Ltd. (CONCOR) at an estimated cost of Rs. 66.88 crores. The physical progress of the project as on date is 47% and is scheduled to be completed by December-2021.



Construction Site- MMLP Paradip (Odisha)



Construction Site- MMLP Paradip (Odisha)

- f. Your Company is also providing a Project Management Consultancy for development of handling facilities for M/s IFFCO at MMLP Paradip port Odisha awarded by CONCOR India Limited at an estimated project cost of approx. Rs. 98.50 crores . The physical progress of the project as on date is 34% and is scheduled to be completed by December-2022.
- g. Your Company is also providing Project Management Consultancy work for Setting up a Multi Model Logistics Park at Dahej, Gujarat - for CONCOR at an estimated cost of Rs. 201 crores. The work is scheduled for completion by October-2021. The physical progress of the project as on date is 73%.



Construction Site- MMLP Dahej, Gujarat



Construction Site- MMLP Dahej, Gujarat

- h. Your Company is also providing Project Management Consultancy for Replacement of CST-9 Sleepers with PRC Sleepers of MGR System of Stage-1 (2x210MW) at National Thermal Power Corporation (NTPC), Unchahar, at an estimated cost of approx. Rs.36.26. crores. Revised Estimate submitted to NTPC for their approval with request to review PMC fees.
- i. Your Company has entered into an agreement with Chhattisgarh East Railway Limited (CERL) dated 22.08.2019 for operation and Maintenance of East Rail Corridor Phase I Project Assets (Track bridges and other associated assets, OHE & ST) in Kharsia - Korichhapar Section of CERL in South East Railway which is in progress. The estimated cost of the project is approx. Rs. 87 crores. The work has commenced on 12.10.2019 and scheduled to be completed by 11.10.2022.
- j. Your Company is also providing Project Management Consultancy work for construction of (i)

two Navodaya Vidyalaya at JNV, Agar Malwa (Madhya Pradesh) and (ii) Sabarkantha (Gujarat) for Navodaya Vidyalaya Samiti (an autonomous organization under Ministry of HRD) at the cost of Rs. 25.09 crores and 29.09 crores respectively. The physical progress of both the projects as on date is 33% and 31% respectively. The work is scheduled to be completed by December-2021.

- k. Your Company is also providing Project Management Consultancy for Construction of Infrastructure works at NDRF Academy at Nagpur at the cost of Rs. 79.90 crores including PMC fees and is scheduled to be completed by November-2022.
- l. Your Company is also providing Project Management Consultancy for development of seven Indian railway stations for M/s IRSDC awarded to us on 30.12.2019 (through IRCON International Ltd). Tender for Technical Consultant were floated. In view of the current Covid pandemic & the situation thereafter, the client M/S IRSDC had issued notice of Force Majeure to keep the process on hold till stabilization of the current scenario & accordingly the appointment of the technical consultants for the subject work was put on hold till September-2020. Later on getting go ahead from IRSDC LOA issued to Group -1 Ghaziabad location on 04- 12-2020 and Group II Yeshwantpur, Karnataka & Varkala, Kerala location on 31- 03-2021. The works for Ghaziabad station is in progress. The participated bidders in Group III (Jalna-Maharashtra and Satna, M.P) & Group IV (Buxar -Bihar & Karnal- Haryana) quoted rates are higher than the estimated cost. Bidders are not ready to negotiate the price. Re-tender to be initiated Shortly

D. New Projects in India

During the financial year 2020-2021, IrconISL has secured two new Management Consultancy projects viz.

- a. PMC Supervision for LC No.114 B on Ahmedabad Baroda Railway Line in the State of Gujarat. LIC No.114 for Ahmedabad (R&B) Division for an amount of Rs.5.25 Lakh per month & Rs.2500/-per MT.
- b. PMC Supervision for Inspection, Supervision & Quality Control related works of Assembly and Launching of Steel Superstructure within the Railway portion including fabrication & installation of bearing for "Construction of Road Over Bridges (ROB) at various locations in lieu of LC gates in Maharashtra area under Central Railway for Maharashtra Railway Infrastructure Development Corporation for an amount of Rs.2.26 cr for 24 Months.

Note:- The scheduled completion date mentioned above for all the projects are likely to be extended due to the lockdown and unprecedented challenges posed by COVID 19 pandemic.

- E. IrconISL is also undertaking the work of "Supply of Manpower" for Algeria, Kolkata and Bangladesh Project of IRCON. As on 31st March 2021, your company has deployed one employee

in Ircon's Algeria project, two employees in Kolkata Project and four employees in Ircon's Bangladesh Project.

- F. Your Company is also undertaking the work of "Leasing of Machinery" to IRCON International Limited for its various Projects.



Duomatic Machine

3. COMPLIANCES

A. Right to Information Act, 2005

In order to promote transparency and increased accountability, the Company has put in place the mechanism for implementation of 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 (CPIO), Assistant Public Information Officer (APIO) are posted on the IrconISL website. All the Queries received have been replied within the stipulated time.

During the year, the Company has received 1 RTI application and 2 Appeals and all have been processed/disposed of within the prescribed time.

B. Memorandum of Understanding

Your Company is given exemption from signing the Memorandum of Understanding with Ircon International Limited, the holding company (hereinafter referred as "IRCON") for the year 2020-21 in Inter Ministerial Committee Meeting of IRCON held on 06th November 2020 intimated by Department of Public Enterprises (MOU Division) vide Office Memorandum dated 13th November 2020. Accordingly, considering the fact that the company has recorded a total profit

before tax of Rs 14.86 Crore and profit after tax of Rs 11.51 Crore in the Financial Year 2019-20, your company has claimed exemption from signing the Memorandum of Understanding with Ircon International Limited, the holding company for the financial year 2021-22.

4. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the financial year 2020-21, there is no change in the Board of Directors of the company. However, on change in nomination by Holding Company, Shri Surender Singh and Shri Abheejit Kumar Sinha is appointed as Nominee Director(s) on the Board of IrconISL in place of Shri Ashok Kumar Goyal and Shri Surajit Dutta, respectively, w.e.f. 1st July 2021.

The details of Directors holding office as on date of this report are as follows:

1	Mr. M.K. Singh (DIN 06607392)	From 10.04.2018 onwards
2	Mr. Surender Singh (DIN 09214484)	From 01.07.2021 onwards
4	Mr. Parag Verma (DIN 05272169)	From 05.04.2018 onwards
3	Mr. Abheejit K Sinha (DIN 09213782)	From 01.07.2021 onwards

Pursuant to the provisions of Section 203 of the Companies Act 2013, which came into effect from 1st April 2014, the company has appointed 3 Key Managerial Personnel. During the financial year 2020-21, there is no change in the Key Managerial Personnel of the company.

The details of Key Managerial Personnel holding office as on date of this report is as follows:-

1	Mr. Ajay Pal Singh Chief Executive Officer	From 06.03.2020 onwards
2	Ms. Pooja Chaurasia Chief Financial Officer	From 25.01.2019 onwards
3	Ms. Manisha Gola Company Secretary	From 28.11.2018 onwards

5. BOARD COMMITTEES

The Company has the following Committees of the Board:

1. Audit Committee
2. Corporate Social Responsibility (CSR) Committee
3. Nomination & Remuneration Committee

The details pertaining to the composition of Audit Committee, CSR Committee & Nomination and Remuneration Committee are included in the Corporate Governance Report, which forms part of this report and attached as **Annexure – C**

6. MEETING OF THE BOARD OF DIRECTORS AND AUDIT COMMITTEE

During the Financial Year 2020-21, four meetings of the Board of Directors and four meetings of the Audit Committee were held.

The details of meetings of the Board of Directors and Audit Committee and other Board Level Committee are furnished in the Corporate Governance Report attached as **Annexure-C**.

7. RETIREMENT OF DIRECTORS BY ROTATION

The Companies Act, 2013 provides the provisions in respect of retirement of Directors by rotation. The said provisions are not applicable on the Independent Directors. As there is no Independent Director in the Company all the directors of the Company are considered to be retiring by rotation. Accordingly, as per provisions of section 152 of Companies Act, 2013, one third among all other directors (excluding Additional Directors whose tenure will end at the AGM) namely Mr. Parag Verma (DIN: 05272169) is liable to retire by rotation and being eligible, offer himself for re-appointment. The details of the Director seeking re- appointment at the ensuing AGM are contained in the Notice of AGM of the Company.

8. INTERNAL CONTROL SYSTEM AND RISK MANAGEMENT

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

9. PERSONNEL DEVELOPMENT

As one of the strategic pillars, Human Resources and Administration (HR & A) Department is continuously focusing on building competent human resources aligned to company core objectives and deliverables. The Employee Relations scenario has been cordial and peaceful during the year. The manpower strength as on 31.03.2021 was 73 employees, comprising of 2 Regular Employees, 31 employees on contract, 3 employees on service contract and 37 employees on deputation from Ircon International Limited, Holding Company. During the year your Company has deployed 7 employees in Ircon's various projects.

Matters related to personnel development of employees on deputation from IRCON, are being taken care of by IRCON.

Those who have been engaged by the Company and those who are posted on contract for Ircon's various Projects are taken care of by your Company.

10. INFORMATION TECHNOLOGY

The Company has its website on domain <http://www.irconisl.com>, which provides a profile of the Company, Projects, Annual reports, CSR, tenders, contact details, etc. During the year, updates were made regarding, appointment of new directors and Key Managerial Personnel, projects, annual reports, tenders, RTI, CSR activities, contact details, etc. The link of the company's website is also available on the holding company's website www.ircon.org.

11. TECHNOLOGY ABSORPTION AND UPGRADATION, CONSERVATION OF ENERGY, R&D, ETC.

The focus on the environment continued with the same vigor. During the execution of projects, appropriate and adequate measures have been taken to ensure environment protection, conservation and implementation of green building concepts. Various environmental laws relating to Environment Protection Act, Air and Water Pollution Control Acts, have been duly adhered to as part of conditions to be fulfilled by the Company.

The company has also adopted e tendering, an internet based process wherein the complete tendering process; from advertising to receiving and submitting tender-related information are done online. This enables companies to be more efficient as paper-based transactions are reduced or eliminated, facilitating for a speedier exchange of information. Moreover, use of e-Office has been started at the Corporate Office to enhance transparency, accountability, data integrity, promote greater collaboration in the workplace and effective knowledge management.

12. DISCLOSURES

A. Particulars of Loans, Guarantees or investment:

During the year the company has not taken any loan. No Investments were made and no loans or guarantees have been granted by the Company.

B. Disclosure on remuneration of directors and employees:

As per the provision 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. GSR463(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. IrconISL being a government company, such particulars are not included as part of Directors' Report. However, remuneration paid to directors during the Financial Year 2020-21 is "NIL", as all the directors are Part time (Nominee) Directors appointed by the Holding Company i.e. Ircon International Limited.

C. Compliance with Secretarial Standards on Board Meetings and General Meetings:

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

D. Deposits:

The Company did not hold any public deposits at the beginning of the year nor has it accepted any public deposits 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 during the Financial Year 2020-21.

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

No Material Changes and commitments affecting the financial position of the company between end of the financial year 2020-21 and date of the report.

G. Change in the nature of the Business.

There was no change in the nature of the business of the Company during the financial year 2020-21.

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

There are no Qualification, reservation or adverse remarks in the Auditor's Report for the financial year 2020-21.

I. Accounting standards followed by the company

The Financial Statements of the Company as at and for the financial year ended 31st March 2021 have been prepared in accordance with the **Indian Accounting Standards (Ind-AS)** notified under section 133 of the Companies Act, 2013 and applicable provisions of Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules 2016.

J. Comptroller & Auditor General of India Comments

Vide letter dated 02nd August 2021 having reference no. PDA/RC/AA-IISL/14-142021-22/88 the Comptroller & Auditor General of India (C&AG) has decided not to conduct the supplementary audit of the financial statements of your Company for the period ended 31st March 2021 under section 143(6)(a) of the Companies Act 2013

13. 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.

A. Report on CSR Activities

"Report on CSR Activities" provides a brief outline of the company's CSR policy, the composition of CSR Committee, average net profit of the Company for the last three financial years, CSR budget, prescribed CSR expenditure, and details of CSR activities / projects undertaken during the financial year 2020-21 etc. [placed at **Annexure-A**]

B. Management Discussion and Analysis Report

The “**Management Discussion and Analysis Report**” provides an overview of the affairs of the Company, business environment, mission & objectives, sectoral and segment-wise operational performance, strengths, risks and concerns as well as human resource and internal control system. [placed at **Annexure-B**]

C. Corporate Governance Report

The “Corporate Governance Report” highlights the Company’s philosophy of Corporate Governance, composition of Board of Directors and its Committees, their details including the attendance of directors in the meetings, etc. and other relevant disclosures. [placed at **Annexure-C**]. It is supplemented by the following compliance certificates:

- a) Certificate signed by CEO and CFO with respect to the truth and fairness of the Financial Statements, due compliances, and financial reporting (placed at **Annexure – C1**);
- b) Certificate signed by the Chairman affirming receipt of compliance with the Code of Conduct and key values from all the Board members and Senior Management personnel during the year 2020-21. (placed at **Annexure – C2**); and
- c) Certificate of compliance of Corporate Governance provisions signed by practicing company secretary (placed at **Annexure – C3**).

D. Secretarial Auditor Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Kanchan Sah & Associates, Practicing Company Secretary, to undertake the Secretarial Audit of the Company for the financial year 2020-21. The Secretarial Audit Report in Form No. MR-3 received from the auditor is placed at **Annexure- D**.

The Secretarial Auditor has mentioned that “As per para 3.1.3 of DPE Guidelines on Corporate Governance for CPSEs, 2010, the number of Nominee Directors appointed by Government/other CPSEs shall be restricted to a maximum of two. However, it was observed that the number of Nominee Directors on the Board exceeded the limit.” On this issue, Directors state that being a wholly owned subsidiary of IRCON (holding company), the appointment of directors on the Board is made by the Holding Company.

E. EXTRACT OF ANNUAL RETURN

In accordance with Section 92(3) and Section 134(3) (a) of the Companies Act, 2013 read with Rule 12(1) of Companies (Management and Administration) Rules, 2014 an extract of the Annual Return in form no. MGT-9 forms part of the Director's Report and is placed at **Annexure “E”**.

F. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES U/S 188

All contracts / arrangements / transactions entered by the Company during the financial year

2020-21 with related parties were either in ordinary course of business and / or at arm's length basis

The details of contracts or arrangements entered with related parties pursuant to Section 188(1) of Companies Act, 2013 and Rule 8(2) of Companies (Accounts) Rules, 2014 in **Form AOC - 2**, is placed at **Annexure "F"**.

14. DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with Section 134(5) of the Companies Act, 2013, the Board of Directors of the Company confirms that:

- I. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- II. such accounting policies had been 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 2021 and of the profit of the Company for the financial year 2020-21.
- III. 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. the annual accounts for the financial year ended on 31st March 2021 have been prepared on a 'going concern' basis;
- V. the Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- VI. the proper systems had been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

15. AUDITORS

A. Statutory Auditors

M/s KMGS & Associates, Chartered Accountants, was appointed by the Comptroller and Auditor General of India, as Statutory Auditors, to audit the accounts of the Company for the financial year 2020-21.

B. Secretarial Auditor

The Board of Directors has appointed M/s Kanchan Sah & Associates, Practicing Company Secretary, to conduct the Secretarial Audit of the Company for the financial year 2020-21.

C. Internal Auditors

The Board of Directors has appointed M/s V.M. Arora & Co., Chartered Accountant as Internal Auditors to conduct the Internal Audit of the Company for the financial year 2020- 21.

16. MSE COMPLIANCE

It has always been an endeavour of IrconISL to support Micro and Small Enterprises (MSEs) and local suppliers. IrconISL has taken a number of steps including the necessary steps to implement the Public Procurement Policy of the Government of India to procure the items specified from MSEs. The annual procurement target of the Company for the financial year 2020-21 was Rs 100 Crores and the actual total procurement of the Company was Rs 178.64 Crore out of which total procurements from MSEs during the year was Rs 44.45 Crore.

17. POLICY IN COMPLIANCE OF THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT :-

The Company aims to provide a congenial and safe working atmosphere for women employees. The Company has in place a comprehensive policy for Prevention, Prohibition and Redressal of Sexual Harassment at Workplace covering all the employees (on regular including deputationists, temporary, adhoc, contract / service contract or daily wages basis, either directly or through an agency, including a contractor, co-worker, a contract worker, probationer, trainee, apprentice etc.) of the Company and the same is available at the website of Company. The Company has complied with the provisions relating to the constitution of the Internal Complaints Committee as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has a four- members complaints committee for the prevention of sexual harassment at workplace comprising of three officials of the Company and one external member.

During the period under review, there was no incidence where any complaint relating to sexual harassment was reported pursuant to Section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

ACKNOWLEDGMENT

We record our appreciation and thanks to Ircon International Limited, Holding Company, Ministry of Railways, Rail Land Development Authority (RLDA), Ministry of External Affairs, Ministry of Home Affairs, Ministry of Science and Technology and Shri Vishwakarma Skill University and other Ministries and clients for their continued interest 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 in improving the performance of the Company.

For and on behalf of the Board of Directors

Place: New Delhi
Date: 10.08.2021

Sd/-
(M.K. Singh)
Chairman
(DIN 06607392)

REPORT ON CORPORATE SOCIAL RESPONSIBILITIES ACTIVITIES

1. Brief outline on CSR Policy of the Company:

The objective of the CSR Policy is to focus on the activities impacting society, economy and environment for betterment and growth. The policy acts as a guiding principle for its CSR initiatives encouraging various opportunities to explore diversified fields of the 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 CSR Policy outlining the thrust areas of development viz. Education, Literacy, and Environment Sustainability & Health as approved by the Board of Directors is available on the Company's website at <http://www.irconisl.com>.

The company's social vision is to conduct its CSR Initiatives in line with its policy of conducting business in a socially responsible and sustainable way, keeping the needs and expectations of the key stakeholders in focus in various business activities. IrconISL has spread its wings in various social sector areas through its CSR efforts in order to build an empowered society through its CSR projects that will integrate business and social goals in a sustainable manner, creating social impact through inclusive growth and planning.

2. Composition of CSR Committee as on 31st March 2021:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Ashok Kumar Goyal	Chairman	1	1
2	Mr. Surajit Dutta	Member	1	1
3	Mr. Parag Verma	Member	1	1

Note: On change in nomination by Holding Company, Shri Surender Singh and Shri Abheejit Kumar Sinha is appointed as Nominee Director(s) on the Board of IrconISL in place of Shri Ashok Kumar Goyal and Shri Surajit Dutta, respectively, w.e.f. 1st July 2021.

- Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company - <http://www.irconisl.com>
- Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report) - Not Applicable
- Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any - Not Applicable

6. Average net profit of the company as per section 135(5) – Rs 11.39 Crore
7. (a) Two percent of average net profit of the company as per section 135(5) - Rs 22,78,000/-
(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.- NIL
(c) Amount required to be set off for the financial year, if any- NIL
(d) Total CSR obligation for the financial year (7a+7b-7c). – Rs 22,78,000/-

Note:- The Total CSR Budget for the financial year 2020-21 is Rs. 24,89,680/- which includes Rs 22,78,000/- as 2% of the average annual profit of the Company in the preceding three financial years and Rs 1,98,694/- as total unspent amount for the financial Year 2018-19 and 2019-21.

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
24,89,680.00	Nil	NA	PM CARES	76,154.00	17.05.2021

- (b) Details of CSR amount spent against ongoing projects for the financial year - Not Applicable

- (c) Details of CSR amount spent against other than ongoing projects for the financial year:

1	2	3	4	5		6	7	8	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (in Rs.).	Mode of implementation -Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number.
1.	Supply & installation of 15W Solar LED street lights	X. Rural Development Projects	No	Gram Panchayat Jaitpur, Distt- Lakhisarai (Bihar)		12,30,000	Indirect	M/s Vaibhav Construction, Patna	NA

2.	Counseling & hand holding programme for cancer patients	(I) Promoting health care	No	Kidwai Memorial Institute of Oncology Bangalore	8,00,000	Indirect	M/s Sanjeevani Life beyond Cancer, Mumbai	NA
3.	Repair and renovation of Community Center	X.Rural Development Projects	NO	Gram Panchayat Mahsaura, Distt- Lakhisarai (Bihar)	3,83,526	Indirect	Ircon International Limited	NA
4.	PM Cares Fund	(viii)			76,154	Direct		
	Total				24,89,680			

(d) Amount spent in Administrative Overheads - NIL

(e) Amount spent on Impact Assessment, if applicable - NIL

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) – Rs 24,89,680/-

(g) Excess amount for set off, if any - NIL

9. (a) Details of Unspent CSR amount for the preceding three financial years - NIL

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): NIL

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year –

(a)	Date of creation or acquisition of the capital asset(s).	Not Applicable
(b)	Amount of CSR spent for creation or acquisition of capital asset.	Not Applicable
(c)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Not Applicable
(d)	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).	Not Applicable

IRCON INFRASTRUCTURE & SERVICES LIMITED

A Wholly Owned Subsidiary of IRCON International Limited, a Govt. of India Undertaking



11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

The Company has spent two per cent of the average net profit as per section 135(5) for the Financial Year 2020-21.

Sd/-
Ajay Pal Singh
Chief Executive Officer

Sd/-
Ashok Kumar Goyal
Chairman CSR Committee

Place: New Delhi
Dated: 23.07.2021

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

AN OVERVIEW

Ircon Infrastructure & Services Limited (IrconISL) was incorporated on 30th September 2009 as a wholly owned subsidiary of Ircon International Limited (IRCON, a Schedule 'A', Mini Ratna - category I Company under the Ministry of Railways) as an outcome of MoU by the Holding Company with RLDA for "Planning, Design, Development, Operation and Maintenance of Multi- Functional Complexes (MFC's) on Indian Railways Land" to provide facilities and amenities to users of Indian Railway System. The physical work of construction (warm shells) was taken up on 24 stations. The Company has successfully sub-leased 23 MFCs to third parties.

The above objectives were limited for further growth of the Company and therefore the Company diversified its Business in various other sectors viz. Project management and infrastructure consultancy, to undertake infrastructure projects including planning, designing, development, construction, improvement, commissioning, operation, maintenance and various services relating thereto including leasing out track machines and hence objectives were amended accordingly.

BUSINESS ENVIRONMENT

The World economy has experienced one of the volatile periods in 2020-21. At the end of March 2020, the outbreak of the novel coronavirus and the consequent suspension of economic activities due to the pandemic-induced lockdown, coupled with muted consumer sentiment and investments, had a severe impact on the Indian economy. The Indian government announced a complete lockdown in public movement and economic activity from the fourth week of March 2020. As economic activity came to a grinding halt, the lockdown had a devastating impact on an already-slowing economy as Indians were required to stay indoors- one of the most stringent lockdowns enforced in the world. The Indian economy de-grew 23.9% in the first quarter of 2020-21, the sharpest de-growth experienced by the country since the index was prepared. The Indian and state governments selectively lifted controls on movement, public gatherings and events from June 2020 onwards, each stage of lockdown relaxation linked to corresponding economic recovery. In 2020-21, India's economic growth slowed and contracted by 7.3%.

Infrastructure sector is a key driver for the Indian economy. The sector is highly responsible for propelling India's overall development and enjoys intense focus from the Government for initiating policies for creation of world class infrastructure in the country. The Union budget has allocated ₹1.1 trillion for the Indian Railways, out of which ₹1.07 trillion will be utilized for capital expenditure for 2021-22 to expand rail infrastructure in India and has made various significant announcements in the

area of Infrastructure Sector resulting in increase in opportunities for the said sector in near future. India's infrastructure sector stands at the cusp of rapid growth, driven by government reforms, incentives and long-term prospects. The seriousness of government support has been influenced by a growing conviction that strengthened infrastructure catalyses national competitiveness, moderate inflation, promotes livelihoods and enhances prosperity.

During the Financial year 2020-21, the company secured two new projects and achieved significant progress in others existing projects and is working in the direction to achieve the targets effectively and efficiently well within the time.

COVID-19 has posed unprecedented challenges and in many cases business continuity plans are being put to test for the first time. The restrictions on construction activities, decreased workforce and supply chain disruptions have cascading impact on contractual obligations and delivery of projects. The Department of Expenditure, Ministry of Finance on 19 February 2020 has issued an office memorandum stating that COVID-19 should be considered as a 'Natural Calamity' and force majeure may be invoked wherever considered appropriate.

Appropriate planning and effective implementation is the demand of current situation to mitigate the upcoming challenges in the infrastructure sector.

