



इरकॉन इंटरनेशनल लिमिटेड
(भारत सरकार का उपक्रम)
IRCON INTERNATIONAL LIMITED
(A Govt. of India Undertaking)
An integrated Engineering and Construction Company



IRCON/SECY/STEX/124

05th August, 2020

To,

National Stock Exchange of India Limited,
Exchange Plaza, C-1, Block G, BKC,
Bandra (E), Mumbai- 400 051

Sub: Clarification for Financial results – IRCON

Ref.: NSE e-mail dated 5th August, 2020.

Dear Sir/Madam,

This has reference to your e-mail dated 5th August, 2020 on the captioned subject. It is our endeavor to always comply the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We would like to submit that the Independent Auditor's Report filed with the Financial Results for the year ended 31st March 2020 was digitally signed by the Statutory Auditor. However, at the time of uploading the file on the NEAPS website, the digital signatures got disappeared automatically; hence, due to the technical issue the unsigned Auditor Report was filed with NSE.

The copy of the Independent Auditor Report duly signed on 10th July 2020 is enclosed as an **Annexure** to comply with the requirement.

Please take note of above information on record.

Thanking you,
Yours faithfully,

For Ircon International Limited

(Ritu Arora)
Company Secretary & Compliance Officer
Membership No.: FCS 5270



Independent Auditor's Report on Standalone Audited Financial Results for the Quarter and Year ended March 31, 2020 of Ircon International Limited Pursuant to the regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

To
The Board of Directors
Ircon International Limited

Report on the Audit of the Standalone Ind AS Financial Results

Opinion

We have audited the accompanying standalone financial results of **Ircon International Limited ("the Company") for the Quarter ended 31st March 2020 and the year to date** results for the period from 1st April, 2019 to 31st March, 2020 ("the Statement") attached herewith, in which we incorporated the returns for the quarter and year ended on that date audited by branch/other auditors of the company's branches at Northern Region, J&K region, Eastern Region, Patna Region, Mumbai Region, Algeria, Srilanka, and Bangladesh, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Regulation') as amended, (the 'Listing Regulation').

We have audited the financial results of the 2 (two) foreign branches situated at South Africa, and Malaysia for the quarter and year ended 31st March, 2020. However, we have not visited any foreign branch and the relevant information for the audit purpose were provided to us by the management at corporate level.

In our opinion and to the best of our information and according to the explanations given to us the statement:

- i. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian accounting standards (Ind AS) and other accounting principles generally accepted in India of the net profit and other comprehensive income and other financial information for the quarter ended 31st March 2020 as well as the year to date results for the period from 1st April, 2019 to

31st March, 2020 .

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial results under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to it "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the statement.

Emphasis of Matter

We invite attention to Note No.9 of the Statement which describe the impact of Covid-19, a global pandemic, on the operations and financial matters of the company.

Management's Responsibilities for the Standalone Ind AS Financial Results

The statement has been prepared on the basis of the standalone Ind AS financial statements for the year ended 31st March 2020. The Company's Board of Directors are responsible for the preparation of these financial results that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and

completeness of the accounting records, relevant to the preparation and presentation of the statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Results

Our objectives are to obtain reasonable assurance about whether the statement 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 the statement.

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 statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material

uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results 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 statement, including the disclosures, and whether the financial results 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.

Other Matters

- The opinion expressed in the present report is based on the information, facts and inputs made available to us through electronic means by the company. We wish to highlight that due to the COVID 19 induced restrictions on physical movement and strict timelines, the audit team could not visit the project offices of the company for undertaking the required audit procedures as prescribed under ICAI issued Standards on Auditing.
- We did not audit the financial statements / financial information/ financial results of 8 (Eight) branches included in the standalone Ind AS financial statement of the company whose financial statements/financial information reflect Total Assets of Rs.6386.80 Crores (Previous Year Rs.6410.91 Crores) as at 31st March 2020, Total Revenues of Rs.5211.55 Crores (Previous Year Rs. 4226.56 Crores) and Total PBT of Rs. 374.29 Crores (Previous Year Rs.336.64 Crores) for the year ended on that date, as considered in the standalone Ind AS financial statements/ financial results. The financial statements/information/ financial results of these branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so

far as it relates to the amounts and disclosure included in respect of these branches, is based solely on the reports of such branch auditors.

- The financial statements/ financial results include Rs.0.18 Crores (Previous Year Rs.3.13 Crores) profit (net), the company's share in three integrated joint operations (unincorporated) accounts which have been certified by other firms of chartered Accountants.
- The statement includes the results for the quarter ended 31 March 2020 being the balancing figure between the audited figures in respect of the full financial year ended 31st March, 2020 and the published unaudited year to date figures up to the third quarter of the current financial year, which were subject to limited review by us, as required under the Listing Regulations.

Our opinion on the same is not modified in respect of above matters.

For K.G. Somani & Co.
Chartered Accountant
Firm Registration No: 06591N

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(Bhuvnesh Maheshwari)
Partner

Membership No: 088155
UDIN: 20088155AAAAEZ1719

Place: New Delhi
Date: 10th July, 2020

Independent Auditor's Report on Consolidated Audited Financial Results for the Quarter and Year ended March 31, 2020 of Ircon International Limited Pursuant to the regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To
The Board of Directors
Ircon International Limited

Report on the Audit of the Consolidated Ind AS Financial Results

Opinion

We have audited the