The Company is looking for opportunities in the following areas:-

- Preparation of Detailed Project Reports for projects of Government of India.
- Project Management Consultancy (PMC) for various private / government agencies.
- Real estate projects on Build-Operate-Transfer (BOT) basis.
- Corporate Social Responsibility (CSR) Projects of Public Sector Undertakings.

OUTLOOK

The Vision/Mission of the Company as approved by the Board of Directors of the Company are:-

Vision / Mission

To be recognized as a specialized Infrastructure developer and establish itself as a renowned service provider for all areas of Infrastructure Projects with special emphasis on Environment, Quality, and Safety.

FINANCIAL PERFORMANCE

During the financial year 2020-21, your Company has recorded a total operating income of Rs 194.39 crore, registering 48% increase over previous year's operating income of Rs 131.13 crore. The increase in total operating income is majorly due to the execution of consultancy projects.

The Company has achieved Profit Before Tax of Rs 14.11 Crore and the Profit After Tax of Rs 5.75 Crore.

The Earning Per Share for the financial year 2020-21 is Rs 0.88.

The net worth of the Company as on 31st March, 2021 is Rs 159.64 Crore.

OPERATIONAL PERFORMANCE

A. During the year 2020-21, IrconISL has secured two new projects viz. (i) Supervision Consultancy for Construction of ROB in lieu of LC No.114 B on Ahmedabad Botad Railway Line in the State of Gujarat for Ahmedabad (R&B) Division. (ii) Appointment of Inspection Agency for the Inspection, Supervision & Quality Control related works of Assembly and Launching of Steel Superstructure within the Railway portion including fabrication & installation of bearing for “Construction of Road Over Bridges (ROB) at various locations in lieu of LC gates in Maharashtra area under Central Railway’ for Maharashtra Rail Infrastructure Development Corporation Limited.

Along with the above new projects, the following existing projects are in various stages of construction, during the year 2020-21 viz.

- I. PMC for construction of Shri Vishwakarma Skill University (SVSU) at Dudhola, Palwal, Haryana.
- ii. PMC for construction of Office Building of Department of Science & Technology at Technology Bhawan, New Mehrauli Road, New Delhi.
- iii. PMC for construction of Barrack Accommodation for Security Personnel at seven (7) Land ports for Land Ports Authority of India (LPAI);
- iv. PMC for construction of Multi Modal Logistics Park (MMLP) for CONCOR at the following states:
 - a. at Kadakola, Mysuru District, Karnataka,
 - b. at Paradip (Orissa);
 - c. at Dahej, Gujarat
- v. PMC for construction of Jawahar Navodaya Vidyalaya (JNV) at two locations, one at Sabarkantha (Gujarat) and other at Agar Malwa (Madhya Pradesh) for Navodaya Vidyalaya Samiti;
- vi. PMC for Replacement of CST-9 Sleepers with PRC Sleepers of MGR System of Stage-1 (2x210MW) at National Thermal Power Corporation, Unchahar, U.P
- vii. PMC for Construction of Infrastructure works at National Disaster Response Force Academy at Nagpur.

- viii. Engagement as Consultant for Detailed Engineering & Project Supervision for development of handling facilities for IFFCO at MMLP Paradip Port, Orissa, awarded by CONCOR
 - ix. Maintenance of Track, Civil Engineering, OHE and S7T assets of Kharsia- Korichhapar newly laid BG Section for Chhattisgarh East Railway Limited
 - x. PMC for Re-Development of Railway Stations at 7 locations (i.e Ghazibad Railway Station, Yeshwantpur, Varkala, Jalna, Satna, Karnal & Buxar for Indian Railway Stations Development Corporation Limited.
 - xi. 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 for Ministry of External Affairs;
 - xii. PMC for construction of 69 Bridges in Tamu - Kyigone-Kalewa section of Trilateral Highway in Myanmar, wherein Ministry of External Affairs (MEA) has terminated the contract of M/s NCSL- MTDCL (JV) who was appointed as Engineering Procurement and Construction (EPC) contractor for construction of these 69 bridges. Subsequent to dismissal of writ petition and appeal filed by contractor in hon'ble High Court of Manipur and submission of detailed project report of project by IrconISL, the modalities of project implementation are under discussion with Ministry of External Affairs.
- B. Out of 23 MFCs undertaken by IrconISL, which have been sub-leased to operators, 2 sub-lease agreements of MFC at Kannur and Mysore have been terminated due to non- payment of lease rent by sub-lessee. Sub lessees of both the MFCs had filed the Petition against termination and stay was granted by High Court in both the cases. However, the sub lessee of Kannur MFC has withdrawn the case from the High Court of Kerala on 25.03.2021, unconditionally and sub lessee of Mysuru MFC has also filed the affidavit with the High Court of Karnataka to withdraw the case.
- C. IrconISL is also undertaking the work of "Supply of Manpower" and has deployed a total 7 employees in Ircon International Limited various project.
- D. IrconISL is also undertaking the work of "Leasing of Machinery" to Ircon International Limited project.

SECTORAL PERFORMANCE

During the year 2020-21, there are five sectors of revenue namely Consultancy, Sub- Leasing of MFCs, Supply of Manpower, Leasing of Plant & Machinery and Maintenance of track. Consultancy projects accounted for major portion of 86% of total operating income for the year 2020-21. The table below shows the share of income from different sectors and its percentage contribution to total income.

(₹ in crores)

Sectors	2020-21		2019-20		2018-19	
	Operating Income	%	Operating Income	%	Operating Income	%
Consultancy	167.76	86	106.65	81.33	47.68	67.50
Supply of Manpower	0.88	0.45	0.66	0.50	0.53	0.75
Sub- Leasing of MFCs	11.08	5.70	16.65	12.70	17.79	25.18
OTHER OPERATING REVENUES						
Leasing of Plant & Machinery	2.33	1.20	1.59	1.21	-	-
Maintenance Of Track	12.34	6.35	4.49	3.42		
Execution of CSR Activities	-		1.09	0.84	3.75	5.31
Total	194.39		131.13		70.64	

SEGMENT-WISE PERFORMANCE

Foreign projects contributed 1.17% to total operating income and domestic projects contributed 98.83% to total operating income during the year 2020-21.

(₹ in crores)

Sectors	2020-21		2019-20		2018-19	
	Total Income	%	Total Income	%	Total Income	%
Foreign	2.27	1.17	7.25	5.5	7.23	10.23
Domestic	192.11	98.83	123.88	94.5	63.41	89.77
Total	194.39		131.13		70.64	

STRENGTHS

The biggest strength of the Company is that it is a wholly owned subsidiary of Ircon International limited, having a longstanding reputation in the construction sector. The Company can take the advantage of holding company's expertise to undertake various projects.

RISKS AND CONCERNS

With the completion of MFCs construction progressively, the work of leasing of MFCs are being taken up which is very much area specific and market dependent. Although, in-depth study for market potential has been carried out by independent renowned consultants, the risk of collection of revenue still exists especially in COVID-19 pandemic situations.

INTERNAL CONTROL SYSTEM

The Company has an internal audit system that requires the Internal Auditor to comment on the existence of adequate internal control system and compliance therewith in addition to the opinion on existence of proper risk assessment and mitigation mechanism. Your Company has appointed M/s V.M. Arora & Co., Chartered Accountant as Internal Auditor for the financial year 2020-21. Internal Auditors conduct an audit of the Company to test the adequacy of the internal systems and suggest continual improvements. The Internal Auditor is an experienced chartered accountant firm which is selected through a transparent selection process, and upon appointment directly reports to the Management. This ensures Internal Auditors' independence. Reports of the Internal Auditor are reviewed, compliances are ensured and put up for consideration of the Audit Committee.

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 of by recruiting employees on deputation, contract and service contract. Recruitment strategies have been re-engineered to make them more in line with the overall strategy of the Company.

The employees of IrconISL are a combination of those who have been appointed by the Company and posted at the corporate office of the company or at the project site and the employees who are on deputation basis from Ircon. Further, your Company also provides manpower to IRCON's Kolkata, Bangladesh and Algeria Project. The total manpower strength of the company as on 31 March 2020 is 73 employees. Considering the long term growth prospects, your Company is planning to enhance the core manpower resources by way of its own cadre development.

**For and on behalf of the Board of Directors
Ircon Infrastructure & Service Limited**

**Sd/-
(M.K. Singh)
Chairman
(DIN 06607392)**

**Place: New Delhi
Date: 10.08.2021**

REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy

Corporate Governance is a set of systems and practices for the ethical conduct of business of the company. It ensures accountability, transparency, equity, and commitment to values to meet its stakeholder's aspirations. It is the constant endeavor of the Company to adopt and maintain the highest standards of ethics in all spheres of business activities.

2. Governance Structure

The company is managed by the Board of Directors, which formulates strategies, policies, and reviews performance periodically.

Board of holding company also reviews the performance of the Company. Minutes of the Board meetings, statement of all significant transactions and arrangements entered into by the Company, and unaudited quarterly and half yearly results are placed for consideration before the Audit Committee / Board Meeting of the holding company.

Apart from four part-time Directors on the Board of IrconISL, the holding company has nominated a Chief Executive Officer, below the board level, for management of day to day affairs of the Company.

3. Board of Directors

3.1 Composition of Board of Directors

As per Articles of Association (AOA) (Article 48) of the Company, the number of Directors shall not be less than three and not more than twelve. As per AOA (Article 49), the holding company shall appoint the Chairman and all the Directors of the Company.

Present strength of the Board of Directors is four comprising of part-time directors including part-time chairman nominated by the holding company.

3.2 The details of directors as on the date of this report are given below:

BOARD OF DIRECTORS

(As on the date of this report)

Directors	Whole-time / part-time / Independent	Directorships held in Companies/ Body Corporates (excluding IrconISL)	Total No. of Committee memberships held (including IrconISL)	
			As Chairman	As Member other than Chairman
Mr. M.K. Singh (DIN 06607392) (w.e.f. 10.04.2018)	Part-time Chairman	8 [IRCON, IRSDC, JCRL, ISTPL, CERL, IGRHL, MCRL, BRPL, CEWRL]	4	1

Directors	Whole-time / part-time / Independent	Directorships held in Companies/ Body Corporates (excluding IrconISL)	Total No. of Committee memberships held (including IrconISL)	
			As Chairman	As Member other than Chairman
Mr Surender Singh (DIN 09214484) (w.e.f 01.07.2021)	Part-time Director	NIL	2	1
Mr. Abheekit Kumar Sinha (DIN 09213782) (w.e.f 01.07.2021)	Part-time Director	NIL	1	2
Mr. Parag Verma (DIN 05272169) (w.e.f. 05.04.2018)	Part-time Director	1 [IGRHL]]	NIL	3

Note: On change in nomination by Holding Company, Shri Surender Singh and Shri Abheekit Kumar Sinha is appointed as Nominee Director(s) on the Board of IrconISL in place of Shri Ashok Kumar Goyal and Shri Surajit Dutta, respectively, w.e.f. 1st July 2021.

Notes:

1. The number of Directorships is within the maximum limit of 20 Companies (out of which maximum 10 public companies) under the Companies Act, 2013.
2. Directors are not related to each other.
3. Directors do not have any pecuniary relationships or transactions with the company.
4. The Directorships / Committee memberships are based on the latest disclosure received from Directors.
5. Committee memberships of Audit Committees, Shareholders' / Investors' Grievance Committees and CSR & Sustainable Development Committee of all Public Limited Companies have been considered.
6. 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 (DPE CG Guidelines). Only the Audit Committee and Shareholders' / Investors' Grievance Committee are to be counted for the said limit.
7. Full names of companies referred:
 - a) IRCON – Ircon International Limited
 - b) IGRHL – Ircon Gurgaon Rewari Highway Limited
 - c) ISTPL – Ircon-Soma Tollway Private Limited

- d) IRSDC – Indian Railway Stations Development Corporation Limited
- e) JCRL - Jharkhand Central Railway Limited
- f) CERL- Chhattisgarh East Railway Limited
- g) CEWRL- Chhattisgarh East-West Railway Limited
- h) MCRL- Mahanadi Coal Railway Limited
- i) BRPL- Bastar Railway Private Limited

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. The Directors of the Company are appointed/ nominated by the holding company in terms of Article 49 of the Articles of Association of the Company.

5. Remuneration of Directors

Part-time directors, nominated on the Board by the holding company, do not draw any remuneration from the Company.

No sitting fee is paid to the part-time directors.

6. Board Meetings and Attendance during 2020-21

The Board of Directors met 4 times during the financial year 2020-21 on 3rd July 2020, 24th August 2020, 10th November 2020 and 9th February 2021.

Leave of absence was granted in terms of section 167(1) (b) of the Companies Act 2013.

Details of attendance of the Directors during the year 2020-21 are given below: -

Director	No. of Board Meetings during 2019-20		Attended last Annual General Meeting
	Held (during their respective tenures)	Attended	
Mr. M.K. Singh (DIN 06607392) (w.e.f. 10.04.2018)	4	4	YES
Mr. A.K. Goyal (DIN 05308809)	4	4	YES
Mr. Surajit Dutta (DIN 06687032)	4	3	YES
Mr. Parag Verma (DIN 05272169) (w.e.f. 05.04.2018)	4	4	YES

7. COMMITTEES OF BOARD OF DIRECTORS

7.1 Audit Committee

7.1.1 Terms of Reference

The Paid-up Share Capital of the Company has been increased from Rs. 4.90 crores to Rs 40 crores (w.e.f. 28.03.2013) during the financial year 2012-13, which is 100% held by IRCON. Consequently, in compliance with section 292A of Companies Act, 1956, the Board of Directors constituted the Audit Committee at its meeting held on 5th July 2013. The Terms of Reference of the Audit Committee as given in DPE Guidelines on Corporate Governance, Chapter -4, Para 4.2 to Para 4.5 was adopted by the Board of Directors. In brief, they include the following core areas:

- 1) Overseeing the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- 2) Reviewing, with the management, the annual financial statements before they are approved by the Board of Directors. In particular: -
 - a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of sub section 5 of section 134 of the Companies Act, 2013;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with legal requirements relating to financial statements;
 - f. Disclosure of any related party transactions; and
 - g. Qualifications in the draft audit report.
- 3) Reviewing, with the management, the quarterly financial statements before they are approved by the Board of Directors.
- 4) Management discussion and analysis of financial condition and results of operations.
- 5) Reviewing, with the management, performance of internal auditors and adequacy of the internal control systems.
- 6) Discussion with auditors – both internal and statutory auditors – to address significant issues and follow up thereon.
- 7) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- 8) Recommending to the Board the fixation of audit fees.

- 9) Reviewing the appointment, reappointment, remuneration, and removal, etc. of internal auditor.
- 10) Reviewing the Certification/declaration of financial statements by the Chief Executive Officer/Chief Financial Officer.

7.1.2 Audit Committee – Composition and Attendance:

The Audit Committee of the Board, consisting of three part-time Directors of the Company, was originally constituted on 05.07.2013 with the approval of Board of Directors adopting the terms of reference as given in DPE Guidelines on Corporate Governance dated 14th May 2010, para 4.2 to para 4.5. This committee is reconstituted when there is any change in part-time directors nominated by holding company. Accordingly, the Committee was re-constituted on 26.04.2018 by a note circulated to all the Board members which was further confirmed in 43rd BoD meeting held on 30th May 2018. Further, due to the change in nominee director the committee was re-constituted in its 56th BoD meeting held on 25th June 2021

The present composition of the committee is:

- | | | |
|----|---|----------|
| 1. | Mr. Abheejit Kumar Sinha (Nominee Director) | Chairman |
| 2. | Mr. Surender Singh (Nominee Director) | Member |
| 3. | Mr. Parag Verma (Nominee Director) | Member |

The Audit Committee met 4 times during the financial year 2020-21 on 3rd July 2020, 24th August 2020, 10th November 2020 and 9th February 2021.

The attendance details are as follows:

Member	Status	Meetings held (during the financial year 2019-20)	Meetings attended
Surajit Dutta	Chairman	3	3
A.K. Goyal	Chairman Member	1 3	1 3
Parag Verma	Member	4	4

7.2 Corporate Social Responsibility (CSR) Committee

As per section 135 of Companies Act 2013, every company having net worth of Rs. 500 crore or more, or turnover of Rs. 1,000 crore or more or a net profit of Rs. 5 crore or more during any financial year shall constitute a Corporate Social Responsibility Committee (CSR) of the Board consisting of three or more directors, out of which at least one director shall be an independent director.

Further, as per DPE Guidelines on Corporate Social Responsibility and Sustainability for Central Public-Sector Enterprise issued vide DPE OM dated 12th April 2013, it is stated that each CPSE shall have a Board level committee headed by either the Chairman, or an Independent Director to oversee the implementation of the CSR and Sustainability policies of the Company.

An integrated Board of Directors Committee for CSR was constituted on 13th June 2014 by a note circulated to all Board members, which was further confirmed in 22nd Board of Directors meeting held on 26th June 2014, to oversee the implementation of the CSR Policy of the Company and to assist the Board of Directors to formulate suitable policies and strategies to take the CSR agenda of the Company forward in the desired direction.

The Committee was reconstituted on 26.04.2018 by a note circulated to all the Board members which was further confirmed in 43rd BoD meeting held on 30th May 2018. Further, due to the change in nominee director the committee was re-constituted in its 56th BoD meeting held on 25th June 2021

The present composition of the committee is:

- | | | |
|----|---|----------|
| 1. | Mr. Surender Singh (Nominee Director) | Chairman |
| 2. | Mr. Abheejit Kumar Sinha (Nominee Director) | Member |
| 3. | Mr. Parag Verma (Nominee Director) | Member |

One meeting of the CSR Committee was held during the financial year 2020-21 on 10th November 2020. All the members were present in the meeting.

7.3 Nomination and Remuneration Committee

As per section 178 of Companies Act 2013, read with rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014, provides for constitution of Nomination and Remuneration Committee in all public companies with a paid-up capital of Rs. 10 crores or more, or having turnover of Rs. 100 crores or more, or having in aggregate, outstanding loans or borrowings or debentures or deposits exceeding Rs. 50 crores or more. The Committee shall consist of three or more non-executive directors out of which not less than one half shall be independent directors.

Further, as per DPE Guidelines on Remuneration Committee for Central Public-Sector Enterprise issued vide DPE OM dated 14th May 2010, it is stated that each CPSE shall constitute a Remuneration Committee comprising at least three directors, all of whom should be part-time Directors (i.e. Nominee or Independent Directors), and that the Committee should be headed by an independent director.

Terms of Reference

- To decide the annual bonus/variable pay pool and policy for its distribution across the executives and non-unionized supervisors, within the limits prescribed in the DPE OM dated 26th November 2008

- b. To frame and review the policies for identification/selection of persons who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal.
- c. To decide the level and remuneration with respect to senior management and other employees.
- d. To review, consider and recommend HR policy(ies) with respect to senior management and other employees.
- e. Any other work as may be included by Companies Act or DPE from time to time.

The Company has constituted a Nomination and Remuneration Committee on 28th August 2015 pursuant to section 178 of Companies Act 2013 and para 5.1 of the DPE CG Guidelines, 2010.

The Committee was reconstituted on 26.04.2018 by a note circulated to all the Board members which was further confirmed in 43rd BoD meeting held on 30th May 2018.

Further, due to the change in nominee director the committee was re-constituted in its 56th BoD meeting held on 25th June 2021

The present composition of the committee is:

- | | | |
|----|---|----------|
| 1. | Mr. Surender Singh (Nominee Director) | Chairman |
| 2. | Mr. Abheejit Kumar Sinha (Nominee Director) | Member |
| 3. | Mr. Parag Verma (Nominee Director) | Member |

One meeting of the NRC Committee was held during the financial year 2020-21 on 3rd July 2020. All the members were present in the meeting.

8. General Body Meetings

8.1 Annual General Meeting

A. The last 3 (three) Annual General Meetings were held as under:

AGM No.	Financial Year	Date of holding meeting	Time	Location
11th	2019-20	18th September 2020	1100hrs	Company's Registered Office, Delhi
10th	2018-19	27th August 2019	1100 hrs	Company's Registered Office, Delhi
9th	2017-18	25th September 2018	1100 hrs	Company's Registered Office, Delhi
8th	2016-17	25th September 2017	1600 hrs	Company's Registered Office, Delhi

No special resolution was passed in the last three Annual General Meetings (from 2017- 18 to 2019-20).

8.2 Extra-Ordinary General Meeting

A. The last 3 (three) Extra-Ordinary General Meetings were held as under:

IRCON INFRASTRUCTURE & SERVICES LIMITED

A Wholly Owned Subsidiary of IRCON International Limited, a Govt. of India Undertaking



EGM No.	During the Financial Year	Date of holding meeting	Time	Location
4th	2014-15	20th February 2015	1700 hrs	Company's Registered Office, Delhi
3rd	2012-13	22nd January 2013	1430 hrs	Company's Registered Office, Delhi
2nd	2011-12	12th March 2012	1430 hrs	Company's Registered Office, Delhi

B. Special Resolution:

(a) 4th Extra-Ordinary General Meeting held on 20th February 2015

Alteration in Memorandum of Association & Articles of Association of the Company for increase in the Authorized Share Capital from ` 40 crores to ` 65 crores.

(b) 3rd Extra-Ordinary General Meeting held on 22nd January 2013

(i) Alteration in Articles of Association of the Company for increase in the Authorized Share Capital from Rs.10 crores to Rs.40 crores.

(ii) Conversion of part of the loan to the extent of Rs.35,10,00,000/- taken by the Company from Ircon International Limited (holding company) into fully paid-up equity shares comprising of 3,51,00,000 equity shares of Rs.10 each.

(c) 2nd Extra-Ordinary General Meeting held on 12th March 2012

Alteration in Memorandum of Association by inserting new sub-clauses in the Object Clause III A (Main Objects).

9. Disclosures

9.1 During the year, there was no transaction of material nature with the directors or their relative that had potential conflict with the interest of the Company. Attention of the members is drawn to the disclosure of transactions with the related parties set out in Note no. 32 to the Financial Statements.

9.2 During 2020-21, there are no items of expenditure debited in books of accounts, other than for the business purposes of the Company. Also, 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 Key Executives, which is as per Government approved pay and perks (Details disclosed in Note no. 32 forming part of the Financial Statements).

9.3 Administrative and office expenses as a percentage of total expenses vis-a-vis financial expenses are given below:

(₹ in crores)

Particulars	2020-21	2019-20	Remarks
Administrative & other expenses	2.84	3.27	NIL
Bank & Other Finance Charges	0.03	0.06	NIL
Total Expenses	185.43	120.65	NIL
Administration & other expenses/ Total expenses (in %)	1.53%	2.71%	NIL
Bank & Financial Charges/ Total expenses (in %)	0.02%	0.05%	

- 9.4 The Company periodically informs the Board about the risks associated with its projects in risky areas and foreign exchange management. Details pertaining to risk management have been given in Management Analysis Report under the heading 'Risks and Concerns'.
- 9.5 The entire Equity Share Capital of the Company i.e. Rs 65,00,00,000 is held by Ircon International Limited, Holding Company.
- 9.6 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.
- 9.7 DPE has awarded 'Excellent' grading to IrconISL for compliance of DPE Corporate Governance Guidelines during 2019-20.
- 9.8 IrconISL has secured, based on self-evaluation, an annual score of '94.06 out of 100 which falls under 'Excellent' grade for compliance of DPE Corporate Governance Guidelines for the year 2020-21.
- 9.9 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 relevant accounting standard in notes to the Financial Statement of the Company.
- 9.10 The Company has systems in place for monitoring statutory and procedural compliances. The Board has reported the status of the same so as to ensure proper compliances of all laws applicable to the Company.

10. CEO/CFO CERTIFICATION

The Chief Executive Officer and Chief Financial Officer have certified in writing with respect to the truth and fairness of the financial statements, due compliances, and financial reporting which was placed before the Audit Committee and the Board of Directors (placed as Annexure – "C-1" to this Report).

11. CODE OF CONDUCT

The Company has in place a Code of Conduct for Board Members and for Senior Management of the Company and posted on the website of the Company. The declaration signed by Chairman

affirming receipt of compliance with the Code of Conduct from all the Board members and Members of Senior Management during the year 2020-21 (placed as **Annexure –“C-2”** to this Report)

12. GENERAL INFORMATION FOR SHAREHOLDERS

12.1 Means of communication

The Directors' Report and Financial Statement for the year 2020-21 of IrconISL are available on the website of the Company www.irconisl.com.

12.2 Annual General Meeting of the Current Year

Date : 17th August 2021

Time : 10:30 A.M

Venue : Company's Registered Office -

C-4, District Centre, Saket, New Delhi – 110 017

12.3 Category Wise Shareholding Pattern (As on the date of this report)

Category	No. of Shares held in physical form (Rs.10/- each)	% of Shares Held
Promoters (Ircon International Limited and its Eight nominees)	6,50,00,000	100%
Total	6,50,00,000	100%

Transfer of shares is normally technical in nature, from one nominee shareholder to another consequent upon change of officials by the Holding company as it holds 100% of the shares. To effect this transfer, CEO is the authorized officer, and no transfer is pending.

12.4 Address for Correspondence:

The address of registered office of the company is:

Ircon Infrastructure & Services Limited

Plot No. C-4, District Centre,

Saket, New Delhi – 110 017 Contact No.: 26530266

E-Mail Id: info@irconisl.com

Website: www.irconisl.com

Your company has also established its corporate office at Noida details of which are as follows:

Ircon Infrastructure & Services Limited B-40A,
Second Floor, Sector 1,
Noida 201301 Contact No.: 01202970406
E-Mail Id: info@irconisl.com
Website: www.irconisl.com

13. 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 2020-21.

Certificate obtained from a Practicing Company Secretary regarding compliance of the conditions of Corporate Governance is placed as **Annexure "C-3"** to this report.

**For and on behalf of the Board of Directors
Ircon Infrastructure & Service Limited**

**Sd/-
(M.K. Singh)
Chairman
(DIN 06607392)**

**Place: New Delhi
Date: 10.08.2021**

CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER CERTIFICATION

We have reviewed the Financial Statements including the Balance Sheet, Statement of Profit & Loss, and the Cash Flow Statement for the financial year 2020-21 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 violation 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/-

Mr. Ajay Pal Singh
Chief Executive Officer(CEO)

Sd/-

Mrs Pooja Chaurasia
Chief Financial Officer (CFO)

Place: New Delhi

Dated: 10.08.2021

Annexure - C2

**DECLARATION BY CHAIRMAN REGARDING COMPLIANCE WITH THE
CODE OF CONDUCT BY BOARD MEMBERS AND SENIOR MANAGEMENT
OF IRCON INFRASTRUCTURE AND SERVICES LIMITED DURING THE
FINANCIAL YEAR 2020-21.**

I, M.K Singh, Chairman, Ircon Infrastructure and Services 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 of the Company during the financial year 2020-21.

Place: New Delhi
Date: 10.08.2021

Sd/-
(M.K. Singh)
Chairman
DIN:- 06607392

GARIMA GROVER & ASSOCIATES
Company Secretaries

**CERTIFICATE ON COMPLIANCE OF DPE GUIDELINES
ON CORPORATE GOVERNANCE FOR THE FINANCIAL YEAR 2020-21.**

To

The Members of
Irrcon Infrastructure & Services Limited
New Delhi

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 with the following observation-

"It was observed that the Company was required to have one-third of its board members as Independent Directors as per DPE Guidelines, 2010. However, it is mentioned that the same has been exempted vide MCA notification dated 05.07.2017 for wholly owned subsidiary companies and also as per Office Memorandum F.No. 18(7)/2013-GM dated 16 January, 2019, it is clarified that the concerned administrative Ministry/Department so desires may appoint non-official directors on the board of subsidiary of a CPSE."

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 Garima Grover & Associates
Sd/-
Garima Grover
Membership No. 27100
C.O.P No. 23626

Place: New Delhi
Date: 08.07.2021

Office: 17/110, Second Floor, Subhash Nagar, New Delhi- 110027
ggaconsultant2020@gmail.com, Mob No. 9999385002

KANCHAN SAH & ASSOCIATES | Company Secretaries |
I-31, Gali no. 3, Lalita Park, Laxmi Nagar, Delhi- 110092
Contact: +91 880 222 1762
Email: pcskanchan@gmail.com



Annexure D

Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE YEAR ENDED 31ST MARCH 2020

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

To,
The Members
Ircon Infrastructure & Services Limited
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 Infrastructure & Services 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's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2021, 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 Infrastructure & Services Limited ('the Company') for the financial year ended on 31st March 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; **[Not applicable during the financial year]**
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; **[Not applicable during the financial year]**
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial

Borrowings; [Not applicable during the financial year]

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **[Not applicable during the financial year]**
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; **[Not applicable during the financial year]**
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **[Not applicable during the financial year]**
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **[Not applicable during the financial year]**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **[Not applicable during the financial year]**
 - (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; **[Not applicable during the financial year]**
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **[Not applicable during the financial year]** and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **[Not applicable during the financial year]**
- (vi) The Management has confirmed the following other laws as specifically applicable to the Company:
- a) DPE Guidelines on Corporate Governance, 2010.
 - b) Labour Laws to the extent applicable.
 - c) Environmental laws to the extent applicable.

We have also examined compliance with the applicable clauses of the following:

- (a) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (b) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. **[Not applicable during the financial year]**

During the year under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above. It has been reported that Corporate Social Responsibility (CSR) budget for the financial year was Rs. 24,89,680/-. The approved CSR activities were undertaken with a total expenditure of Rs. 24,13,526/- and the amount of Rs. 76,154/- which was remain unspent for the year 2020-21 was transferred to PM cares Fund in pursuance to the provisions of Section 135 of the Companies Act, 2013.

We further report that:-

There were no changes in the composition of the Board of Directors during the year under review. The Board of Directors of the Company is duly constituted with Non-Executive (Nominee) Directors subject to the observation mentioned below.

As per para 3.1.3 of DPE Guidelines on Corporate Governance for CPSEs, 2010, the number of Nominee Directors appointed by Government/other CPSEs shall be restricted to a maximum of two. However, it was observed that the number of Nominee Directors on the Board exceeded the limit.

There are no Independent directors in the Company. The Company being a wholly owned subsidiary is exempted from the requirement of having Independent Directors as per provisions of the Act, vide MCA notification "The Companies (Appointment and Qualification of Directors) Amendment Rules, 2017 dated 5th July, 2017."

Adequate notices were given to all Directors for scheduled Board Meetings along with Committee Meetings. Agenda and detailed notes on agenda were sent at shorter notice or at least seven days in advance as the case may be, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Board Meetings were taken unanimously.

We further report that compliance of applicable financial laws including Direct and Indirect Tax laws has not been reviewed in this Audit since the same has been subject to review by the Statutory Auditors and other designated professionals of the Company.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period there were no specific events/ actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

**For Kanchan Sah & Associates
Company Secretaries**

**Sd/-
Kanchan Kumari Sah
Proprietor
M. No. 40907
COP No. 15309
UDIN: A040907C000416942**

Date: 03.06.2021

Place: Delhi

{This report is to be read with my letter of even date which is annexed as "Annexure A" and forms an integral part of this report.}

IRCON INFRASTRUCTURE & SERVICES LIMITED

A Wholly Owned Subsidiary of IRCON International Limited, a Govt. of India Undertaking



KANCHAN SAH & ASSOCIATES | Company Secretaries |

I-31, Gali no. 3, Lalita Park, Laxmi Nagar, Delhi- 110092

Contact: +91 880 222 1762

Email: pcskanchan@gmail.com

"Annexure A"

To,
The Members,
Ircn Infrastructure & Services Limited
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 the 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 not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have relied on the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Kanchan Sah & Associates
Company Secretaries**

**Sd/-
Kanchan Kumari Sah
Proprietor
M. No. 40907
COP No. 15309
UDIN: A040907C000416942**

**Date: 03.06.2021
Place: Delhi**

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on 31st March 2020
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]
I. REGISTRATION AND OTHER DETAILS:

CIN	U45400DL2009GOI194792
Registration Date	30th September, 2009
Name of the Company	IRCON INFRASTRUCTURE & SERVICES LIMITED
Category / Sub-Category of the Company	Company Limited by Share
Address of the Registered office and contact details	Plot No. C-4, District Centre, Saket, New Delhi- 110017 Ph. No. 011-29565666
Whether listed company	No
Name, Address and Contact details of Registrar and Transfer Agent, if any	Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated:

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	Project Management Consultancy Projects	7110	84.07%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No.	Name and Address of the Company	CIN/ GLN	Holding/ subsidiary/ Associate	% of shares held	Applicable section
1	IRCON INTERNATIONAL LIMITED	U45203DL1976GOI008171	Holding	100%	2(46)

IRCON INFRASTRUCTURE & SERVICES LIMITED

A Wholly Owned Subsidiary of IRCON International Limited, a Govt. of India Undertaking


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	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	6,50,00,000	6,50,00,000	100%	-	6,50,00,000	6,50,00,000	100%	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1)	-	6,50,00,000	6,50,00,000	100%	-	6,50,00,000	6,50,00,000	100%	-
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2)	-	NIL	NIL	NIL	-	NIL	NIL	NIL	-
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	-	6,50,00,000	6,50,00,000	100%	-	6,50,00,000	6,50,00,000	100%	-
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):		NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(2) Non-Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
l) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
l) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-

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	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii) Individual									
shareholders holding nominal share capital in excess of Rs 1 lakh.									
c) Others (specify)-									
Sub-total (B)(2):	-	NIL	NIL	NIL	-	NIL	NIL	NIL	NIL
Total Public Shareholding (B) = (B)(1) + (B)(2)	-	NIL	NIL	NIL	-	NIL	NIL	NIL	NIL
C. Shares held by Custodian for GDRs & ADRs-									
Grand Total (A + B + C)		6,50,00,000	6,50,00,000	100%	-	6,50,00,000	6,50,00,000	100%	-

ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		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.	Ircon International Limited and its 6 nominees	6,50,00,000	100%	-	6,50,00,000	100%	-	100%
	Total	6,50,00,000	100%	-	6,50,00,000	100%	-	100%

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

Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	No Changes during the year			
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No Changes during the year			
At the End of the year	No Changes during the year			

IRCON INFRASTRUCTURE & SERVICES LIMITED

A Wholly Owned Subsidiary of IRCON International Limited, a Govt. of India Undertaking



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

For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	NIL			
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
At the End of the year (or on the date of separation, if separated during the year)				

v) Shareholding of Directors and Key Managerial Personnel:

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	NIL			
Date wise Increase or Decrease during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc):				
At the end of the year				

V. INDEBTEDNESS:

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

(₹ in crores)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebted-ness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	NIL	-	NIL
ii) Interest due but not paid	-	NIL	-	NIL
iii) Interest accrued but not due	-	NIL	-	NIL
Total (i + ii + iii)	-	NIL	-	NIL
Change in Indebtedness during the financial year				
- Addition	-	NIL	-	NIL
- Reduction	-	NIL	-	NIL
Net Change	-	NIL	-	NIL
Indebtedness at the end of the financial year				
i) Principal Amount	-	NIL	-	NIL
ii) Interest due but not paid	-	NIL	-	NIL
iii) Interest accrued but not due	-	NIL	-	NIL
Total (i + ii + iii)	-	NIL	-	NIL

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 MD/WTD/Manager (throughout 2017-18)				Total Amount
1	Gross salary					
a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961					
b)	Value of perquisites u/s 17(2) Income-tax Act, 1961					
c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961					
2	Stock option					
3	Sweat Equity					
4	Commission					
	- as % of profit					
	- others, specify					
5.	Others, please specify					
	Total (A)					
	Ceiling as per the Act					

***IrconISL has 4 Part-time Directors, nominated on the Board by the holding company; do not draw any remuneration from the Company. No sitting fee is paid to the Part-time Directors.**

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Director		Total Amount
1	Independent Directors			
a)	Fee for attending board/ committee meetings			
b)	Commission			
c)	Others (please specify)			
	Total (B1)			
2	Other Non-executive Directors			
a)	Fee for attending board/ committee meetings			
b)	Commission			
c)	Others (please specify)			
	Total (B2)			
	Total [B = B1 + B2]			
	Total Managerial Remuneration [A + B]			
	Overall ceiling as per the Act			

IRCON INFRASTRUCTURE & SERVICES LIMITED

A Wholly Owned Subsidiary of IRCON International Limited, a Govt. of India Undertaking


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

Sl. No.	Particulars of Remuneration	Name of Company Secretary (KMP)			Total Amount
		CEO	CFO	Company Secretary	
1	Gross salary	25,35,554	16,25,380	5,94,000	47,54,934
a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961.				
b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	
c)	Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NIL	NIL	NIL	
2	Stock option	NIL	NIL	NIL	
3	Sweat Equity	NIL	NIL	NIL	
4	Commission - as % of profit - others, specify	NIL	NIL	NIL	
5	Others, please specify				
	a) Other Retirement Benefits	6,89,367	4,54,918	21,600	11,65,885
	b) Performance Linked Incentive	5,32,224	2,49,364	-	7,81,588
	c) Other Benefits	2,15,676	14,509	-	2,30,185
	Total (A)	39,72,821	23,44,171	6,15,600	69,32,592
	Ceiling as per the Act				

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (give Details) COURT]	Appeal if any
Penalty					
Punishment					
Compounding			NIL		
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

For and on behalf of the Board of Directors
Ircon Infrastructure & Service Limited

Sd/-

(M.K. Singh)

Chairman

(DIN 06607392)

Place: New Delhi

Date: 10th August 2021

Form for Disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in section 188 (1) of the Companies Act, 2013, including certain arms-length transactions under third proviso thereto for the financial year 2019-20 (for the period 1st April 2019 to 31st March 2020).

Details of contracts or arrangements or transactions not at arm's length basis : **NIL**

Details of material contracts or arrangements or transactions at arm's length basis : **As follows**

Sl. No.	Name of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of contracts / arrangements / transactions	Salient terms of contracts / arrangements / transactions, including the value, if any	Date of approval by the Board, if any	Amount paid as advances, if any
1	Ircon International Limited (Holding Company)	(a) To provide manpower for IRCON's project in Malaysia	Date: Agreement dated 01-04-2013 Duration: contract extended for 1 year i.e. from 11.07.2019 to 10.07.2020. The agreement expired on 10.07.2020	Total manpower billing during the period from April 2020 to 10th July 2020 Rs. 6.96 lakh (excluding Gst)	NIL	
		(b) Providing manpower for IRCON's project in Kolkata	Date: Agreement dated 25-03-2019 Duration: 1 year from 01.01.2019 Renewal: The agreement extended for 1 year from till 08.01.2022 w.e.f. 09.01.2021 on the same rate and terms and conditions	Total manpower billing during the period from April 2020 to March 2021 is Rs. 7.13 lakh (excluding Gst)	NIL	
		(c) Providing manpower for IRCON's project in Algeria	Date: Agreement dated 26-03-2019 Duration: 2 years from 01.10.2017 Renewal: The agreement extended for 1 year from till 30.09.2021 w.e.f. 01.10.2020 on the same rate and terms and conditions	Total manpower billing during the period from April 2020 to 31st March 2021 is Rs. 23.63 lakh (excluding Gst)	NIL	
		(d) Registered and Corporate office rent	Date: Lease Agreement dated 30-04-2019 Duration: 2 years from 01.04.2019 The agreement expired on 31.12.2020 from 01.01.2021 corporate office of IRCON ISI is shifted to IRCON's Noida office. New Agreement is yet to be executed.	Total billing raised by Ircon International Ltd. towards corporate office rent payable for the year 2020-21 is Rs. 17.72 lakh (excluding Gst)	NIL	

IRCON INFRASTRUCTURE & SERVICES LIMITED

A Wholly Owned Subsidiary of IRCON International Limited, a Govt. of India Undertaking



Sl. No.	Name of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of contracts / arrangements / transactions	Salient terms of contracts / arrangements / transactions, including the value, if any	Date of approval by the Board, if any	Amount paid as advances, if any
		(e) Duomatic (On Line Track Tamper Model Plasser Heavy Duty Track Trampler 08-32C MA No. 6013 Double Header) to IRCON's Project (Kiul-Gaya Doubling Project and Hajipur-Bachwara Doubling Project)	Date: Agreement dated 16-12-2019 & addendum 20.01.2020 Duration: This machine hiring agreement shall be effective initially for a period of one year from the date of Commissioning of Machine at the Project i.e. 16.10.2019 Renewal: Agreement extended for further year till 16.10.2021	Total Leasing of Duomatic Machine during the period April 2020 to 31st March 2021 Rs. 232.80 lakh (excluding Gst)	NIL	
		(f) Re-developmen of Railway Stations	Date: MOU entered on 23-12-2019 addendum 20.01.2020 Duration: MOU shall be forceable till completion of all the allocated Project (s) including defectt liability period or until termination/foreclosure of the services, whichever is earlier Renewal: Agreement extended for further year till 16.10.2021	Ircon ISL has been awarded the work of Re-development of Railway Stations for a fees @ 5.22% plus GST of Projectt Cost	NIL	
		(g) To provide manpower for IRCON's project in Bangladesh.	Date: Agreement dated 22-05-2020 Duration: 1 year from the date of LOA i.e. 07.02.2020 Renewal: Agreement extended for further 1 year from 07.02.2021 to 06.02.2022	Total Manpower billing during tthe period April 2020 to 31st March 2021 Rs. 49.94 lakhs (excluding GST)	NIL	

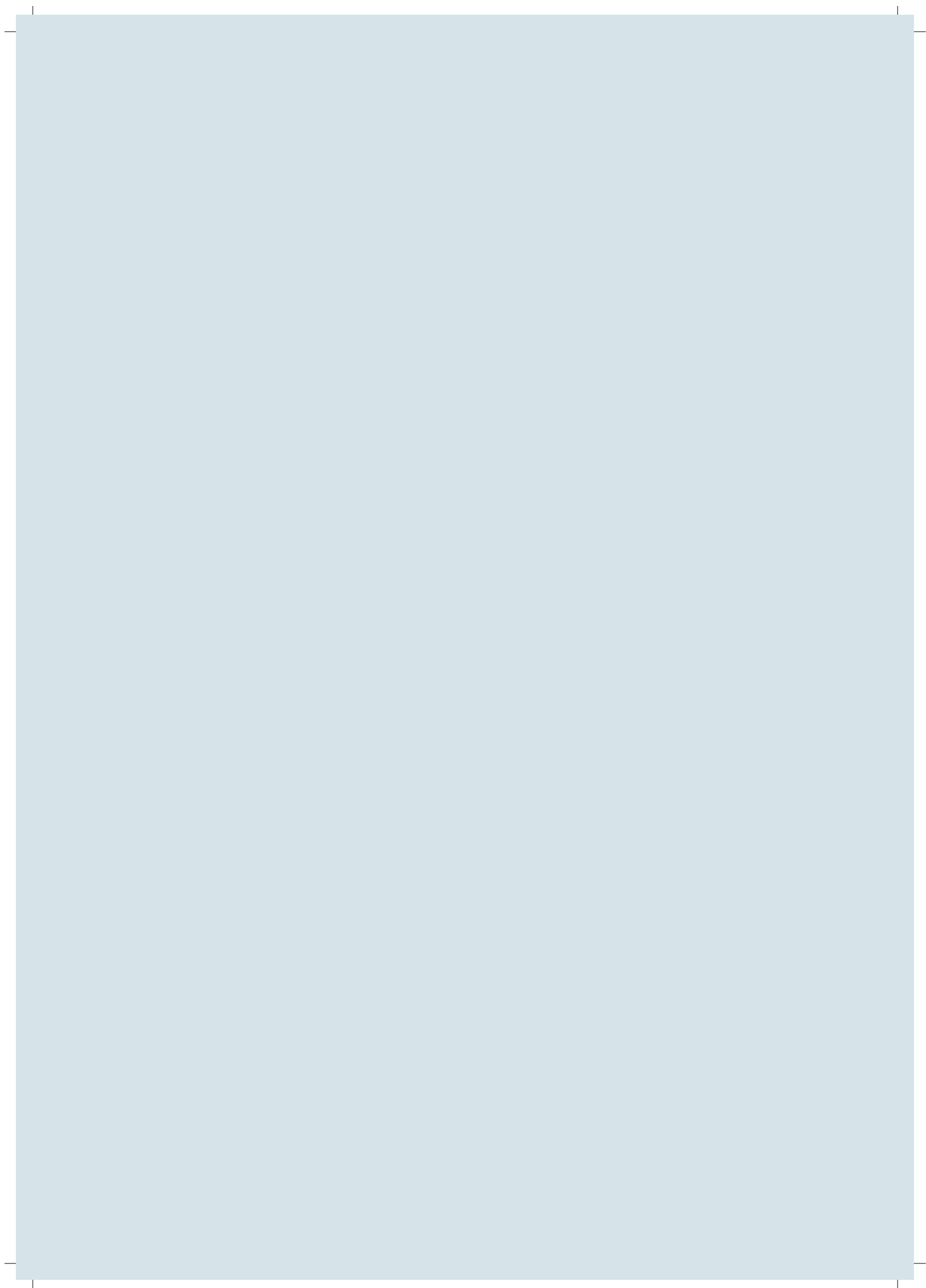
Sl. No.	Name of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of contracts / arrangements / transactions	Salient terms of contracts / arrangements / transactions, including the value, if any	Date of approval by the Board, if any	Amount paid as advances, if any
		(h) Ircon ISL's CSR work done by IRCON-Repair and renovation of Community Center in village Mahsaura, Distt. Lakhisarai (Bihar) by Ircon's Patna Unit	Date of LOA to IRCON is 18.11.2020	Total billing raised by Ircon Bihar project for the work "Ircon ISL's CSR work done by IRCON-Repair and renovation of Community Center" during the period April 2020 to 31st March 2021 Rs. 3.84 lakhs (excluding GST).	NIL	

Place: New Delhi
Date: 10th August 2021

For and on behalf of the Board of Directors
Ircon Infrastructure & Service Limited
Sd/-
(M.K. Singh)
Chairman
(DIN 06607392)

Financial Statement





IRCON INFRASTRUCTURE & SERVICES LIMITED

A Wholly Owned Subsidiary of IRCON International Limited, a Govt. of India Undertaking



(CIN - U45400DL2009GOI194792)

BALANCE SHEET

as at 31st March 2021

(Rs. in Crore)

	Particulars	Note No.	As at 31st March 2021	As at 31st March 2020
I.	ASSETS			
1	Non-current assets			
	(a) Property, Plant and equipment	3	4.55	5.05
	(b) Capital work-in-progress	4	2.88	2.30
	(c) Other Intangible assets	5	82.97	85.12
	(d) Financial Assets	6		
	(i) Loans	6.1	0.05	0.03
	(ii) Others	6.2	0.03	0.29
	(e) Deferred Tax Asset (Net)	7	-	-
			90.48	92.79
2	Current assets			
	(a) Inventories	8	3.04	0.01
	(b) Financial Assets	9		
	(i) Trade Receivables	9.1	82.29	57.01
	(ii) Cash and cash equivalents	9.2	58.37	102.10
	(iii) Bank Balances other than (ii) above	9.3	77.59	47.68
	(iv) Loans	9.4	0.62	0.09
	(v) Others	9.5	6.50	3.40
	(c) Current Tax Assets (Net)	10	0.49	0.49
	(d) Other current assets	11	21.09	19.95
			249.50	230.73
	Total Assets		339.98	323.52
II.	EQUITY AND LIABILITIES			
1	Equity			
	(a) Equity Share Capital	12	65.00	65.00
	(b) Other Equity	13	94.64	88.89
			159.64	153.89
2	Liabilities			
(i)	Non-current liabilities			
	(a) Financial Liabilities	14		
	(i) Other financial liabilities	14.1	21.13	13.51
	(b) Provisions	15	0.24	0.25
	(c) Deferred Tax Liabilities (Net)	7	4.68	4.53
	(d) Other Non-Current Liabilities	16	31.46	30.28
			57.51	48.57
3	Current liabilities			
	(a) Financial Liabilities	17		
	(i) Trade payables			
	- Dues of Micro Enterprises & Small Enterprises	17.1	8.67	3.80
	- Total Outstanding Dues of creditors other than of Micro Enterprises & Small Enterprises		12.59	8.39
	(ii) Other financial liabilities	17.2	7.29	10.27
	(b) Current Tax Liability (Net)	18	5.23	-
	(c) Other current liabilities	19	88.93	98.52
	(d) Provisions	20	0.12	0.08
			122.83	121.06
	Total Equity and Liabilities		339.98	323.52
III.	Summary of Significant account policy	2		
IV.	Note forming part of financial statements	1-43		

As per our Report of even date attached

For K.M.G.S. & Associates

Chartered Accountants

FRN - 004730N

Sd/-

CA Lalit Goel

(Partner)

M. No. 091100

Place : New Delhi

Date : 25-06-2021

For and on behalf of the Board of Directors

Sd/-

Pooja Chaurasia

C.F.O

Sd/-

Surajit Dutta

Director

(DIN-06687032)

Sd/-

Ajay Pal Singh

C.E.O

Sd/-

M.K.Singh

Chairman

(DIN-06607392)

Sd/-

Manisha Gola

Co Secy

(CIN - U45400DL2009G01194792)

STATEMENT OF PROFIT AND LOSS

For the year ended 31st March 2021

(Rs. in Crore)

	Particulars	Note No.	For the year ended 31st March 2021	For the year ended 31st March 2020
I	Revenue :			
	Revenue from operations	21	194.39	131.13
II	Other income	22	5.15	4.38
III	Total Income (I + II)		199.54	135.51
IV	Expenses:			
	Operating Expenses	23	168.07	102.78
	Employee benefits expenses	24	11.57	11.64
	Finance costs	25	0.03	0.06
	Depreciation and amortization Expenses	26	2.92	2.90
	Administrative & Other Expenses	27	2.84	3.27
	Total Expenses (IV)		185.43	120.65
V	Profit/loss Before exceptional items and Tax (I - IV)		14.11	14.86
VI	Exceptional items			
VII	Profit/(Loss) before tax (V - VI)		14.11	14.86
VIII	Tax expense:	7		
	(1) Current tax			
	- For the year		4.21	4.39
	- For earlier years (net)		4.00	11.80
	(2) Deferred tax (net)		0.15	-12.84
	Total Tax Expense (VIII)		8.36	3.35
IX	Profit/(loss) for the period from continuing operation (VII - VIII)		5.75	11.51
X	Profit/(loss) from discontinued operations			
XI	Tax Expense of discontinued operations			
XII	Profit/(loss) from discontinued operations (after tax) (X-XI)			
XIII	Profit/(loss) for the period (IX + XII)		5.75	11.51
XIV	Other Comprehensive Income	28		
	A. (i) Items that will not be reclassified to profit and loss		-	-0.01
	(ii) Income Tax relating to Items that will not be reclassified to profit and loss		-	-
	B. (i) Items that will be reclassified to profit and loss			
	(ii) Income Tax relating to Items that will be reclassified to profit and loss		-	-0.01
XV	Total Comprehensive Income for the year (IX + X) (Comprising profit/(loss) and other comprehensive income for the year, net of tax)		5.75	11.50
XVI	Earnings Per Equity Share:			
	(For Continuing Operation)			
	(1) Basic	29	0.88	1.77
	(2) Diluted		0.88	1.77
	Face Value per equity share		10.00	10.00

As per our Report of even date attached
For K.M.G.S. & Associates
Chartered Accountants
FRN - 004730N
Sd/-
CA Lalit Goel
(Partner)
M. No. 091100
Place : New Delhi
Date : 25-06-2021

For and on behalf of the Board of Directors

Sd/-
Pooja Chaurasia
C.F.O

Sd/-
Ajay Pal Singh
C.E.O

Sd/-
Manisha Gola
Co Secy

Sd/-
Surajit Dutta
Director
(DIN-06687032)

Sd/-
M.K.Singh
Chairman
(DIN-06607392)

IRCON INFRASTRUCTURE & SERVICES LIMITED

A Wholly Owned Subsidiary of IRCON International Limited, a Govt. of India Undertaking



(CIN - U45400DL2009GOI194792)

Statement of Cash Flow

For the year ended on 31st March 2021

(Rs. in Crore)

Particulars		For the year ended 31st March 2021	For the year ended 31st March 2020
CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before taxation		14.11	14.80
Adjustment for :			
Depreciation, amortization and impairment		2.92	2.90
Loss / (Profit) on disposal of assets(net)		-	-
Finance costs		-	-
Interest Income		-4.99	-3.98
Operating Profit before Current /Non-Current Assets and Liabilities	(1)	12.04	13.78
Adjustment for :			
Decrease / (Increase) in Inventories		-3.03	-0.01
Decrease / (Increase) in Trade Receivables		-25.28	6.43
Decrease / (Increase) in Bank Balance other than those taken to CCE		-29.91	86.65
Decrease / (Increase) in Loans		-0.53	-
Decrease / (Increase) in Other Financial Assets		-0.49	9.71
Decrease / (Increase) in other Current Assets		-1.14	-19.14
Decrease / (Increase) in Non Current Financial Assets		-0.02	0.02
Decrease / (Increase) in Other Non current Financial Assets		0.26	2.17
(Decrease) / Increase in Other Non-current Liability		1.18	-1.48
(Decrease) / Increase in Provisions		-0.01	0.08
(Decrease) / Increase in Other Non Current Assets		-	-
(Decrease) / Increase in Trade Payables		9.07	-2.92
(Decrease) / Increase in Other Financial Liability		4.64	14.08
(Decrease) / Increase in Other Current Liability		-9.59	-3.16
(Decrease) / Increase in Provisions		0.04	0.03
	(2)	-54.81	92.46
Cash generated from operation	(1 + 2)	(42.77)	106.24
Income Tax Paid (Net of Refunds)		2.49	-10.07
NET CASH FROM OPERATING ACTIVITIES	(A)	-45.26	96.17
CASH FLOW FROM INVESTING ACTIVITIES			
Capital Expenditure on PPE, Intangible Assets & Intangible under Development		-0.85	-0.23
Sale of Fixed Asset		-	0.40
Capital Advances given during the year		-	-
Interest Received		2.38	5.03
NET CASH FROM INVESTING ACTIVITIES	(B)	1.53	5.20

(Rs. in Crore)

Particulars		For the year ended 31st March 2021	For the year ended 31st March 2020
CASH FLOW FROM FINANCING ACTIVITIES			
Proceed from issue of share capital		-	-
Proceeds from Borrowings		-	-
Finance Cost		-	-
Dividend (including Dividend Distribution Tax) paid		-	-
NET CASH FROM FINANCING ACTIVITIES	(C)	-	-
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENT	(A + B + C)	(43.73)	101.37
<u>Components of Cash and Cash Equivalents</u>			
CASH AND CASH EQUIVALENT (OPENING)	(E)	102.10	0.73
Cash Balances		0.01	0.01
Balance with Banks		0.19	-
Current Accounts		0.46	0.52
– Flexi Accounts		34.44	0.20
Short term investments		67.00	-
CASH AND CASH EQUIVALENT (CLOSING)	(F)	58.37	102.10
Cash Balances		0.03	0.01
Funds in transit		-	0.19
Balance with Banks			
Current Accounts		0.35	0.46
– Flexi Accounts		57.99	34.44
FDR maturing in less than 3 months		-	67.00
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENT	(F - E)	-43.73	101.37

As per our Report of even date attached
For K.M.G.S. & Associates
Chartered Accountants
FRN - 004730N
Sd/-
CA Lalit Goel
(Partner)
M. No. 091100
Place : New Delhi
Date : 25-06-2021

For and on behalf of the Board of Directors

Sd/-
Pooja Chaurasia
C.F.O

Sd/-
Ajay Pal Singh
C.E.O

Sd/-
Manisha Gola
Co Secy

Sd/-
Surajit Dutta
Director
(DIN-06687032)

Sd/-
M.K.Singh
Chairman
(DIN-06607392)

IRCON INFRASTRUCTURE & SERVICES LIMITED

A Wholly Owned Subsidiary of IRCON International Limited, a Govt. of India Undertaking



(CIN - U45400DL2009GOI194792)

Statement of changes in equity

for the period ended 31-March-2021

A. Equity share capital

(Rs. in crore)

Particulars	No. of Shares	Amount
Balance as at April 1, 2020	6.50	65.00
Add: Shares issued during the year		-
Balance as at March 31, 2021	6.50	65.00

B. Other Equity

(Rs. in crore)

Particulars	Reserve & Surplus			
	Share application money pending allotment	General Reserve	Retained Earnings	Total
Balance as at April 1, 2020	-	88.89	-	88.89
Changes in accounting policy or prior period errors	-	-	-	-
Restated balance at the beginning of the reporting period	-	88.89	-	88.89
Profit for the year	-	-	5.75	5.75
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	-	-	5.75	5.75
Transfer to General Reserve	-	-	-	-
Addition during the year	-	-	-	-
Refunded/issued during the year	-	-	-	-
Balance as at March 31, 2021	-	88.89	5.75	94.64

As per our Report of even date attached
 For K.M.G.S. & Associates
 Chartered Accountants
 FRN - 004730N
 Sd/-
 CA Lalit Goel
 (Partner)
 M. No. 091100
 Place : New Delhi
 Date : 25-06-2021

For and on behalf of the Board of Directors

Sd/-
 Pooja Chaurasia
 C.F.O

Sd/-
 Ajay Pal Singh
 C.E.O

Sd/-
 Manisha Gola
 Co Secy

Sd/-
 Surajit Dutta
 Director
 (DIN-06687032)

Sd/-
 M.K.Singh
 Chairman
 (DIN-06607392)

(CIN - U45400DL2009GOI194792)

Statement of changes in equity

for the period ended 31-March-2020

A. Equity share capital

(Rs. in crore)

Particulars	No. of Shares	Amount
Balance as at April 1, 2019	6.50	65.00
Add: Shares issued during the year	-	-
Balance as at March 31, 2020	6.50	65.00

B. Other Equity

(Rs. in crore)

Particulars	Reserve & Surplus			
	Share application money pending allotment	General Reserve	Retained Earnings	Total
Balance as at April 1, 2019	-	77.39	-	77.39
Changes in accounting policy or prior period errors	-	-	-	-
Restated balance at the beginning of the reporting period	-	77.39	-	77.39
Profit for the year	-	-	11.51	11.51
Other Comprehensive Income	-	-	-0.01	-0.01
Total Comprehensive Income	-	-	11.50	11.50
Transfer to General Reserve	-	-	-11.50	-11.50
Addition during the year	-	11.50	-	11.50
Refunded/issued during the year	-	-	-	-
Balance as at March 31, 2020	-	88.89	-	88.89

As per our Report of even date attached
 For K.M.G.S. & Associates
 Chartered Accountants
 FRN - 004730N
 Sd/-
 CA Lalit Goel
 (Partner)
 M. No. 091100
 Place : New Delhi
 Date : 25-06-2021

For and on behalf of the Board of Directors

 Sd/-
 Pooja Chaurasia
 C.F.O

 Sd/-
 Ajay Pal Singh
 C.E.O

 Sd/-
 Manisha Gola
 Co Secy

 Sd/-
 Surajit Dutta
 Director
 (DIN-06687032)

 Sd/-
 M.K.Singh
 Chairman
 (DIN-06607392)

ACCOUNTING POLICIES FORMING PART OF THE ACCOUNTS FOR THE FINANCIAL YEAR 2020-2021

Note 1: Corporate Information

Ircon Infrastructure & Services Limited is a wholly owned Subsidiary Company of Ircon International Limited. The company domiciled in India and is incorporated under the provisions of the companies Act applicable in India. The Company had initially incorporated for Construction and development of Multi-Functional Complexes (MFCs) at identified Railway stations to provide amenities to Railway users. Also, the company diversified progressively to Infrastructure Consultancy Projects, Preparation of DPR and FS, Project Management Consultancy Projects, Supply of Manpower, Leasing of Plant & Machinery, Sub- Leasing of MFCs and execution of CSR projects of various clients including Holding Company. The Company caters to both domestic and international markets. The registered office of the company is located at C-4, District Centre, Saket, New Delhi - 110017.

The presentation and functional currency of the company is Indian Rupees (INR). Figures in financial statements are presented in crore, by rounding off upto two decimals except for per share data and as otherwise stated.

The standalone financial statements are approved for issue by the company's Board of Directors in their meeting held on 25.06.2021.

Note 2: Significant Accounting Policy under Ind AS (Standalone).

2.1 Basis of Preparation

The financial statements of the Company have been prepared in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the financial statements.

The financial statements have been prepared on a going concern basis following accrual system of accounting. The Company has adopted the historical cost basis for assets and liabilities, except for the following assets and liabilities which have been measured at fair value:

- Provisions, where the effect of time value of money is material are measured at present value
- Certain financial assets and liabilities measured at fair value
- Defined benefit plans and other long-term employee benefits

2.2 Summary of significant accounting policies

A summary of the significant accounting policies applied in the preparation of the financial statements are as given below. These accounting policies have been applied consistently to all periods presented in the financial statements.

2.2.1 Current vs non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle liability for at least twelve months after the reporting period

The Company classifies all other assets as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

2.2.2 Property, plant and equipment

Recognition and Initial Measurement

Property, plant and equipment is recognized when it is probable that future economic benefits associated with the item will flow to the Company and the cost of each item can be measured reliably. Property, plant and equipment are initially stated at their cost.

Cost of asset includes

- a) Purchase price, net of any trade discount and rebates
- b) Borrowing cost if capitalization criteria is met`
- c) Cost directly attributable to the acquisition of the assets which incurred in bringing asset to its working condition for the intended use
- d) Incidental expenditure during the construction period is capitalized as part of the indirect construction cost to the extent the expenditure is directly related to construction or is incidental thereto.
- e) Present value of the estimated costs of dismantling & removing the items & restoring the site on which it is located if recognition criteria are met.

Freehold land is carried at historical cost.

Subsequent measurement

Property, plant and equipment are subsequently measured at cost net of accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditure is capitalized if it is probable that future economic benefits associated with the expenditure will flow to the Company and cost of the expenditure can be measured reliably.

Cost of replacement, major inspection, repair of significant parts and borrowing costs for long-term construction projects are capitalized if the recognition criteria are met.

The machinery spares are capitalized if recognition criteria are met.

Depreciation and useful lives

Depreciation on property, plant and equipment, excluding freehold land is provided on straight line basis over the estimated useful lives of the assets as specified in schedule II of the Companies act, 2013.

Particulars	Useful Life (yrs.)
Plant & Machinery	12 yrs.
Computers	3 yrs.
Furniture, Fixtures, Furnishings	10 yrs.
Office Equipment's	5 yrs.
Laboratory's Equipment's	10 yrs.
Vehicles	10 yrs.

Depreciation on additions to/deductions from property, plant and equipment during the period is charged on pro-rata basis from/up to the date on which the asset is available for use/disposed

Each part of an item of Property, Plant and Equipment is depreciated separately if the cost of part is significant in relation to the total cost of the item and useful life of that part is different from the useful life of remaining asset.

Property plant and equipment acquired during the period, 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 statement of profit and loss irrespective of its value.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted prospectively, if appropriate. "Ordinarily, the residual value of an asset is up to 5% of the original cost of the asset" as specified in Schedule II of the Companies Act, 2013

Derecognition

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognized.

2.2.3 Capital work in progress

Capital work-in-progress represents expenditure incurred in respect of capital projects and are carried at cost less accumulated impairment loss, if any.

2.2.4 Investment properties

Recognition and initial measurement

Investment Property is recognized when it is probable that future economic benefits associated with the property will flow to the company and the cost of property can be measured reliably. Investment property comprises completed property, property under construction and property held under a lease that is held to earn rentals or for capital appreciation or both, rather than for sale in the ordinary course of business or for use in production or administrative functions. Investment properties are measured initially at cost, including transaction costs.

Cost is the amount of cash or cash equivalents paid or the fair value of other consideration given to acquire an asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognized in accordance with the specific requirements of other Ind AS.

Subsequent measurement and depreciation

Investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Subsequent cost are added if recognition criteria is met. The Company depreciates building component of investment property on straight line basis over 60 years from the date of original purchase/ completion of construction. Freehold land and property under construction is not depreciated.

Leasehold land acquired on perpetual lease is not amortized.

The residual values, useful lives and methods of depreciation of investment property are reviewed at each financial year end and adjusted prospectively, if appropriate.

Though the Company measures investment property using cost-based measurement, the fair value of investment property is disclosed in the notes. Fair value determined based on an annual evaluation performed by an accredited external independent valuer applying valuation model acceptable internationally.

Derecognition

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds if any and the carrying amount of the asset is recognised in statement of profit or loss in the period of derecognition.

2.2.5 Intangible assets

Recognition and initial measurement

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the asset will flow to the Company and cost of the asset can be measured reliably. Intangible assets acquired separately are measured on initial recognition at cost. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Internally generated intangibles, excluding capitalised development costs, are not capitalised and

the related expenditure is reflected in the statement of profit or loss in the period in which the expenditure is incurred. Intangible assets not ready for the intended use on the date of the Balance Sheet are disclosed as "Intangible assets underdevelopment"

Subsequent measurement and amortization

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 are as follows:

Intangible Assets	Useful life	Internally generated or self-generated
Lease Right	Useful life of MFC	Internally generated

Amortization methods, useful lives and residual values are reviewed at each reporting period and adjusted prospectively, if appropriate.

Leasehold land and improvements are amortized over the lower of estimated useful life and lease term.

Software cost up to Rs. 1.00 Lakhs in each case is fully amortised in the year of purchase, by keeping Rs. 1 as token value for identification.

Amortization on additions to/deductions from Intangible Assets during the period is charged on pro-rata basis from/up to the date on which the asset is available for use/disposed

Derecognition

An intangible asset shall be derecognized on disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds if any and the carrying amount of the asset and are recognized in the statement of profit or loss when the asset is de-recognized.

2.2.6 Impairment of non-financial assets

At each reporting date, the Company assesses, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount and the impairment loss, including impairment on inventories are recognized in the statement of profit and loss.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset

does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior period. Such reversal is recognized in the statement of profit and loss.

2.2.7 Investment in equity instruments of subsidiaries and joint ventures

Investment in equity instruments of subsidiaries and joint ventures are stated at cost as per Ind AS 27 'Separate Financial Statements'. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is assessed for recoverability and in case of permanent diminution provision for impairment is recorded in statement of Profit and Loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is recognized to the statement of profit and loss.

Interests in joint operations

The Company as a joint operator recognises in relation to its interest in a joint operation, its share in the assets/liabilities held/ incurred jointly with the other parties of the joint arrangement. Revenue is recognised for its share of revenue from the sale of output by the joint operation. Expenses are recognised for its share of expenses incurred jointly with other parties as part of the joint arrangement.

2.2.8 Inventories

- a) Inventories (including scrap) are valued at the lower of cost and net realizable value. Cost includes cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on First in First out (FIFO) basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.
- b) Construction work-in-progress is valued at cost till such time the outcome of the job cannot be ascertained reliably and at lower of cost or realizable value thereafter.
- c) The initial contract expenses on new projects for mobilization are recognized as construction work-in-progress in the year of incidence, and pro rata charged to statement of profit and loss of the project over the period at the same percentage as the stage of completion of the contract as at the end of reporting period. Site mobilization expenditure to the extent not written off valued at cost.
- d) In Cost Plus contracts, where the cost of all materials, spares and stores not reimbursable as per the terms of the contract is shown as inventory valued as per (a) above.
- e) Loose tools are expensed in the period of purchase.

2.2.9 Revenue Recognition

(a) Revenue from contracts with customers

(i) Revenue from Project Management Consultancy (PMC) Services:

Revenue from contract with customer is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Revenue from contract with customers is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue and costs, if applicable, can be measured reliably.

When another party is involved in providing goods or services to our customer, the Company determines whether it

is a principal or an agent in these transactions by evaluating the nature of its promise to the customer. Revenue is booked on gross basis where the company acts as a principal and on net amount that it retains for its services, in case the company acts as an agent. The Company has recognized revenue by considering the substance of the contracts.

In all PMC Contracts, the Company recognize revenue for a performance obligation satisfied over time after reasonably measuring its progress towards complete satisfaction of the performance obligation, In case where the outcome of a performance obligation cannot be reasonably measured but the Company expects to recover the costs incurred in satisfying the performance obligation, the revenue is being recognised only to the extent of the costs incurred until such time that it can reasonably measure the outcome of the performance obligation.

Performance obligation is measured by applying input method. In the contracts where performance obligation cannot be measured by input method, the output method is applied, which faithfully depict the Company's performance towards complete satisfaction of the performance obligation.

Revenue is measured at the transaction price that is allocated to the performance obligation and it excludes amounts collected on behalf of third parties and is adjusted for variable consideration, if any.

After contract inception, the transaction price can change for various reasons. Any subsequent change in the transaction price is then allocated to the performance obligations in the contract on the same basis as at contract inception. Consequently, amounts allocated to a satisfied performance obligation are recognised as revenue, or as a reduction of revenue, in the period in which the transaction price changes.

Estimate of revenues, costs, or extent of progress towards completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are recognized by including it in profit or loss in the period of the change, if the change affects that period only or the period of change and future periods, if the change affects both.

If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional. If a customer pays consideration before the Company transfers good or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liability is recognized as revenue when the Company performs under the Contract.

(ii) Revenue from Supply of manpower/hiring of machinery:

The Company recognizes revenue on satisfaction of the performance obligation by transferring the promised service (i.e. supply of agreed manpower/hiring of machinery) as mentioned in the contract with the customer. Such services are recognized as a performance obligation satisfied over time because the customer simultaneously receives and consumes the benefit provided by the Company.

Other operating income represents income earned from the activities incidental to business and is recognized when performance obligation is satisfied and right to receive the income is established as per terms of contract.

(b) Other Revenue Recognition

- i) Dividend income is recognized when the right to receive payment is established.
- ii) Interest income is recognized using Effective Interest rate Method. Interest income is included in other income in the Statement of Profit and Loss.

- iii) Miscellaneous income is recognized when performance obligation is satisfied and right to receive the income is established as per terms of contract

2.2.10 Borrowing cost

Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are charged to statement of profit and loss as incurred. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2.2.11 Taxes

a) Current income Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with relevant tax regulations. Current tax is determined as the tax payable in respect of taxable income for the period and is computed in accordance with relevant tax regulations. Current income tax is recognized in statement of profit and loss except to the extent it relates to items recognised outside profit or loss in which case it is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

b) Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognized in statement of profit and loss except to the extent it relates to items recognised outside profit or loss, in which case is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

2.2.12 Foreign currencies

- **Functional and presentation currency**

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Indian Rupees which is also the functional and presentation currency of the Company.

- **Transactions and balances**

Foreign currency transactions are recorded in the functional currency, by applying the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Foreign currency monetary items outstanding at the reporting date are converted to functional currency using the closing rate (Closing selling rates for liabilities and closing buying rate for assets). Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transactions.

Exchange differences arising on settlement of monetary items, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the statement of profit and loss in the period in which they arise. These exchange differences are presented in the statement of profit and loss on net basis.

- **Foreign Operations**

Foreign Operations related to branches that have the functional currency different from the presentation currency are translated into presentation currency. for the purpose of standalone financial statements, the assets and liabilities (both monetary and non-monetary) of the Company's foreign branches are translated into Indian rupees using exchange rates prevailing at the end of reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rate fluctuate significantly during the period, in which case the exchange rates at the dates of transaction are used. Exchange difference arising, if any, are recognized in other comprehensive income and accumulated in equity as foreign currency translation reserve.

On disposal of foreign operations (on closure of the books of the project)), all the exchange differences accumulated in equity in respect of that operation are reclassified to statement of profit and loss.

2.2.13 Employee benefit

- a) **Short-term employee benefits**

Employee benefits such as salaries, short term compensated absences, and Performance Related Pay (PRP) falling due wholly within twelve months of rendering the service are classified as short-term employee benefits and undiscounted amount of such benefits are expensed in the statement of profit and loss in the period in which the employee renders the related services.

- b) **Post-employment benefits**

- **Defined Contribution Plan:** A defined contribution plan is a plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognized as an employee benefits expense in the statement of profit and loss during the period in which the employee renders the related services.

For the regular employee, company deposit contribution toward employee pension scheme through NPS and are charged to the statement to the Profit and loss for the year when the contributions are due.

- **Defined Benefit Plan:** A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Under such plans, the obligation for any benefits remains with the Company. The company's liability towards gratuity, provident fund and post-retirement medical benefit are in the nature of defined benefit plans.

The gratuity is funded by the Company and recognized as expense and are charged to statement of profit and loss. The Company pays fixed contribution to the recognized provident fund at predetermined rates to EPFO and are charged to statement of profit and loss.

c) Other long-term employee benefits

The Company treats leave encashment expected to be carried forward beyond twelve months and leave travel concession as long-term employee benefit for measurement purposes. The obligation recognised in respect of these long-term benefits is measured at present value of the obligation based on actuarial valuation using the projected unit credit method.

Long term employee benefit costs comprising current service cost, interest cost and gains or losses on curtailments and settlements, re-measurements including actuarial gains and losses are recognised in the statement of profit and loss as employee benefit expenses.

Others:

- i. The persons working for the company are on nomination/secondment basis and are on the rolls of its Holding company. Provisions for leave encashment, gratuity and other retirement benefits are made by its holding company based on actuarial valuation at the year end.
- ii. Provision for leave salary is made in the books of accounts only for the contract employee posted at foreign project wherever applicable as no other retirement benefit are payable to them.
- iii. Provident Fund contribution of the employees on nomination/secondment is made by the Holding Company to its PF Trust on accrual basis.

2.2.14 Cash and cash equivalents

Cash and cash equivalent include cash on hand, cash at banks and short-term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of unrestricted cash and short-term deposits, as defined above as they are considered an integral part of the Company's cash management.

2.2.15 Dividend

Annual Dividend distribution to the Company's equity shareholders is recognized as liability in the period in which dividend is approved by the shareholders. Any interim dividend is recognized as liability on approval by the Board of Directors. Dividend payable and corresponding tax on dividend distribution is recognized directly in equity.

2.2.16 Provisions, contingent assets and contingent liabilities

a) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, considering the risk and uncertainties surrounding the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions recognised by the Company include provisions for Maintenance, Demobilization, Design Guarantee, Legal Cases, Corporate Social Responsibility (CSR), Onerous Contracts and others.

b) Onerous contracts

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Company cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. If the Company has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Company recognises any impairment loss that has occurred on assets dedicated to that contract.

These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

c) Contingent liabilities

Contingent liabilities are disclosed when there is a possible obligation or present obligations that may but probably will not, require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

d) Contingent assets

Contingent assets are not recognized though are disclosed, where an inflow of economic benefits is probable.

2.2.17 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration.

a) Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

Leasehold land acquired on perpetual lease is not amortized.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment.

ii) Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company's lease liabilities are included in financial liabilities

iii) Short term lease and leases of low value assets

The Company applies the short-term lease recognition exemption to its short-term leases contracts including lease of residential premises and offices (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

The Company has given adjustments for lease accounting in accordance with Ind AS 116 which came into effect on 1 April 2019, and all the related figures have been reclassified/ regrouped to give effect to the requirements of Ind AS 116.

b) Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.2.18 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a) Financial assets

Initial recognition and measurement

All Financial assets are recognised initially at fair value plus or minus transaction cost that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit and loss). Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in statement of profit and loss.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- **Debt instruments at amortised cost**

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

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

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

- **Debt instruments at FVTOCI**

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income in statement of profit and loss using the EIR method.

- **Debt instruments at FVTPL**

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

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

- **Equity instruments**

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit and loss.

Impairment of financial assets

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- Financial assets that are debt instruments and are measured as at FVTOCI
- Lease receivables under Ind AS 116
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115
- Loan commitments which are not measured as at FVTPL
- Financial guarantee contracts which are not measured as at FVTPL

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 116

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.
- Debt instruments measured at FVTOCI: For debt instruments measured at FVOCI, the expected credit losses do not reduce the carrying amount in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the asset was measured at amortised cost is recognised in other comprehensive income as the 'accumulated impairment amount'

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

Derecognition of financial assets

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

The difference between the carrying amount and the amount of consideration received / receivable is recognised in the statement of profit and loss.

b) Financial liabilities*Initial recognition and measurement*

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings other financial liabilities etc.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

- **Financial liabilities at fair value through profit or loss**

The company has not designated any financial liabilities at FVTPL.

- **Financial liabilities at amortized cost**

Loans, borrowings, trade payables and other financial liabilities

After initial recognition, Loans, borrowings, trade payables and other financial liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of profit or loss when the liabilities are de-recognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition of financial liabilities

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

c) Financial guarantee contracts

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

d) Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

e) Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the balance sheet if there is a currently enforceable contractual legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.2.19 Fair value measurement

The Company measures financial instruments at fair value at each reporting period.

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

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

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

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

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

External valuers are involved for valuation of significant assets and liabilities, if any. At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis

of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Above is the summary of accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

2.2.20 Non – current asset held for sale

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

If the criteria stated by IND AS 105 “Non-current Assets Held for Sale” are no longer met, the disposal group ceases to be classified as held for sale. Non-current asset that ceases to be classified as held for sale are measured at the lower of (i) its carrying amount before the asset was classified as held for sale, adjusted for depreciation that would have been recognized had that asset not been classified as held for sale, and (ii) its recoverable amount at the date when the disposal group ceases to be classified as held for sale. The depreciation reversal adjustment related property, plant and equipment, investment property and intangible assets is charged to statement of profit and loss in the period when non-current assets held for sale criteria are no longer met.

2.2.21 Prior Period Adjustment

Errors/omissions discovered in the current year relating to prior periods are treated as immaterial and adjusted during the current year, if all such errors and omissions in aggregate does not exceed 0.50% of total operating revenue as per last audited financial statement of the Company.

2.2.22 Significant accounting estimates and judgments

The estimates used in the preparation of the said financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events), that the Company believes to be reasonable under the existing circumstances. The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date. Although the Company regularly assesses these estimates, actual results could differ materially from these estimates - even if the assumptions underlying such estimates were reasonable when made, if these results differ from historical experience or other assumptions do not turn out to be substantially accurate. The changes in estimates are recognized in the financial statements in the period in which they become known.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Actual results could differ from these estimates.

a. Allowances for uncollected trade receivables

Trade receivables do not carry interest and are stated at their nominal values as reduced by appropriate

allowances for estimated irrecoverable amount are based on ageing of the receivables balances and historical experiences. Individual trade receivables are written off when management deems not be collectible.

b. Defined benefit plans

The costs of post-retirement benefit obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increase, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

c. Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. There are certain obligations which managements have concluded based on all available facts and circumstances are not probable of payment or difficult to quantify reliably and such obligations are treated as contingent liabilities and disclosed in notes. Although there can be no assurance of the final outcome of legal proceedings in which the Company is involved, it is not expected that such contingencies will have material effect on its financial position of probability.

d. Impairment of financial assets

The impairment provision for financial assets are based on assumptions about risk of default and expected loss rates. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

e. Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the nature of business differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

f. Impairment of non financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model.

g. Non-current asset held for sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. The sale is considered highly probable only when the asset or disposal group is available for immediate sale in its present condition, it is unlikely that the sale will be withdrawn, and sale is expected within one year from the date of the classification.

h. Leases - Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

i. Determining the lease term of contracts with renewal and termination options – Company as lessee

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

Estimates are also required with respect to the below mentioned aspects of the contract :

- Determination of stage of completion
- Estimation of project completion date
- Provisions for foreseeable losses
- Estimated total revenues and estimated total costs to completion, including claims and variations.

These are reviews at each reporting date and adjust to reflect the current best estimates

Revenue and costs in respect of contracts are recognized by reference to the stage of completion of the contract activity at the end of reporting period, measured based on proportion of contract costs incurred for work performed to the date relative to the estimated total contract costs, where this would not be representative of stage of completion. Variations in contract work and claims are included to the extent that amount can be measured reliably, and receipt is considered probable. When it is probable that contract costs will exceed total contract revenue, the expected loss is recognized as an expense immediately.

IRCON INFRASTRUCTURE & SERVICES LIMITED

A Wholly Owned Subsidiary of IRCON International Limited, a Govt. of India Undertaking



3. Property, Plant and Equipment

(Rs. in crore)

Particulars	Plant & Machinery	Computers	Furniture, Fixtures, Furnishings	Air Conditioners	Electric Appliances	Office Equipment's	Laboratory Equipment's	Vehicle	Total
Cost or valuation									
At 1 April 2019	11.30	0.26	0.04	0.02	0.02	0.03	0.03	0.03	11.73
Additions	0.02 -	0.07	0.03			0.04 -	-		0.16
Disposals/Adjustments	0.08 -	0.01	-	-	-	0.02 -	0.03 -	-	0.14
At 31 March 2020	11.24	0.32	0.07	0.02	0.02	0.05		0.03	11.75
Additions	0.08	0.09	0.09	-	-	0.01	-	-	0.27
Disposals/Adjustments			-	-	-			-	
At 31 March 2021	11.32	0.41	0.16	0.02	0.02	0.06	-	0.03	12.02
Accumulated Depreciation and impairment									
At 1st April 2019	5.85	0.12	0.01	0.01	-	0.02	-	-	6.01
Additions	0.65	0.07	0.01 -	-	-	0.02	-	-	0.75
Disposals/Adjustments	0.02 -	0.01	-	-	-	0.02 -	0.01 -	-	0.06
At 31 March 2020	6.48	0.18	0.02	0.01	-	0.02	-	-	6.70
Depreciation charge for the year	0.65	0.09	0.01	-	-	0.02	-	-	0.77
Disposals/Adjustments			-	-	-			-	
At 31 March 2020	7.13	0.27	0.03	0.01	-	0.04	-	-	7.47
Net book value									
At 31 March 2021	4.19	0.14	0.13	0.01	0.02	0.02	-	0.03	4.55
At 31 March 2020	4.76	0.14	0.05	0.01	0.02	0.03		0.03	5.05

Non - Current Assets

4 Capital Work in Progress

(Rs. in crore)

Particulars	Amount
Opening balance at 1 April 2019	2.23
Additions (subsequent expenditure)	0.07
Adjustments	-
Closing balance at 31 March 2020	2.30
Additions (subsequent expenditure)	0.58
Adjustments	-
Closing balance at 31 March 2021	2.88
Net Book Value	
at 31 March 2021	2.88
at 31 March 2020	2.30

* Details of Intangible Assets under Development	Opening Balance as at 1st April, 2020	Additions during the year 2020-21	Capitalisation of CWIP into Intangible assets (Lease Rights)	Balance as at 31st March, 2021
Capital Work In Progress (Track Machines)				
Track Machine CSM 906	0.64	-	-	0.64
Track Machine CSM 911	0.64	-	-	0.64
Track Machine UNIMAT 8255	0.61	-0.41	-	1.02
Track Machine Expenses	0.41	0.17	-	0.58
TOTAL	2.30	0.58	-	2.88

* Details of Intangible Assets under Development	Opening Balance as at 1st April, 2019	Additions during the year 2019-20	Capitalisation of CWIP into Intangible assets (Lease Rights)	Balance as at 31st March, 2020
Capital Work In Progress (Track Machines)				
Track Machine CSM 906	0.64	-	-	0.64
Track Machine CSM 911	0.64	-	-	0.64
Track Machine UNIMAT 8255	0.61	-	-	0.61
Track Machine Expenses	0.34	0.07	-	0.41
TOTAL	2.23	0.07	-	2.30

5 Intangible Assets

(₹ in crores)

Particulars	Software	Lease Right	Total
Opening balance at 1 April 2019	-	95.51	95.51
Addition during the year	-	-	-
Adjustment	-	0.36	0.36
Closing balance at 31 March 2020	-	95.15	95.15
Addition during the year	-	-	-
Adjustment	-	-	-
Closing balance At 31 March 2021	-	95.15	95.15
Opening balance at 1 April 2019	-	7.92	7.92
Amortisation	-	2.15	2.15
Impairment	-	-	-
Adjustment	-	0.04	0.04
Closing balance at 31 March 2020	-	10.03	10.03
Amortisation	-	2.15	2.15
Impairment	-	-	-
Adjustment	-	-	-
Closing balance At 31 March 2021	-	12.18	12.18
Net book value			
At 31 March 2021	-	82.97	82.97
At 31 March 2020	-	85.12	85.12

1. Lease Rights :- The company has entered into an agreement with RLDA (Rail Land Development Authority) to build Multi Functional Complexes (MFCs) at various railway stations. The Land belongs to Railways and the company has construct the buildings on the same and having lease rights (commercial Rights) of 45 years from the date of commencement of MFC.
2. The Lease Rights has been amortised over the lease period from the date in which the concerned project comes into commercial operations on prorata basis. The amount amortised during the year Rs. 2.15 crore (F.Y 2019-20 Rs 2.15 crore)"

6 Non - Current Financial Assets

6.1 Loans

(₹ in crores)

Particulars	As at 31st March 2021	As at 31st March 2020
Staff Loan*		
A.Considered Good: Secured	-	-
B.Considered Good: Unsecured,	0.05	0.03
Total	0.05	0.03

*Loans and Advances stated above do not include debts due by officers of the company, firm in which director is a partner or private company in which director is a member.

6.2 Others

(₹ in crores)

Particulars	As at 31st March 2021	As at 31st March 2020
Considered Good: Secured		
Fixed deposits having remaining maturity of more than 12 months	-	-
Fixed deposits having remaining maturity of more than 12 months (Bank Guarantee)	0.01	0.25
Interest Accrued on Staff Loans & Advances	0.02	0.02
Considered Good: UnSecured		
Deposits		
- With Statutory Departments -	-	0.02
Total	0.03	0.29

Note 6.2.1: Rs 0.01 Crores as on 31st March 2021(31st March 2020 Rs. 0.25 crore) represents fixed deposit pledged to Statutory Authorities. (FDR against BG submitted to HVSU).

7 Deferred Tax Assets and Income Tax

Disclosure pursuant to Ind AS 12 "Income Taxes"

(a) The major components of income tax expense for the year ended 31 March 2021 and 31 March 2020 are : (₹ in crores)

S.No.	Particulars	For the Year ended 31st March 2021	For the Year ended 31st March 2020
1	Profit and Loss Section		
	Current income tax :		
	Current income tax charge	4.21	4.39
	Adjustment in respect of current tax of previous year	4.00	11.80
	Deferred tax :	-	-
	Relating to origination and reversal of temporary differences	0.15	-12.84
	Income tax expense reported in the Profit and Loss section	8.36	3.35
2	Other Comprehensive Income (OCI) Section		
	Income tax related to items recognised in OCI during the year:		
	Net loss/(gain) on remeasurements of defined benefit plans	-	-
	Net loss/(gain) on foreign operation translation	-	-
	Income tax expense reported in the OCI section	-	-

(b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2021 and 31 March 2020: (₹ in crores)

S.No.	Particulars	For the Year ended 31st March 2021	For the Year ended 31st March 2020
1	Accounting profit before income tax	14.11	14.86
2	Corporate tax rate as per Income tax Act, 1961	0.29	0.29
3	Tax on Accounting profit (3) = (1) * (2)	4.11	4.33
4	Effect of Tax Adjustments:	-	-
(i)	Adjustments in respect of current income tax of previous years	4.00	11.80
(ii)	Utilisation of previously unrecognised tax losses	-	-
(iii)	Impact of Rate Difference	-	-
(iv)	Tax on Income exempt from tax	-	-
(v)	Non-deductible expenses for tax purposes:	-	-
	-Other country additional tax	-	-
	-Other non-deductible expenses	-	-
(vi)	Tax effect of various other items	0.25	-12.78
5	Income tax expense reported in the Statement of Profit and Loss	8.36	3.35
6	Effective Tax Rate		

(c) Components of deferred tax (assets) and liabilities recognised in the Balance Sheet and Statement of Profit or Loss

(₹ in crores)

S.No.	Particulars	Balance sheet 31st March 2021	Balance sheet 31st March 2020	Statement of Profit & Loss	
				31st March 2021	31st March 2020
1	Property, Plant & Equipment (including intangible): Difference in book depreciation and income tax depreciation	9.33	9.33		(8.26)
2	Provisions	(0.33)	(0.31)	(0.02)	(0.09)
3	Items disallowed u/s 43B of Income Tax Act, 1961	-	-	-	-
4	Impact of expenditure charged to the statement of profit and loss in the current year and earlier years but allowable for tax purposes on payment basis	-	-	-	-
5	Fair valuation of financial instruments	-	-	-	-
6	Unutilised gain/loss on FVTOCI equity securities and FVTPL Mutual funds	-	-	-	-
7	Deferred tax Assets on One Time Downpayment of MFC	(4.32)	(4.49)	0.17	(4.49)
	Net deferred tax assets / (liabilities)	4.68	4.53	0.15	(12.84)

(d) Reflected in the balance sheet as follows:

(₹ in crores)

S.No.	Particulars	31st March 2021	31st March 2020
1	Deferred tax assets	(4.65)	(4.80)
2	Deferred tax liability	9.33	9.33
	Deferred Tax Asset/(Liabilities) (Net)	4.68	4.53

Note: Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing laws.

IRCON INFRASTRUCTURE & SERVICES LIMITED

A Wholly Owned Subsidiary of IRCON International Limited, a Govt. of India Undertaking


(e) Reconciliation of deferred tax (liabilities)/assets:
As at 31 March 2021

(₹ in crores)

S.No.	Particulars	Net balance As at 1st April 2020	Recognised in statement of profit and loss	Recognised in OCI	Net balance As at 31st March, 2021
1	Property, Plant & Equipment (including intangible): Difference in book depreciation and income tax depreciation	9.33	-	-	9.33
2	Provisions	(0.31)	(0.02)	-	(0.33)
3	Items disallowed u/s 43B of Income Tax Act, 1961	-	-	-	-
4	Impact of expenditure charged to the statement of profit and loss in the current year and earlier years but allowable for tax purposes on payment basis	-	-	-	-
5	Fair valuation of financial instruments	-	-	-	-
6	Unutilised gain/loss on FVTOCI equity securities and FVTPL Mutual funds	-	-	-	-
7	Deferred tax Assests on One Time Downpayment of MFC*	(4.49)	0.17	-	(4.32)
	Net deferred tax assets/(liabilities)	4.53	0.15	-	4.68

As at 31 March 2020

(₹ in crores)

S.No.	Particulars	Net balance As at 1st April 2019	Recognised in statement of profit and loss	Recognised in OCI	Net balance As at 31st March, 2020
1	Property, Plant & Equipment (including intangible): Difference in book depreciation and income tax depreciation	17.59	(8.26)	-	9.33
2	Provisions	(0.22)	(0.09)	-	(0.31)
3	Items disallowed u/s 43B of Income Tax Act, 1961	-	-	-	-
4	Impact of expenditure charged to the statement of profit and loss in the current year and earlier years but allowable for tax purposes on payment basis	-	-	-	-
5	Fair valuation of financial instruments	-	-	-	-
6	Unutilised gain/loss on FVTOCI equity securities and FVTPL Mutual funds	-	-	-	-
7	Deferred tax Assests on One Time Downpayment of MFC*	-	(4.49)	-	(4.32)
	Net deferred tax assets/(liabilities)	17.37	(12.84)	-	4.53

Note: Company has opted for VsVS scheme in FY 2019-20 which has resulted in decrease in DTA by Rs 0.17 cr during the year

8. Current Assets

Inventories

(₹ in crores)

Particulars	As at 31st March 2021	As at 31st March 2020
Material and stores		
- In Hand	3.04	0.01
- With Third Parties	-	-
- In Transit	-	-
Total	3.04	0.01

9 Financial Assets

9.1 Trade Receivables

(₹ in crores)

Particulars	As at 31st March 2021	As at 31st March 2020
Considered Good: UnSecured		
Trade receivables*	82.29	57.01
Total	82.29	57.01

*Break-up for Trade Receivables

Particulars	As at 31st March 2021	As at 31st March 2020
Considered Good: Secured	-	-
Considered Good: UnSecured		
(a) From Related Party - Ircon International Limited"	0.23	0.90
(b) From Others*	82.06	56.11
Significant increase in Credit Risk	-	-
Credit impaired	-	-
	82.29	57.01
Allowances for Doubtful receivables	-	-
Total Trade Receivables	82.29	57.01

Trade Receivable stated above do not include debts due by directors, other officers of the company, firm in which Director is a partner or private company in which director is a member except as stated below:

*Other Trade Receivable includes receivables to the tune of Rs. 2.20 cr (FY 2019-20 Rs 1.49 Cr) which are under dispute.

IRCON INFRASTRUCTURE & SERVICES LIMITED

A Wholly Owned Subsidiary of IRCON International Limited, a Govt. of India Undertaking

**9.2 Cash and Cash equivalents**

(₹ in crores)

Particulars	As at 31st March 2021	As at 31st March 2020
Cash on hand	0.03	0.01
Remittance in transit	-	0.19
Cheques/drafts in hand	-	-
Balances with banks:	-	-
– On current accounts	0.35	0.46
– Flexi Accounts**	57.99	34.44
– Deposits with original maturity of less than three months		67.00
Total	58.37	102.10

Out of Rs. 58.37 cr, Rs. 30.07 cr is funds received from client (31st March 2020 Out of Rs 102.10 cr, Rs. 92.71 cr is client fund)

9.3 Other Bank Balances

(₹ in crores)

Particulars	As at 31st March 2021	As at 31st March 2020
Other Bank Balances		
– Deposits with original maturity of more than 3 months but less than 12 months	74.80	45.00
– Deposits with original maturity of more than 3 months but less than 12 months (Bank Guarantee)	2.79	2.68
Total	77.59	47.68

Note 9.3: Rs 2.79 as on 31st March 2021 (31st March 2020 Rs. 2.68 crore) represents fixed deposit placed against Bank Guarantee issued to Ministry of External Affairs for Myanmar Road Project.

Out of Rs. 77.59 cr, Rs. 42.80 crores are client fund (31st March 2020 Rs. 8 crores)

9.4 Loans

(₹ in crores)

Particulars	As at 31st March 2021	As at 31st March 2020
Considered Good: Unsecured		
Security deposits	0.59	0.07
Staff Loan*		
A. Considered Good: Secured		0.01
B. Considered Good: Unsecured,	0.03	0.01
Total	0.62	0.09

*Loans and Advances stated above do not include debts due by officers of the company, firm in which director is a partner or private company in which director is a member.

9.5 Other Financial Assets

(₹ in crores)

Particulars	As at 31st March 2021	As at 31st March 2020
a) Considered good -Secured,		
Fixed deposits having remaining maturity of less than 12 months	-	-
Fixed deposits having remaining maturity of less than 12 months (Bank Guarantee)	0.26	
b) Considered Good: UnSecured		
Deposits		
- With Statutory Departments -	0.05	0.03
Interest Accrued on FDR's with Bank	3.63	1.02
b) Considered good-Unsecured,		
Earnest Money Deposit	0.09	0.09
Amount Recoverables from others	0.24	0.22
c) Contract Asset		
- Billable Revenue*	2.20	2.02
- Retention Money with client	0.01	0.01
- Money Withheld by Client	2.02	0.01
Total	6.50	3.40

*Includes Value of work amounting to Rs. 2.20 crore (Rs. 2.02 crore) certified by client, but not billed by reporting date.

Note 9.5(a): Rs. 0.26 crore as on 31st March 2021 represents fixed deposit placed as Haryana vishwakarma Skill University.

10 Current Tax Assets (Net)

(₹ in crores)

Particulars	As at 31st March 2021	As at 31st March 2020
Provision of income tax (Net of advance tax & TDS)		0.68
Income tax refundable / (Tax liability) for Previous Years		(0.19)
Total		0.49

11 Other Current Assets

(₹ in crores)

Particulars	As at 31st March 2021	As at 31st March 2020
Considered Good: Unsecured		
Advances Other than Capital advances		
Advance to Contractor	4.79	8.29
Others		
Prepaid Expense	0.04	0.06
Imprest to Staff	0.01	0.03
GST Input tax Net	16.25	11.57
Total	21.09	19.95

12 Equity Share capital

(₹ in crores)

Particulars	As at 31st March 2021	As at 31st March 2020
Authorized share capital		
6,50,00,000 Equity shares of Rs.10 each-fully paid (as at 31.03.2020 is 6,50,00,000 Equity shares of Rs.10 each)	65.00	65.00
	65.00	65.00
Issued/Subscribed and Paid up Capital		
6,50,00,000 Equity shares of Rs.10 each-fully paid (as at 31.03.2020 6,50,00,000 Equity shares of Rs.10 each)	65.00	65.00
	65.00	65.00

Details of shareholders holding more than 5% in the company

(₹ in crores)

Name of the shareholder	As at 31st March 2021		As at 31st March 2020	
	No. of Share	% holding in the class	No. of Share	% holding in the class
Ircon International Limited-Holding Company (IRCON)	6,50,00,000.00	100.00	6,50,00,000.00	100.00
Total	6,50,00,000.00	100.00	6,50,00,000.00	100.00

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 31st March 2021	As at 31st March 2020	As at 31st March 2019	As at 31st March 2018	As at 31st March 2017
	No in	No in	No in	No in	No in
Equity shares allotted other than cash	-	-	-	-	-
Equity shares issue as bonus	-	-	-	-	-
Total	-	-	-	-	-

Reconciliation of the number of equity shares and share capital outstanding at the beginning and end of the year

Particulars	As at 31st March 2021		As at 31st March 2020	
	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	6,50,00,000.00	65.00	6,50,00,000.00	65.00
Add: Shares Issued during the year	-	-	-	-
Issued/Subscribed and Paid up equity Capital outstanding at the end of the year	6,50,00,000.00	65.00	6,50,00,000.00	65.00

NOTE:
Terms / Rights attached to Equity Shares :
(i) 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.

(ii) Liquidation

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iii) Dividend

The dividend proposed by the Board of Directors is subject to the approval of the shareholders in ensuing Annual General Meeting

13 Other Equity

(₹ in crores)

Particulars	As at 31st March 2021	As at 31st March 2020
Retained Earnings	5.75	-
General Reserve	88.89	88.89
Total	94.64	88.89

13.1 Retained Earnings

(₹ in crores)

Particulars	As at 31st March 2021	As at 31st March 2020
Opening Balance	-	-
Add: Profit transferred from Statement of Profit & Loss	5.75	11.51
Add: Other comprehensive income arising from remeasurement of defined benefit obligation	-	-0.01
Less: Transfer to General reserve	-	11.50
Closing Balance	5.75	-

The company has not declared any dividend during the year.

13.2 General Reserve

(₹ in crores)

Particulars	As at 31st March 2021	As at 31st March 2020
Opening Balance	88.89	77.39
Add: Transferred from Statement of Profit & Loss		11.50
Closing Balance	88.89	88.89

Nature & Purpose of Other Reserves

(a) Retained Earnings

Retained Earnings represents the undistributed profits of the Company.

(b) General Reserve

General Reserve represents the statutory reserves, this is in accordance with Corporate Law wherein a portion of profit is apportioned to General Reserve. Under Companies Act, 2013, the transfer of any amount to General Reserve is at the discretion of the Company.

14 Non - Current Liabilities

14.1 Other Financial Liability

(₹ in crores)

Particulars	As at 31st March 2021	As at 31st March 2020
Considered good-Unsecured,		
Retention Money	21.13	13.51
Total	21.13	13.51

15 Provisions

(₹ in crores)

Particulars	As at 31st March 2021	As at 31st March 2020
Provisions for employee benefits:		
i) Gratuity	0.04	0.03
ii) Leave Salary	0.20	0.22
Total	0.24	0.25

16 Other Non-Current Liability

(₹ in crores)

Particulars	As at 31st March 2021	As at 31st March 2020
Upfront Amount from Sub - leasing of MFCs	31.46	30.28
Total	31.46	30.28

Current Liabilities

17 Financial Liabilities

17.1 Trade Payables

(₹ in crores)

Particulars	As at 31st March 2021	As at 31st March 2020
(A) Micro, Small & Medium Enterprises (Refer Note No.)	8.67	3.80
(B) Other than Micro, Small & Medium Enterprises		
(a) Contractor & Suppliers	11.07	6.86
(b) Related Parties	-	-
Ircon International Limited	1.52	1.53
Total	21.26	12.19

IRCON INFRASTRUCTURE & SERVICES LIMITED

A Wholly Owned Subsidiary of IRCON International Limited, a Govt. of India Undertaking

**17.2 Other Financial Liabilities**

(₹ in crores)

Particulars	As at 31st March 2021	As at 31st March 2020
Other payables		
Staff Payable	0.57	0.64
Deposits, Retention money	3.29	7.56
Others	-	-
Other Expenses-Provisions	1.37	0.74
	-	-
Other Payable- Ircon International Limited	-	-
Interest Payable on Loan	-	-
- Towards Reimbursement of remuneration of staff, other exp , etc	2.01	1.31
- Towards Payment of rent	0.05	0.02
Total	7.29	10.27

18 Current Tax Liability

(₹ in crores)

Particulars	As at 31st March 2021	As at 31st March 2020
Provision of income tax (Net of advance tax & TDS)	1.82	-
Tax Liability of previous year	3.41	-
Total	5.23	-

19 Other Current Liabilities

(₹ in crores)

Particulars	As at 31st March 2021	As at 31st March 2020
Others		
Statutory dues:	1.91	1.47
Upfront Amount from Sub - leasing of MFCs	1.43	1.43
Contract Liability:		
Advance from Customers	85.59	95.62
Total	88.93	98.52

20 Provisions

(₹ in crores)

Particulars	As at 31st March 2021	As at 31st March 2020
Provisions for employee benefits:		
i) Gratuity	-	-
ii) Leave Salary	-	-
iii) PRP	0.12	0.08
Total	0.12	0.08

21 Revenue from operations

(₹ in crores)

Particulars	For the Year ended 31st March 2021	For the Year ended 31st March 2020
Revenue from Contracts with Customers		
(A) Project Management Consultancy		
From PMC projects	167.76	106.65
- From Swachh Bharat Abhiyan Projects		
- Related Party		
Sub- Total	167.76	106.65
(B) Maintenance of track		
Others	12.34	4.49
Related Party		
Sub- Total	12.34	4.49
(C) Sale of Services		
Supply of Manpower		
- Others	-	-
- Related Party	0.88	0.66
Sub- Total	0.88	0.66
(D) Other operating Revenues		
Lease Rentals from Sub-Leasing of MFCs		
Others*	11.08	16.65
Related Party		
Sub- Total	11.08	16.65
Leasing of Plant & Machinery		
Others		-
Related Party	2.33	1.59
Sub- Total	2.33	1.59
Execution of CSR Swachh Bharat Abhiyaan Project		
- Others	-	1.07
- Related Party	-	0.02
Sub- Total	-	1.09
Total	194.39	131.13

*Refer Note 36 & 42

IRCON INFRASTRUCTURE & SERVICES LIMITED

A Wholly Owned Subsidiary of IRCON International Limited, a Govt. of India Undertaking

**22 Other Income**

(₹ in crores)

Particulars	For the Year ended 31st March 2021	For the Year ended 31st March 2020
Bank Interest Gross	3.27	3.21
Interest on staff advances	-	-
Interest on Receivables & Advances	1.72	0.77
Interest on Refund of Income Tax	-	-
Exchange Fluctuation gain(Net)	-	0.33
Other non- operating income	-	-
- from Others	0.16	0.07
- from Related Party	-	-
(Ircon International Limited)	-	-
Total	5.15	4.38

23 Operating Expenses

(₹ in crores)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Cost of Operations	168.07	102.78
Total	168.07	102.78

i) Break-up of Cost of Operations

(₹ in crores)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Work Expenses-CSR	-	1.15
Work Expenses-Consultancy works	-	0.83
Work Expenses-Leasing of MFCs*	2.80	5.18
Work Expenses-CERL track maintenance	7.85	1.32
Work Expenses-Supply of Manpower	0.60	0.22
Work Expenses for operation & Maintenance of EMP LAB	-	0.01
Work Expenses-Track Machine	0.06	0.50
Works Expenses for other Projects	156.76	93.57
Works Expenses -MEA	-	-
Total	168.07	102.78

*Refer Note 43

24 Employee Benefit Expenses

(₹ in crores)

Particulars	For the Year ended 31st March 2021	For the Year ended 31st March 2020
Salaries & Wages	10.70	10.83
Contribution to provident and other funds	0.87	0.81
Staff Welfare expenses	-	-
Total	11.57	11.64

25 Finance Cost

(₹ in crores)

Particulars	For the Year ended 31st March 2021	For the Year ended 31st March 2020
Interest Expenses		
- Interest on Loan from related party	-	-
(Ircon International Limited)		
Interest on Income Tax	-	0.02
Bank and other Financial Charges	0.03	0.04
Total	0.03	0.06

26 Depreciation, amortization and impairment

(₹ in crores)

Particulars	For the Year ended 31st March 2021	For the Year ended 31st March 2020
Property, Plant and equipment	0.77	0.75
Intangible Assets	2.15	2.15
Total	2.92	2.90

27 Other Expenses

(₹ in crores)

Particulars	For the Year ended 31st March 2021	For the Year ended 31st March 2020
Rates and Taxes	0.02	0.03
Travelling & conveyance	0.16	0.71
Printing & stationery	0.05	0.08
Postage, telephone & telex	0.04	0.05
Legal & Professional charges	0.50	0.72
Business promotion	0.02	0.01
Rent	0.47	0.45
Vehicle operation & Maintenance	0.40	0.33
Auditors remuneration (Refer Points (i) for detail)	0.02	0.03
Advertisement & publicity	0.07	0.07
Miscellaneous expenses	0.46	0.48
Interest on Late Payment of Statutory dues	0.12	0.05
Fee & subscription charges	0.03	0.11
Repair & Maintenance	0.02	0.01
CSR	0.33	0.14
Exchange Fluctuation Loss	0.13	-
Total	2.84	3.27

(i) Payment to Statutory Auditors:

(₹ in crores)

Particulars	For the Year ended 31st March 2021	For the Year ended 31st March 2020
(I) Audit Fee - current year*	0.02	0.03
(ii) Tax Audit Fees - current year	-	-
(iii) Travelling & out of pocket expenses:	-	-
- Local	-	-
Total	0.02	0.03

*includes the Tax Audit Fees, Limited Review Fees and Travelling & Out of pocket expenses of Rs 0.003 core, 0.004 core and 0.002 core respectively (FY 2019-20 Rs 0.003 Rs 0.004 and Rs 0.001 Core)

28 Components of Other Comprehensive Income (OCI)

The disaggregation of changes to OCI by each type of reserve in equity is shown below

(₹ in crores)

Particulars	For the Year ended 31st March 2021	For the Year ended 31st March 2020
Remeasurements of defined benefit plans	-	(0.01)
Tax component of remeasurements of defined benefit obligation	-	-
Total	-	-0.01

29 Earning Per Share

Disclosure as per Ind AS 33 'Earnings per share'.

Basic EPS is calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the profit for the year attributable to the equity holders after considering the effect of dilution by weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

(I) Basic and diluted earnings per share (in Rs.)

Particulars	Note	For the year ended 31st March 2021	For the year ended 31st March 2020
Profit attributable to Equity holders (Rs.in crore)	(ii)	5.75	11.50
Weighted average number of equity shares for Basic and Diluted EPS	(iii)	6,50,00,000.00	6,50,00,000.00
Earnings per share (Basic)		0.88	1.77
Earnings per share (Diluted)		0.88	1.77
Face value per share			

(ii) Profit attributable to equity shareholders (used as numerator) (Rs. crore)

Particulars	Note	For the year ended 31st March 2021	For the year ended 31st March 2020
Profit for the year as per Statement of Profit and Loss		5.75	11.50
Profit attributable to Equity holders of the company used for computing EPS:		5.75	11.50

(iii) Weighted average number of equity shares (used as denominator) (Nos.)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Opening balance of issued equity shares	6,50,00,000.00	6,50,00,000.00
Equity shares issued during the year		
Weighted average number of equity shares for computing Basic EPS	6,50,00,000.00	6,50,00,000.00
Dilution Effect:		
Add: Weighted average numbers of potential equity shares outstanding during the year		
Weighted average number of equity shares for computing Diluted EPS	6,50,00,000.00	6,50,00,000.00

30 Employee Benefits

Disclosures in compliance with Ind AS 19 "Employee Benefits" are as under:

Gratuity

Gratuity is payable on separation (i.e. due to superannuation, retirement, resignation, physical incapacitation or death) @15 days pay for each completed year of service to eligible employee, who rendered continuous service of 5 year or more.

Provision as on 31st March 2021 in respect of Gratuity for Regular employees of the Company as per actuarial valuation IndAS-19 is Rs 0.04 Crores (FY 2019-20 Rs 0.03 Crores)

i) Changes in the present value of the defined benefit obligation are during the year

Particulars	Gratuity	
	As at 31st March 2021	As at 31st March 2020
Defined benefit obligation at the beginning of the period	0.03	0.02
Acquisition Adjustment	-	-
Interest cost	0.00	0.00
service cost	0.01	0.01
Past Service Cost Including curtailment Gain /Losses		
Benefits paid	-	-
Total Actuarial (gain) / loss on obligations	(0.00)	0.01
Defined benefit obligation at the end of the period	0.04	0.03

ii) Changes in plan assets

Particulars	Gratuity	
	As at 31st March 2021	As at 31st March 2020
Fair value of plan assets at the beginning of the period		
Employer Contribution	-	-
Benefits paid	-	-
Actual Return on plan asset	-	-
Fair value of plan assets at the end of the period	-	-

iii) Balance Sheet and Related analysis:

Particulars	Gratuity	
	For the year ended 31st March 2021	For the year ended 31st March 2020
Present Value of the obligation at end	-	0.03
Fair value of plan assets	0.04	-
Unfunded Liability/Provision in Balance Sheet	(0.04)	(0.03)

iv) Amount recognised in Income Statement

Particulars	Gratuity	
	For the year ended 31st March 2021	For the year ended 31st March 2020
Total Service cost	0.01	0.01
Net interest cost	0.00	0.00
Expense recognised in the Income Statement	0.01	0.01

v) Other Comprehensive Income:

Particulars	Gratuity	
	As at 31st March 2021	As at 31st March 2020
Net cumulative Unrecognized actuarial gain/(loss) opening		
Actuarial gain/ (loss) for the year on PBO	0.00	(0.01)
Actuarial gain/ (loss) for the year on Asset	-	-
Unrecognized actuarial gain/ (loss) for the year	0.00	(0.01)

vi) Major categories of plan assets (as percentage of total plan assets) : All figures given in the table below are as provided by the company:

Particulars	Gratuity	
	As at 31st March 2020	As at 31st March 2019
Government of India securities	-	-
State Government securities	-	-
High quality corporate bonds	-	-
Equity shares of listed companies	-	-
Property	-	-
Fund Managed by Insurer	-	-
Bank balance	-	-
Total	-	-

vii) (a) Economics Assumptions :

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Discount rate	6.76	6.76
Future salary increase	8.00	8.00

vii) (b) Demographic Assumptions

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
i) Retirement Age (Years)	60	60
ii) Mortality rates inclusive of provision for disability **	100% of IALM (2012 - 14)	100% of IALM (2012 - 14)
iii) Attrition at Ages	Withdrawal Rate (%)	Withdrawal Rate (%)
Up to 30 Years	3	3
From 31 to 44 years	2	2
Above 44 years	1	1

It should be noted that in case of employees above retirement age, for the purpose of valuation it is assumed they will retire immediately & benefit is considered up to actual retirement age.

viii) Sensitivity Analysis of the defined benefit obligation:

Gratuity Plan impact on DBO as on 31-03-2021	
a) Impact of the change in discount rate	
Present value of obligation at the end of period	0.04
Impact due to increase of 0.50%	0.00
Impact due to decrease of 0.50 %	0.00
b) Impact of the change in salary increase	
Present value of obligation at the end of period	0.04
Impact due to increase of 0.50%	0.00
Impact due to decrease of 0.50 %	0.00

Sensitivities due to mortality & withdrawals are not material & hence impact of change due to these not calculated. Sensitivities as rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions shown above occurring at the end of the reporting period.

Sensitivities due to mortality and withdrawals are insignificant and hence ignored.

Sensitivities as to rate of inflation, rate of increase of pensions in payments, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.

ix) Expected contribution for next annual reporting period

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Service Cost	0.01	0.01
Net Interest Cost	0.00	0.00
Expected Expense for the next annual reporting period	0.01	0.01

The expected contribution to the defined benefit plan for next annual reporting period is Rs. 1.19 lakhs

x) Maturity Profile of Defined Benefit Obligation (₹ in crores)

Year	Amount
0 to 1 Year	0.00
1 to 2 Year	0.00
2 to 3 Year	0.00
3 to 4 Year	0.00
4 to 5 Year	0.00
5 to 6 Year	0.00
6 Year onwards	0.04
	0.04

Description of Risk Exposures

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follow -

Salary Increases

Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

Investment risk

If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.

Discount Rate

Reduction in discount rate in subsequent valuations can increase the plan's liability.

Mortality & disability

Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

Withdrawals

Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability

(ii) Earned Leave

In respect of encashment of leave, rules of Ircon International Limited (Holding Company) have been adopted, therefore provision for leave encashment for regular employees of the company has been provided in the books on accrual basis. Provision as on 31st March 2021 in respect of Leave Encashment for Regular employees of the Company as per actuarial valuation Ind AS-19 is Rs 0.04 Crores (FY 2019-20 Rs 0.04 Crores)

Company also have certain employed on Short term contract basis for various projects. As per contract of Appointment, the Contract Employees posted in Foreign Project only are entitled for the Leave salary and no other retirement benefits is payable to them. Accordingly, Provision of Leave Salary has been provided in the books of accounts.

Some officials working for Ircon Infrastructure & Services limited are posted on deputation basis and are on the rolls of Ircon International Limited (Holding Company). Their P.F contribution, gratuity, leave encashment & other retirement benefits have been accounted for on the basis of advices received from Holding Company. The provision for Gratuity & other Retirement Benefits of employees on deputation in terms of Ind AS-19 is being made by its Holding company."

i) Change in Net Defined Benefit Obligation

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Net defined benefit liability at the start of the period	0.04	0.03
Acquisition adjustment	--	--
Total Service Cost	0.01	0.01
Net Interest cost (Income)	0.00	0.00
Re-measurements	(0.01)	(0.00)
Contribution paid to the Fund	--	--
Benefit paid directly by the enterprise	--	--
Net defined benefit liability at the end of the period	0.04	0.04

ii) Change in plan assets

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Fair value of plan assets at the beginning of the period	--	--
Actual return on plan assets	--	--
Employer contribution	--	--
Benefits paid	--	--
Fair value of plan assets at the end of the period	--	--

iii) Balance Sheet and related analysis

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Present Value of the obligation at end	0.04	0.04
Fair value of plan assets	--	--
Unfunded Liability/provision in Balance Sheet	(0.04)	(0.04)

iv) Amount recognised in Income Statement

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Total Service Cost	0.01	0.01
Net Interest Cost	0.00	0.00
Net actuarial (gain) / loss recognized in the period	(0.01)	(0.00)
Expense recognized in the Income Statement	0.00	0.01

v Major categories of plan assets (as percentage of total plan assets) : All figures given in the table below are as provided by the company:

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Government of India Securities	--	--
State Government securities	--	--
High Quality Corporate Bonds	--	--
Equity Shares of listed companies	--	--
Property	--	--

IRCON INFRASTRUCTURE & SERVICES LIMITED

A Wholly Owned Subsidiary of IRCON International Limited, a Govt. of India Undertaking



Special Deposit Scheme	--	--
Funds Managed by Insurer	--	--
Bank Balance	--	--
Total	--	--

vi) (a) Economics Assumptions :

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Discount rate	6.76	6.76
Future salary increase	8.00	8.00

vi) (b) Demographic Assumptions

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
i) Retirement Age (Years)	60	60
ii) Mortality rates inclusive of provision for disability **	100% of IALM (2012 - 14)	100% of IALM (2012 - 14)
iii) Attrition at Ages	Withdrawal Rate (%)	Withdrawal Rate (%)
Up to 30 Years	3	3
From 31 to 44 years	2	2
Above 44 years	1	1
iv) Leave		
Leave Availment Rate	2.50%	2.50%
Leave Lapse rate while in service	Nil	Nil
Leave Lapse rate on exit	Nil	Nil
Leave encashment Rate while in service	Nil	Nil

It should be noted that in case of employees above retirement age, for the purpose of valuation it is assumed they will retire immediately & benefit is considered up to actual retirement age.

vii) Sensitivity Analysis of the defined benefit obligation:

a) Impact of the change in discount rate	
Present Value of Obligation at the end of the period	0.04
a) Impact due to increase of 0.50 %	(0.00)
b) Impact due to decrease of 0.50 %	0.00
b) Impact of the change in salary increase	
Present Value of Obligation at the end of the period	0.04
a) Impact due to increase of 0.50 %	0.00
b) Impact due to decrease of 0.50 %	(0.00)

Sensitivities due to mortality & withdrawals are not material & hence impact of change due to these not calculated. Sensitivities as rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable.

viii) Expected contribution for next annual reporting period

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Service Cost	0.01	0.01
Net Interest Cost	0.00	0.00
Expected Expense for the next annual reporting period	0.01	0.01

ix) Maturity Profile of Defined Benefit Obligation

(₹ in crore)

Year	Amount
0 to 1 Year	0.00
1 to 2 Year	0.00
2 to 3 Year	0.00
3 to 4 Year	0.00
4 to 5 Year	0.00
5 to 6 Year	0.00
6 Year onwards	0.04

Description of Risk Exposures:

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follow -

Salary Increases

Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

Investment risk

If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.

Discount Rate

Reduction in discount rate in subsequent valuations can increase the plan's liability.

Mortality & disability

Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

Withdrawals

Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability

(iii) Pension

In respect of Pension payable to regular employees of IrconISL, Policy of Ircon International Limited (Holding Company) has been Adopted and accordingly Contribution in NPS Scheme of Pension is being made and deposited on regular basis to the approved recognized fund.

31

(a) Foreign exchange recognised in the Statement of Profit and Loss:

(₹ in crores)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Profit or Loss	(0.13)	0.33
Other Comprehensive Income	0.00	(0.01)
Total	(0.13)	0.32

(b) Earnings in foreign currency (on accrual basis):

(₹ in crores)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Work Receipts	2.27	7.25
Bank Interest	-	-
Other Interest	-	-
Foreign Exchange Fluctuation Gain (Net)	-	0.33
Others	-	-
Total	2.27	7.58

(c) Expenditure in foreign currency (on accrual basis):

(₹ in crores)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Operational Expenses	0.57	0.19
Consultancy charges	-	-
Foreign Exchange Fluctuation Loss (Net)	0.13	-
Administrative and Other Expenses	0.32	0.89
Total	1.02	1.07

(d) CIF value of Imports*:

(₹ in crores)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Materials	-	-
Consumables, Components and Spares	-	-
Total	-	-

* Administrative Expenses Include Myanmar Project Expense which has been incurred in Local Currency (Kyats) however Payment has been received in INR from client i.e. (Ministry of External Affairs (MEA)).

(e) Material & store consumed:

(₹ in crores)

Particulars	For the year ended 31st March 2021		For the year ended 31st March 2020	
	Amount	%age	Amount	%age
Imported				
Indigenous				
Total	0.00	0.00	0.00	0.00

32 Related Party Transactions

Disclosures in compliance with Ind AS 24 "Related Party Disclosures" are as under:

a) List of Related Parties

The entire Equity Share Capital of the Company is held by Ircon International Limited, Holding company.

b) Relation and name of the related parties are:

Relation and name of the related parties are:		Name of the Related Party
i. Holding Company		Ircon International Limited
ii. Key Management personnel:	Directors:	Shri M K Singh
		Shri Surajit Dutta,
		Shri A K Goyal
		Shri Parag Verma
	Others	Sh Ajay Pal Singh (CEO)
		Mrs Pooja Chaurasia (CFO)
		Mrs Manisha Gola, Company Secretary

c) Remuneration to Key management personnel are as under:

(Rs In crores)

S.No	Particulars	2020-21	2019-20
a)	Short-Term benefits	0.50	0.58
b)	Post-employment benefits*	0.19	0.23
c)	Other long-term benefits	0.00	0.00
Total		0.69	0.81

The Directors of the Company are appointed /nominated by Holding Company and no remuneration is paid by the Company. Hence remuneration of Chief Executive Officer, Chief Financial Officer & Company Secretary has been shown above

d) Transactions with other related parties are as follows:

(Rs. in crores)

S.No.	Particulars	Transactions		Outstanding Amount	
		For the year ended 31st March 2021	For the year ended 31st March 2020	For the year ended 31st March 2021	For the year ended 31st March 2020
1	Remuneration to Key management personnel (b above)	as per Note 32 (c)		0.00	0.00
1.1	Purchase of Goods from Holding Company				
	Amount payable against Services & Purchase of Goods from Holding Company	2.81	1.50	-1.57	-1.55
1.2	Revenue income from Holding company	3.20	2.24	0.23	0.80
1.3	Reimbursement of Expenses i.e. remuneration to staff as salary & Wages, PF contribution, travelling, etc.	3.38	3.30	-2.01	-1.31
1.4	Sale of Asset to Holding Company	0.00	0.09	0.00	0.10

33 Impairment of Assets

In compliance of Ind AS 36 "Impairment of Assets", the Company has reviewed the assets at year-end for indication of impairment loss, if any, as per the accounting policy of the Company. As there is no indication of impairment, no impairment loss has been recognised during the year.

34 Provisions, Contingencies

(i) Contingent Liabilities

Disclosure of Contingent Liabilities as per Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets' is as under:

- a) Contingent liability against cases relating to employees pending in the court amounts to Rs. 2.38 crores (FY 2019-20 Rs. 2.43 crore). Amount of interest claimed on said liability is not ascertainable.
- b) Bank Guarantee issued to clients/others:
 - i) Bank Guarantee issued to Navodaya Vidyalaya Samiti of Rs 1,73,54,600/- vide BG No IOB/LGI/040871117000036 dt 08.11.2017
 - ii) "Bank Guarantee issued to Navodaya Vidyalaya Samiti of Rs 3,17,42,200/- vide BG No IOB/LGI/0408/71119000031 dated 27.09.2019 (Contingent liability against this BG is Rs 3,00,35,600/-)"
 - iii) Bank Guarantee issued to Navodaya Vidyalaya Samiti of Rs 1,55,04,500/- vide BG No IOB/LGI/0408/71217000074 dated 08.11.2017
 - iv) Bank Guarantee issued to Navodaya Vidyalaya Samiti of Rs 3,04,43,040/- vide BG No IOB/LGI/0408/71119000033 dated 15.10.2019
 - v) Bank Guarantee issued to Haryana Vishwakarma Skill University of Rs. 37,37,500/- vide BG No. 0408/IOB/LGI/71117000034 dated 08.11.2017

IRCON INFRASTRUCTURE & SERVICES LIMITED

A Wholly Owned Subsidiary of IRCON International Limited, a Govt. of India Undertaking



- vi) Bank Guarantee issued to Ministry of External Affairs of Rs. 36,00,625/- vide BG No IOB/FLG/0408:71117000035 dated 08.11.2017
- vii) Bank Guarantee issued to Department of Science and Technology of Rs. 68,70,000/- vide BG No. IOB/LGI/040871120000019 dated 26.04.2019
- viii) Bank Guarantee issued to Ministry of External Affairs for Project Management Consultancy Services of Rs. 2,27,70,000/- vide BG No IOB/FLG/04087121700019 dated 27.03.2017.
- ix) Bank Guarantee issued to Haryana Vishwakarma Skill University of Rs 22,40,500/- vide BG No IOB/LGI/0408/71320000040 dated 12.06.2020

35 Revenue

Disclosure under Ind AS-115 on Revenue from contracts with Customers***(a) Disaggregation of Revenue**

Set out below is the disaggregation of the Company's revenue from contracts with customers into operating segment and type of product or services:

(₹ in crores)

Type of Product or Services	For the year ended March 31, 2021						
	Revenue as per Ind AS 115			Method for measuring performance obligation		Other Revenue	Total as per Statement of P&L /Segment Reporting
	Domestic	Foreign	Total	Input Method	Output Method		
Building	166.29	-	166.29	166.29		-	166.29
Road	-	1.46	1.46	1.46		-	1.46
Others	12.41	0.81	13.21	13.21		13.41	26.63
Total	178.70	2.27	180.97	180.97	-	13.41	194.39

Out of the total revenue recognised under Ind AS 115 during the year, Rs 180.97 crore is recognised over a period of time and Nil recognised point in time.

(₹ in crores)

Type of Product or Services	For the year ended March 31, 2020						
	Revenue as per Ind AS 115			Method for measuring performance obligation		Other Revenue	Total as per Statement of P&L /Segment Reporting
	Domestic	Foreign	Total	Input Method	Output Method		
Building	101.06		101.06	101.06		-	101.06
Roads	-	6.66	6.66	6.66		-	6.66
Others	4.55	0.59	5.14	5.14		18.24	23.41
Total	105.61	7.25	112.86	112.86	-	18.24	131.13

Out of the total revenue recognised under Ind AS 115 during the year, Rs 112.86 crore is recognised over a period of time and Nil is recognised point in time.

B. The Company has applied modified retrospective approach for the application of Ind AS 115 "Revenue from contracts with customers" and the effect is Nil on retained earnings as at April 1, 2020.

C. Contract balances

(₹ in crores)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Trade Receivables (Note 9.1)	82.29	57.01
Contract Assets (Note 9.5)	2.23	2.04
Contract Liabilities (Note 19)	85.59	95.62

(i) "Trade receivables are non-interest bearing and the customer profile include Public Sector Enterprises, state govt, State Owned Companies in India and abroad. The Company's average project execution cycle is around 15 to 24 months. General payment terms include mobilization advance, monthly progress payments with a credit period ranging from 45 to 60 days."

(ii) Contract Assets are recognised over the period in which services are performed to represent the Company's right to consideration in exchange for goods or services transferred to the customer. It includes balances due from customers under construction contracts that arise when the Company receives payments from customers as per terms of the contracts however the revenue is recognised over the period under input method. Any amount previously recognised as a contract asset is reclassified to trade receivables on satisfaction of the condition attached i.e. future service which is necessary to achieve the billing milestone.

Movement in contract balances during the year

(₹ in crores)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Contract asset at the Beginning of the year	2.04	2.37
Contract asset at the end of the year	2.23	2.04
Net increase/decrease	(0.20)	0.33

For the year 2020-21, there has been a movement of Rs. (0.20 cr) (FY 2019-20- Rs 0.33 cr) in contract asset.

(iii) "Contract liabilities relating to construction contracts are balances due to customers, these arise when a particular milestone payment exceeds the revenue recognised to date under the input method and advance received in long term construction contracts. The amount of Advance received gets adjusted over the construction period as and when invoicing is made to the customer."

(₹ in crores)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Contract liabilities at the beginning of the year	95.62	97.48
Contract liabilities at the end of the year	85.59	95.62
Net increase/decrease	10.03	1.86

For the year 2020-21 and 2019-20 there has been net reduction of Rs. 10.03 crore and Rs. 1.86 crore as compared to last year are mainly due to adjustment of advance payment received from client against works executed during the year.

D. Set out below is the amount of revenue recognised from:

(₹ in crores)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Amount included in contract liabilities at the beginning of the year	78.71	10.40
Performance obligation satisfied in previous years	-	-

E. Cost to obtain the contract

Amount recognised as asset as at 31st March, 2021 is Rs. Nil (As at 31st March, 2020: Rs. Nil)

Amount of amortisation recognised in the statement of profit and loss during the year is Rs. Nil (FY 2019-20 Rs. Nil)

F. Performance obligation

Information about the Company's performance obligations are summarised below:

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 March are, as follows:

(₹ in crores)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Within one year	110	105.18
More than one year to 2 years	375	540.67
More than 2 years		
Total	485.00	645.85

36 Leases

a) Company as a Lessee

"The Company as a lessee has entered into various lease contracts, which includes lease of office space, guest house and vehicles. Before the adoption of Ind AS 116, the Company classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. The Company also has certain leases of offices and guest house with lease terms of 12 months or less. The Company applies the 'short-term lease' recognition exemptions for these leases."

Right of Use Assets

The carrying amounts of right-of-use assets recognised and the movements during the year is NIL.

Lease Liabilities

The carrying amounts of lease liabilities recognised and the movements during the year is NIL

The expenses relating to short-term lease (Refer Note 27) is Rs. 0.47 crores FY 2019-20 (Rs. 0.45 Crores).

b) Company as a Lessor

Operating Leases for Multi-Functional Complexes:

- "i. The Company has Sub – Leased 23 (Twenty-Three) MFCs to the various sub- lessees out of which, sub – lease agreement of 5 MFC's at Kannur, Rampurathaath and Mysore has been terminated as on 31-03-2019 and 2 MFC's at Thiruvalla, and Rajgir has been returned back to RLDA in the year 2019-2020 "
- ii Future minimum lease rental Payable / receivable under non- cancellable lease are as under:

(₹ in crores)

Lease Rent	Not later than 1 year	Later than 1 year to 5 years	Later than 5 years
Receivable	17.20 (17.93)	76.33 (76.64)	578.61 (615.09)
Payable	Nil (Nil)	Nil (Nil)	Nil (Nil)

b. Disclosure of Depreciation/ Amortisation in respect of leased MFCs for the year:

(₹ in crores)

Particulars of assets	2020-21	2019-20
Gross carrying amount of Assets	96.77	96.77
Accumulated Depreciation/ Amortization	13.80	11.65
Depreciation/ Amortisation for the year	2.15	2.15

For above MFC, company has received/receivable one-time down payment and monthly rental from the Sub- lessee. The total revenue recognize under lease is Rs. 11.08 Crores (FY 19-20) Rs. 16.65 Crores. There is a impact in MFC lease rent to the tune of Rs 7.29 crores due to concession given in lease rent in terms of ongoing COVID 19 pandemic and necessary impact has been taken in the financial statements. The one-time down payment received / receivable from sub-lessee are recognized as income in the statement of profit and loss on straight-line basis over the lease term on pro-rata basis

37 Information in respect of dues to Micro and Small Enterprises as required by Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act)

(₹ in crores)

S. No.	Particulars	As at 31st March, 2021	As at 31st March, 2020
1	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year:	8.67	3.80
	Principal amount due to micro and small enterprises	8.67	3.80
	Interest due on above	NIL	NIL
2	The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	NIL	NIL
3	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006	NIL	NIL
4	The amount of interest accrued and remaining unpaid at the end of each accounting year	NIL	NIL
5	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act 2006	NIL	NIL

The Company has sent letters to their suppliers to check whether they are covered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) or Not. Company has found that only some supplier are covered under the Micro, Small and Medium Enterprises Development Act, 2006 and therefore considered only those parties under MSME from whom certificate/undertaking of MSME has been received

The company has not received any information from any of its suppliers of their being a small-scale industrial unit. Based on this information, amount due to small scale industrial undertaking, which is outstanding for more than 30 days as on 31st March 2021 is Rs NIL and 31st March 2020 (Rs NIL).

38 Segment Reporting

Disclosure as per Ind AS 108 "Operating Segment" is given as under:

Operating Segments are reported in the manner consistent with the internal reporting provided to the chief operating decision maker. Accordingly, the Company has identified five operating reporting segments based on Consultancy of Project, Supply of Manpower, Sub Leasing of MFCs and Leasing of Plant & Machinery & other operating Revenue.

Two operating Segments based on Geographical location of the project viz. Domestic & International

(₹ in crores)

Particulars	International		Domestic		Total	
	2020-2021	2019-2020	2020-2021	2019-2020	2020-2021	2019-2020
Segment Revenue		-				
Revenue from external customers	2.27	7.25	192.12	123.88	194.39	131.13
Add : Company's share of turnover in integrated joint operations	-	-	-	-	-	-
Total Operating Revenue	2.27	7.25	192.11	123.88	194.39	131.13
Interest income	-	-	3.28	3.21	3.28	3.21
Other Income	-	0.33	1.87	0.84	1.87	1.17
Inter - segment	-	-	-	-	-	-
Total Revenue	2.27	7.56	197.26	127.95	199.54	135.51
Segment Result						
Profit before provision, depreciation, interest and exceptional item and tax	(0.89)	2.86	19.32	15.70	18.43	18.56
Less: Provisions and write back	-	-	1.37	0.74	1.37	0.74
Less: Depreciation, amortization and impairment	0.02	0.03	2.90	2.87	2.92	2.90
Less: Interest	0.00	-	0.03	0.06	0.03	0.06
Profit before tax	(0.91)	2.83	15.02	12.03	14.11	14.86
Less: Tax expense	(0.26)	0.84	8.62	2.51	8.36	3.35
Profit after tax	(0.65)	1.99	6.40	9.52	5.75	11.51
Less: Other comprehensive Income	-	-	-	0.01	-	-
Profit after tax	(0.65)	1.99	6.40	9.51	5.75	11.50

IRCON INFRASTRUCTURE & SERVICES LIMITED

A Wholly Owned Subsidiary of IRCON International Limited, a Govt. of India Undertaking



C. Other Information

(₹ in crores)

Particulars	International		Domestic		Total	
	2020-2021	2019-2020	2020-2021	2019-2020	2020-2021	2019-2020
Total Assets	4.45	2.86	335.53	320.66	339.98	323.52
Total Liabilities	0.24	0.61	180.10	169.02	180.34	169.63
Investment in joint ventures accounted for by equity method	0.00	0.00	-	-	-	-
Non current asset other than financial instruments, deferred tax assets, net defined benefit assets	0.00	0.00	-	-	-	-
Capital Expenditure for the year ending (Addition to PPE, CWIP, Investment Property, Other Intangible Assets, Intangible assets under development and Right-to-use)	0.01	0.02	0.85	0.15	0.86	0.17

Two operating Segments based on Geographical location of the project viz. Domestic & International

(₹ in crores)

Particulars	Operating Income		Segment Assets		Additions to Fixed Assets	
	2020-2021	2019-2020	2020-2021	2019-2020	2020-2021	2019-2020
Consultancy Projects	167.77	106.65	163.64	161.33	-	0.17
Supply of Manpower	0.88	0.66	0.47	0.28	0.20	-
Sub- Leasing of MFCs	11.08	16.65	137.73	127.09	-	-
Leasing of Plant & Machinery	2.33	1.59	29.37	30.48	0.58	-
Maintenance of Track	12.34	4.49	6.53	-	0.08	-
Others	-	1.09	2.25	4.34	-	-
Total	194.39	131.13	339.98	323.52	0.86	0.17

39 Corporate Social Responsibility Expenses (CSR)

As per Section 135 of the Companies Act, 2013 read with guidelines issued by Department of Public Enterprises, GOI, the Company is required to spend, in every financial year, at least two per cent of the average net profits of the Company made during the three immediately preceding financial years in accordance with its CSR Policy. The details of CSR expenses for the year are as under:

a) Amount required to be spent on CSR Activities

(₹ in crores)

Particulars	Outstanding	2020-2021
Gross amount required to be spent by the Company during the year	0.07	0.26

b) Amount spent on CSR Activities

(₹ in crores)

Particulars	Outstanding			2020-2021		
	Paid in Cash	Yet to be Paid	Total	Paid in Cash	Yet to be Paid	Total
On Construction/acquisition of asset*	0.06		0.06	0.17		0.17
On purposes other than above	0.01		0.01	0.08		0.08
Total	0.07	-	0.07	0.25	-	0.25

* Assets purchased and handed over to respective organisation and are not being held by the Company.

Total Amount spent on CSR during the Year 2020-2021 Rs 32,70,022/- (including Rs 7,48,860/- o/s of FY 2019-20)

c) Balance amount to be spent on CSR Activities

(₹ in crores)

Particulars	Outstanding	2020-2021
Gross amount required to be spent by the Company during the year (as per (a) above)	0.07	0.26
Amount spent by the Company during the year (as per (b) above)	0.07	0.25
Balance amount to be incurred by the company	-	0.01

d) Break-up of the CSR expenses under major heads is as under:

(₹ in crores)

Particulars	Outstanding	2020-2021
Contribution to Prime Minister CARES Fund for fighting against COVID-19	-	-
Eradicating hunger, poverty & malnutrition, promoting preventive healthcare & sanitation & making available safe drinking water	0.04	0.08
Promoting Education, including special education and employment enhancing vocation skills especially among children.	0.03	-
Others (including Other Admin Cost)	-	0.17
	0.07	0.25

40 Other disclosures

- "During FY 2019-20 the company has opted for Vivad se Vishwas Scheme announced in Finance budget 2020. According to scheme, assessee has been given one time opportunity to settle tax dispute pending before CIT(Appeal), ITAT, Tribunal high Court. As on 31.3.2020, as against demand of Rs. 19.32 crores (except interest and penalty) pertaining to AY 2014-15, 2015-16, 2017-18 scheme has been opted and a net amount of Rs 4.35 crores has been deposited under the scheme (after adjustment of amount already deposited of Rs 4.05 crores against stay at the time of assessment and balance adjustment of available credits in the form of TDS, MAT & foreign tax credits). During FY 2020-21, Form 3 determining the final tax liability of the assessess has been issued by the Income Tax Department for total net liability of Rs 4.51 Cr as against claimed liability of Rs 4.35 Cr. The necessary provision for additional demand Rs 0.16 crores have been made in books of accounts. DTA/DTL adjustments have been carried out in the books of accounts in accordance with the aforesaid transaction. "
- During FY 2020-21, company has received assessment order against FY 2017-18 as against which provision of Rs 3.45 Cr has been created in the books of account.
- As per BOD Approval vide item No 10/15 Dated 20.02.2015, the company has raised their Share Capital to the tune of Rs 25.00 Crores to procure old Track Machines from Different Zonal Railways of India & make them operational for helping in Capacity Building of the company in infrastructure sector. Total Estimated approved Expenditure is Rs. 25 Crores out of which Rs. 2.88 Crores (as at 31st March 2020 Rs. 2.30 Crores) has been incurred upto 31 March 2021.
- Some of the balances shown under debtors, advances and creditors are subject to confirmation / reconciliation/ adjustment, if any. The Company had sent letters for confirmation to parties included in the above.
- 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.

41 A. Fair Value Measurements

(i) Category wise classification of Financial Instruments

Financial assets and financial liabilities are measured at fair value in these financial statement and are grouped into three levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

a) The carrying values and fair values of financial instruments by categories as at 31 March, 2021 are as follows:

(₹ in crores)

Particulars	Carrying Value	Fair Value		
		Level 1	Level 2	Level 3
Financial Assets at Fair Value Through Profit and Loss ('FVTPL')				
Investment in Mutual Funds	-	-	-	-
Total	-	-	-	-
Financial Assets at Amortized Cost				
(i) Investments	-	-	-	-
Investments in Tax Free Bonds	-	-	-	-
(ii) Loans	0.67	-	-	0.67
(iii) Other Financial Assets	6.53	-	-	6.53
Total	7.20	-	-	7.20

(₹ in crores)

Particulars	Carrying Value	Fair Value		
		Level 1	Level 2	Level 3
Financial Liabilities at Amortized Cost				
(i) Borrowings	-	-	-	-
(ii) Other Financial Liabilities	28.42	-	-	28.42
Total	28.42			

IRCON INFRASTRUCTURE & SERVICES LIMITED

A Wholly Owned Subsidiary of IRCON International Limited, a Govt. of India Undertaking



- b) The carrying values and fair values of financial instruments by categories as at 31 March, 2020 are as follows:

(₹ in crores)

Particulars	Carrying Value	Fair Value		
		Level 1	Level 2	Level 3
Financial Assets at Fair Value Through Profit and Loss ('FVTPL')				
Investment in Mutual Funds	-	-	-	-
Total	-	-	-	-
Financial Assets at Amortized Cost				
(i) Investments	-	-	-	-
Investments in Tax Free Bonds	-	-	-	-
(ii) Loans	0.12	-	-	0.12
(iii) Other Financial Assets	3.69	-	-	3.69
Total	3.81	-	-	3.69

(₹ in crores)

Particulars	Carrying Value	Fair Value		
		Level 1	Level 2	Level 3
Financial Liabilities at Amortized Cost				
(i) Borrowings	-	-	-	-
(ii) Other Financial Liabilities	23.79	-	-	23.79
Total	23.79			

The management assessed that cash and cash equivalents, trade receivables, trade payables and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties. The following methods and assumptions were used to estimate the fair values:

- i) The fair value of investments in mutual fund units is based on the Net Asset Value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.

* During the financial year 2020-21 and 2019-20, there were no transfers between Level 1, Level 2 and Level 3 fair value measurements.

B. Financial Risk Management

The Company's principal financial liabilities comprise trade and other payables. The Company's principal financial assets include trade and other receivables, and cash and short-term deposits that derive directly from its operations. 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 \$ and MMK. Significant foreign currency risk of company are naturally hedged.

(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.

b) Credit Risk

The Company's customer profile includes Ministry of External Affairs, Ministry of Home Affairs, Public Sector Enterprises, State Owned Companies in India. Accordingly, the Company's customer credit risk is low. The Company's average project execution cycle is around 15 to 24 months. General payment terms include mobilization advance, monthly progress payments with a credit period ranging from 45 to 60 days and certain retention money to be released at the end of the project. In some cases, retentions are substituted with bank / corporate guarantees. The Company has a detailed review mechanism of overdue customer receivables at various levels within organization to ensure proper attention and focus for realization.

Trade and other receivable

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment.

Exposure to Credit Risk

(₹ in crores)

Particulars	31-03-2021	31-03-2020
Financial Assets for which allowance is measured using Lifetime Expected Credit Losses (LECL)		
Non Current Investments	-	-
Non Current Loans	0.05	0.03
Other Non Current Financial Assets	0.03	0.29
Current Investments	-	-
Cash and Cash Equivalents	58.37	102.10
Other Bank Balances	77.59	47.68
Current Loans	0.62	0.09
Other Current Financial Assets	4.30	1.38
Financial Assets for which allowance is measured using Simplified Approach		
Trade Receivables	82.29	57.01
Contract Assets	2.20	2.02

Summary of change in loss allowances measured using Simplified approach

(₹ in crores)

Particulars	31-03-2020	31-03-2019
Opening Allowances	-	-
Provided during the year	-	-
Utilization during the year	-	-
Amount written-off	-	-
Closing Allowances	-	-

During the year, the Company has recognised loss allowance of Rs. Nil crore (31 March, 2019 : Rs. Nil crore).

Summary of change in loss allowances measured using Lifetime Expected Credit Losses (LECL) approach

(₹ in crores)

Particulars	31-03-2021	31-03-2020
Opening Allowances	-	-
Provided during the year	-	-
Utilization during the year	-	-
Amount written-off	-	-
(Exchange Gain) / Loss	-	-
Closing Allowances	-	-

No significant changes in estimation techniques or assumptions were made during the reporting period.

During the year, the Company has recognized loss allowance of Rs. Nil crore (31 March, 2020 : Rs. Nil crore).

The table below provides details regarding the significant financial liabilities as at 31 March 2021 and 31 March 2020

(₹ in crores)

Particulars	As on 31 March, 2021		
	Less than 1 Year	1-2 years	2 Years and above
Borrowings	-	-	-
Trade payables	21.26		
Other financial liabilities	7.29	12.90	8.23

(₹ in crores)

Particulars	As on 31 March, 2020		
	Less than 1 Year	1-2 years	2 Years and above
Borrowings			
Trade payables	12.19		
Other financial liabilities	10.27	1.23	12.19

d) Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

The following table gives details in respect of revenues generated from top five projects.

(₹ in crores)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Revenue from top 5 Projects		
Haryana Vishwakarma Skill University	78.23	60.20
Department of Science & Technology	60.88	27.29
Land Ports Authority of India	15.38	8.68
Chhattisgarh East Railways Limited (CERL)	12.34	4.49
Sub-Leasing of MFC's	11.08	16.65

42 Covid19 Disclosure

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

"As the nature of business performed by the Company, falls under the non-essential category, the Company temporarily suspended the operations in all ongoing projects in compliance with the lockdown instructions issued by the Central and State Governments. These nationwide lockdown restrictions had impacted the normal operations of the Company by way of interruption of project execution, supply chain disruption and unavailability of personnel during the lockdown period since 22nd March'2020."

IRCON INFRASTRUCTURE & SERVICES LIMITED

A Wholly Owned Subsidiary of IRCON International Limited, a Govt. of India Undertaking



"The Company is actively monitoring the impact of the Covid-19 pandemic & lockdown as consequence of its on financial condition, liquidity, operations, work force etc. The operations at various project sites could be resumed in May'2020 in a gradual manner by managing work from home along with skeletal manpower at office. The covid-19 pandemic has affected consumers, food & beverages, and hotel industry severely impacting generation of lease rent from MFC to the tune of Rs. 7.29 crores for the financial year ending 31st March 2021. Further, invoking force majeure clause of the agreement, the payment of Rs. 2.50 cr to RLDA for the financial year ending 31st March 2021 has not been paid resulting a net impact of (Rs. 4.79 cr) on profit & loss account. Thus, the results for the financial year ending 31st March 2021 are not comparable with those of the previous periods. For other operating segments, company expects to recover the carrying amount of its assets comprising property, plant and equipment, intangible assets, right of use assets, advances, trade receivables etc in the ordinary course of business based on current economic conditions. The Company will continue to closely monitor any material changes to future economic conditions while steps are being taken to improve its working efficiencies through work from home, e-office etc."

43 Disclosure on Amendment in Schedule III

Ministry of Corporate Affairs (MCA), vide its notification dated March 24, 2021, amended Schedule III of the Companies Act, 2013 with effect from April 1, 2021. Management is of the view that since the changes are applicable from April 1, 2021, those are applicable for the financial year commencing from April 1, 2021 and are applicable to Financial statements issued in respect of accounting years commencing on or after April 1st, 2021. Therefore, related disclosures are not considered in these financial statements for the year ended on March 31, 2021, although issued after April 1, 2021.

As per our Report of even date attached
For K.M.G.S. & Associates
Chartered Accountants
FRN - 004730N

For and on behalf of the Board of Directors

Sd/-
CA Lalit Goel
(Partner)
M. No. 091100

Sd/-
Pooja Chaurasia
C.F.O

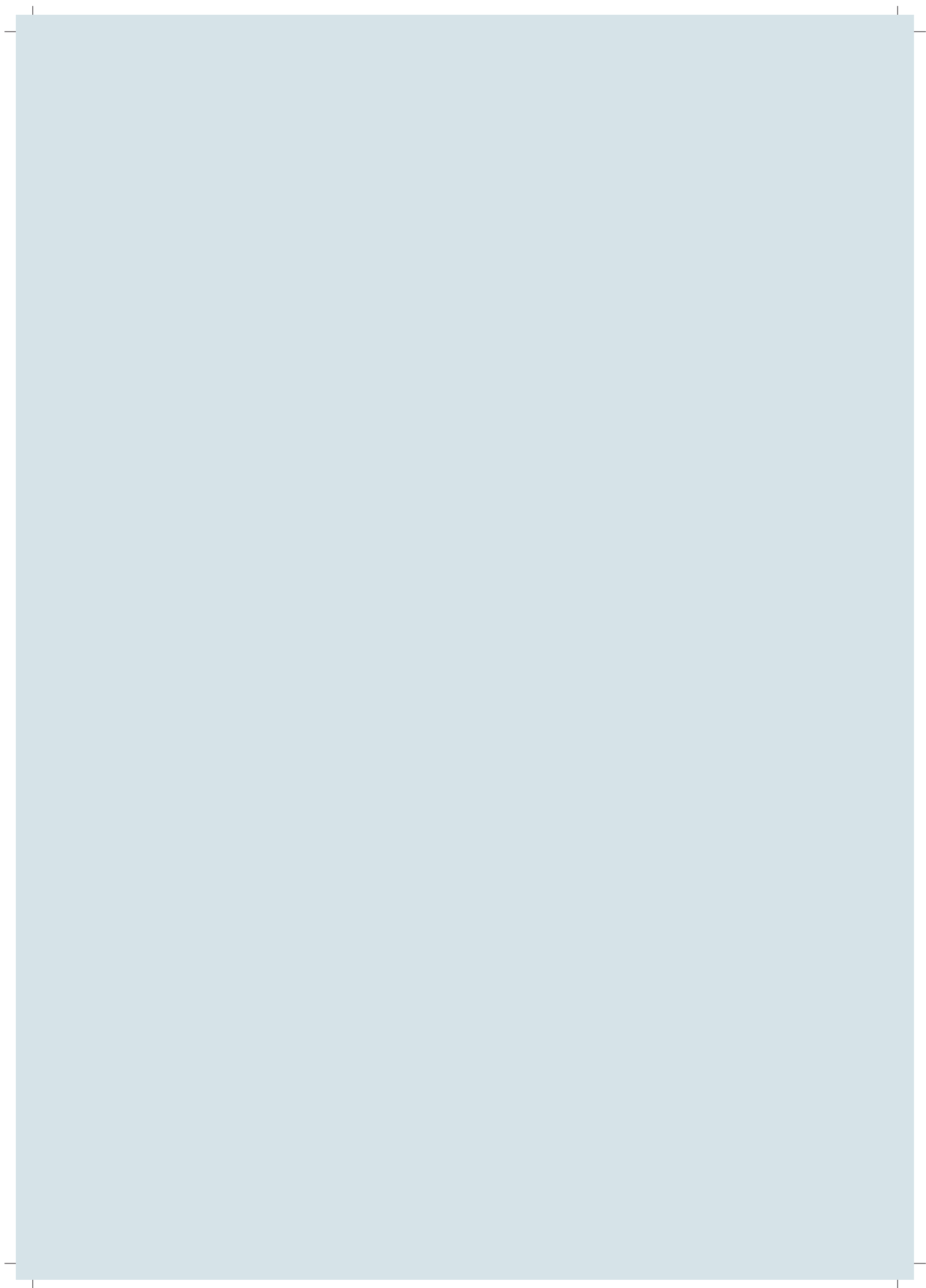
Sd/-
Surajit Dutta
Director
(DIN-06687032)

Sd/-
Ajay Pal Singh
C.E.O

Sd/-
M.K.Singh
Chairman
(DIN-06607392)

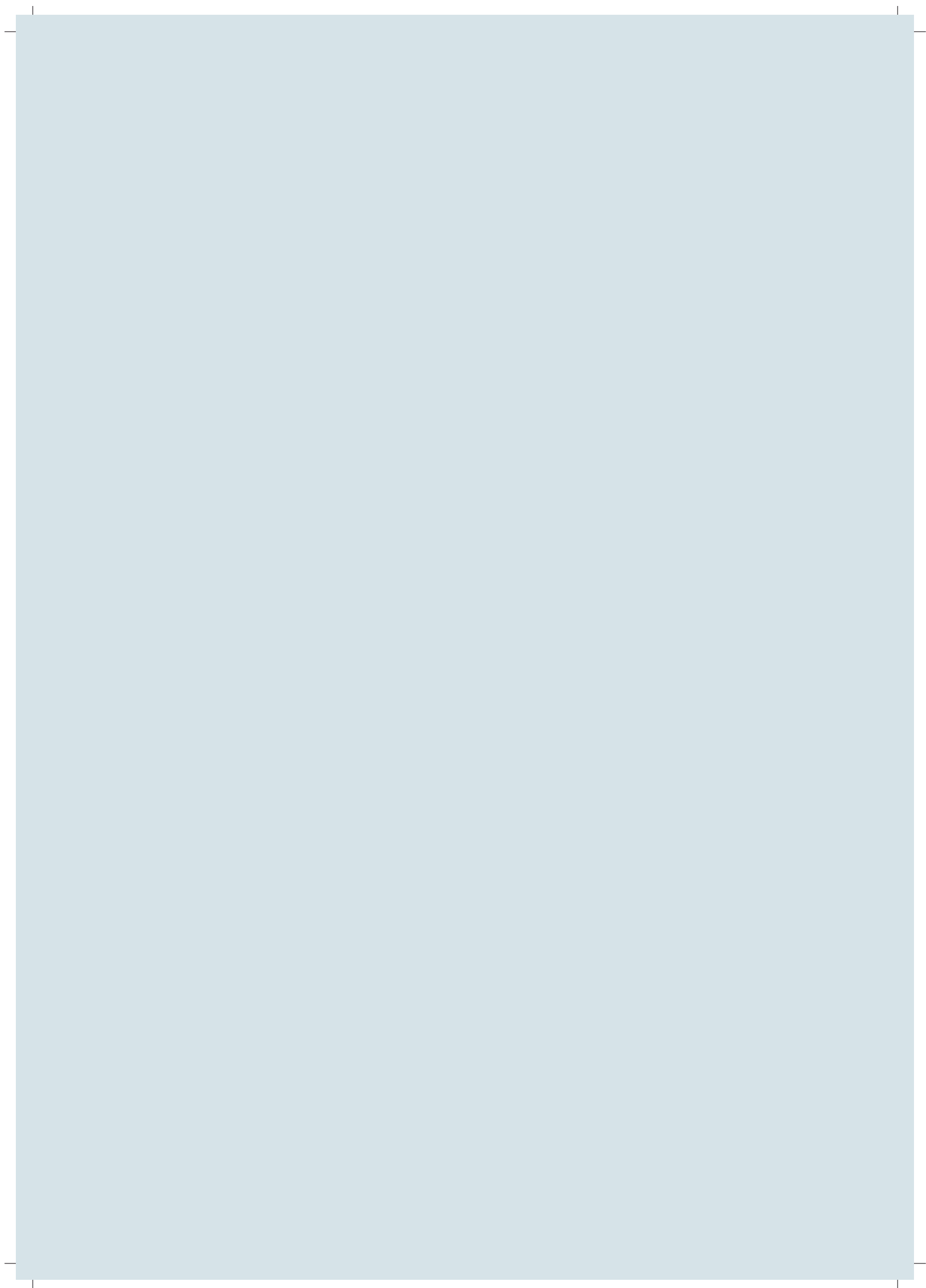
Sd/-
Manisha Gola
Co Secy

Place : New Delhi
Date : 25-06-2021



Auditor's Report





INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF

**Ircon Infrastructure & Services Limited
New Delhi**

Report on the Audit of the IND AS Financial Statements

We have audited the accompanying Ind AS financial statements of **Ircon Infrastructure & Services Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the "*Auditor's Responsibilities for the Audit of the Ind AS Financial Statements*" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements for the financial year ended March 31, 2021.

We have determined that there are no key audit matters to communicate in our report.

Other Information

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Company's Annual Report, but does not include the Ind AS financial statements and our auditor's report thereon. The Company's Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. When we read the Company's Annual Report, if we conclude that there is a material misstatement therein, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our

opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
- In our opinion and based upon the information and explanations given to us by the management the Company has not paid or provided the managerial remuneration.
- 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, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
3. Our separate report on directions issued by the Comptroller and Auditor General of India under section 143(5) of the Companies Act, 2013 is attached as "Annexure C".

**As per our Report of even date attached
For K.M.G.S. & Associates
Chartered Accountants
FRN - 04730N**

**Sd/-
CA Lalit Goel
(Partner)
M. No. 091100**

**Place: New Delhi
Date: 25/06/2021**

Annexure 'A' to the Draft independent auditor's report of even date on the Ind AS financial statements of Ircon Infrastructure & Services 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 Infrastructure & Services Limited** ("the Company") as of March 31, 2021 in conjunction with our audit of the 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 maintain 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. 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.

Auditors' 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, issued by ICAI and deemed to be 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 judgement 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 with reference to financial statements.

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 details, 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changed in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, 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, 2021, 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 Accountant of India.

As per our Report of even date attached
For K.M.G.S. & Associates
Chartered Accountants
FRN - 04730N

Sd/-
CA Lalit Goel
(Partner)
M. No. 091100

Place: New Delhi
Date: 25/06/2021

ANNEXURE 'B' TO THE DRAFT INDEPENDENT AUDITOR'S REPORT (Referred to in paragraph 1 of Report on Other Legal and Regulatory Requirements of the auditors' report of even date to the members of Ircon Infrastructure & Services Limited on the financial statements for the year ended 31st March'2021)

In terms of information and explanations given to us and the books and records examined by us, we report that:

- (I) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) According to the information and explanations given to us, the fixed assets were physically verified during the year by the management in accordance with the programme of verification, which in our opinion is reasonable having regard to the size of the company and the nature of its assets. To the best of our knowledge, no material discrepancies were noticed on verification conducted during the year as compared with the book records.
- (c) Based upon the audit procedures performed, the title deeds if any, of the immovable property are held in the name of the company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year. No material discrepancies were noticed on physical verification carried out at the end of the year.
- (iii) As informed, 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. Accordingly, sub-clause (a) and (b) are not applicable.
- (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) The Company has not accepted any deposits from the public. Accordingly, the provisions of clause 3(v) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- (vi) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 148 of the Companies Act, 2013 for the products of the Company.
- (vii) (a) According to the information and explanations given to us and the records of the company examined by us, in our opinion, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues as applicable with the appropriate authorities. There are no undisputed amounts payable in arrears, as at March 31st, 2021 for period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, no disputed amount is payable in respect of provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, Goods & Services tax, cess and other material statutory dues.

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of its dues to the banks. The Company did not have any outstanding dues to any financial institutions government or debenture holders during the year.
- (ix) Based on information and explanations given to us by the management, the company has not raised any money by way of initial public offer or further public offer(including debt instruments).
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that 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) Based upon the information and explanations given to us by the management and in accordance with the requisite approvals mandated by provisions of section 197 read with Schedule V to the Companies Act the Company has not paid or provided the managerial remuneration.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, the provisions of clause 3(xii) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- (xiii) Based on information and explanations given to us by the management, all transactions with the 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 Ind AS financial Statements as required by the applicable Indian Accounting Standards.
- (xiv) Based on information and explanations given to us by the management, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the period under review. Accordingly, the provisions of clause 3(xiv) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, the company has not entered into any non-cash transaction with directors or person connected with him which is covered by Section 192 of the Companies Act 2013. Accordingly, the provisions of clause 3(xv) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- (xvi) In our opinion and according to the information and explanations given to us, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of clause 3(xvi) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.

**As per our Report of even date attached
For K.M.G.S. & Associates
Chartered Accountants
FRN - 04730N**

**Sd/-
CA Lalit Goel
(Partner)
M. No. 091100**

**Place: New Delhi
Date: 25/06/2021**

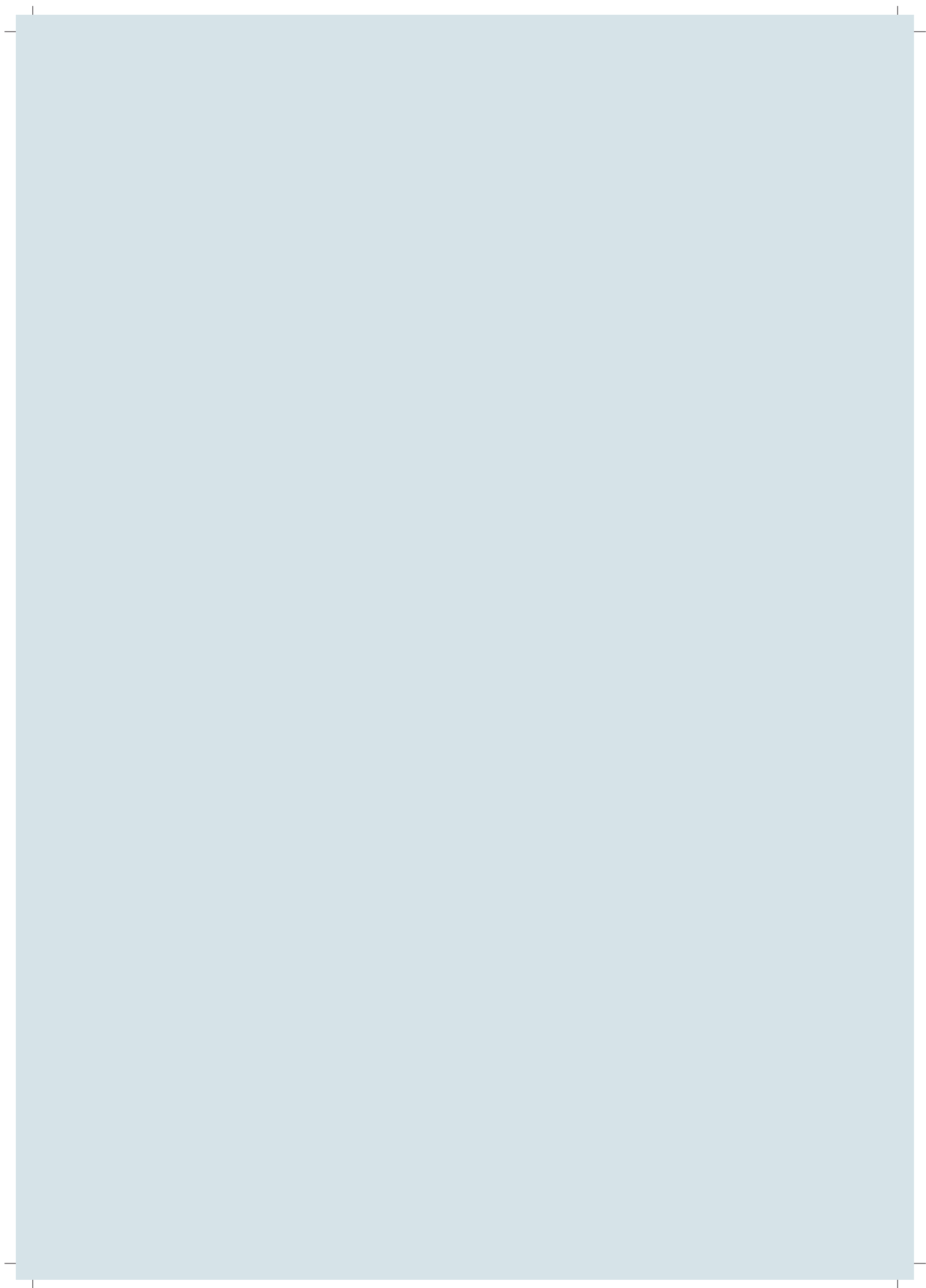
As required by Section 143(5) of the Act and as per directions issued by comptroller and Auditor General of India, we report on following that:

Sl. No.	Directions	Auditor's Replies
(i)	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	Yes, The Company has Tally system to process all the accounting transactions and used for preparation of the financial accounts. No accounting transaction has been processed outside the IT system.
(ii)	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts /loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a Government company, then this direction is also applicable for statutory auditor of lender company).	During the year, no existing loan has been restructuring or cases of waiver/write off of debts /loans/interest etc. made by a lender to the region due to the Company's inability to repay the loan have been found.
(iii)	Whether funds received/receivable for specific schemes from central/ state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	No funds have been received /receivable from any Central or State agencies for any specific schemes during the financial year 2020-21.

As per our Report of even date attached
For K.M.G.S. & Associates
Chartered Accountants
FRN - 04730N

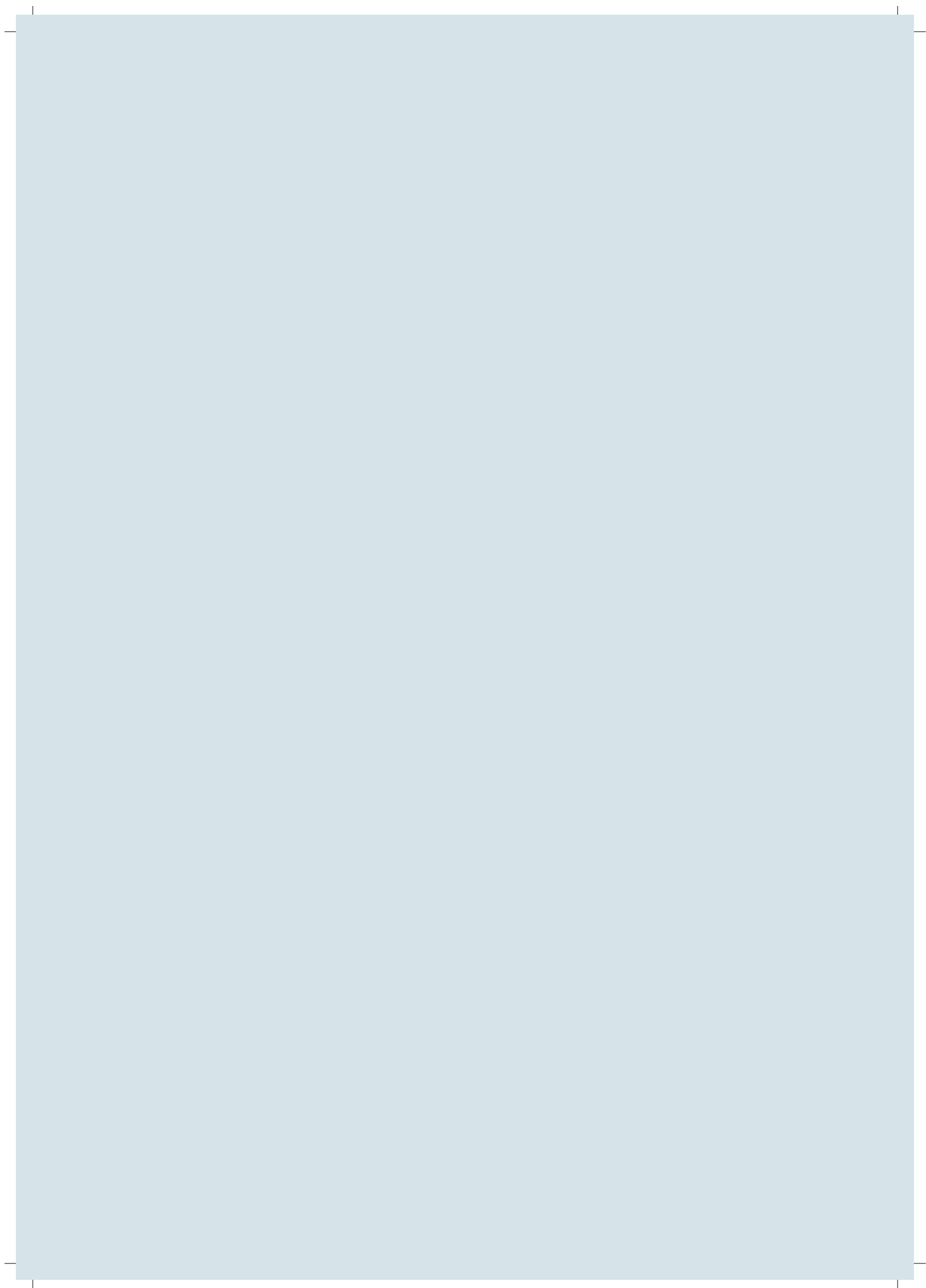
Sd/-
CA Lalit Goel
(Partner)
M. No. 091100

Place: New Delhi
Date: 25/06/2021



No Review Certificate from C & AG





COMMENTS OF THE CONTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(B) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF IRCON INFRASTRUCTURE & SERVICES LIMITED FOR THE YEAR ENDED 31ST MARCH 2021.

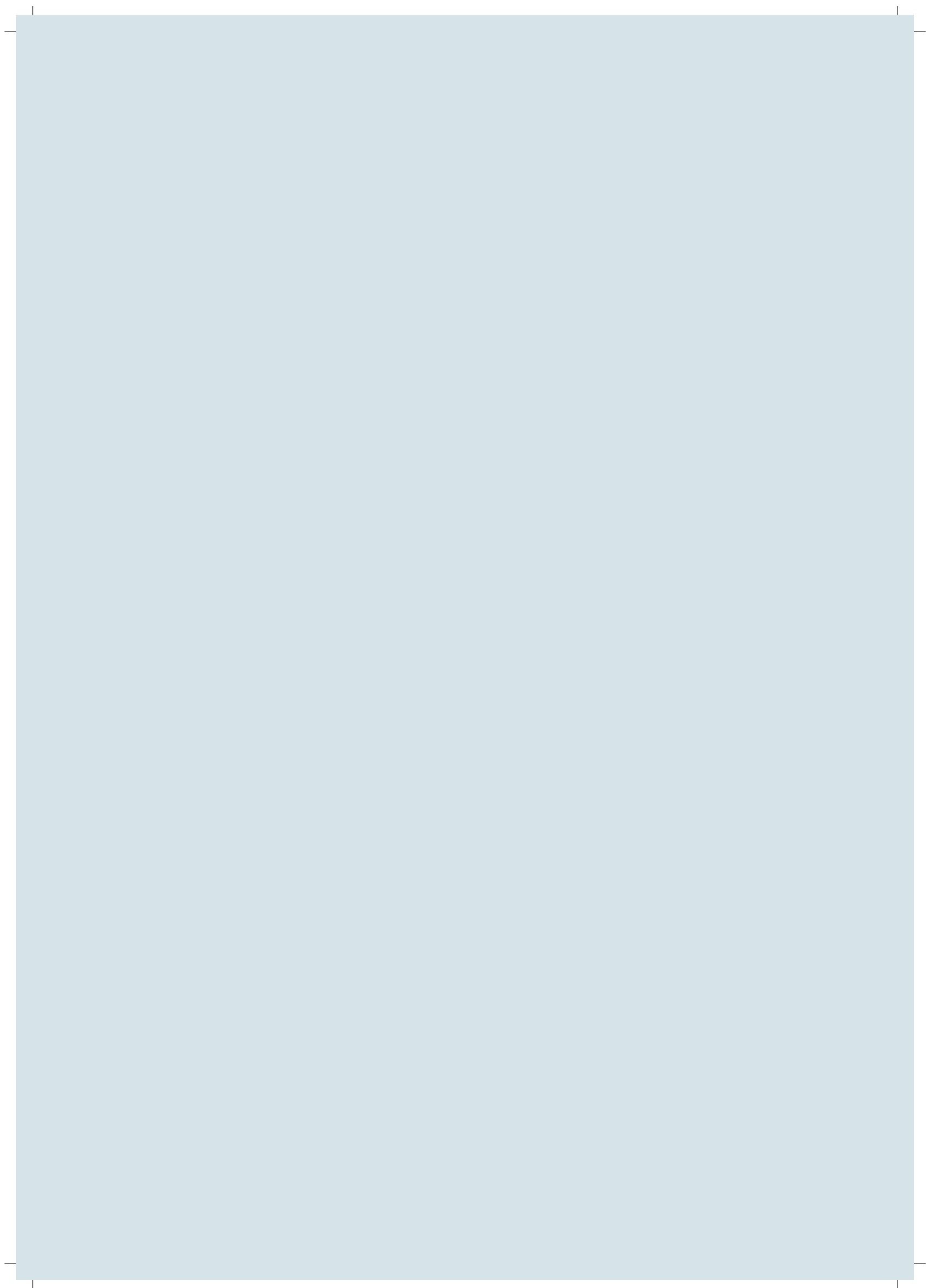
The preparation of financial statements of IRCON INFRASTRUCTURE AND SERVICES LIMITED for the period ended 31st March 2021 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139 (5) of the Act is responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 25.06.2021.

I, on the behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of IRCON INFRASTRUCTURE & SERVICES LIMITED for the period ended 31st March 2021 under section 143(6)(a) of the Act.

**For and on the behalf of the
Comptroller and Auditor General of India**

**Place: New Delhi
Date: 02.08.2021**

**Sd/-
(K.S. Ramuwalia)
Principal Director of Audit
Railway Commercial, New Delhi**





IRCON INFRASTRUCTURE & SERVICES LIMITED

(A wholly owned subsidiary of Ircon International Limited)

Regd. off: C-4, District Centre, Saket, New Delhi-110017, India

Corporate off: B-40A, Sector-1, Noida-201306, UP

Tel. : 01202970406

E-mail : Info@irconisl.com | Web : www.irconisl.com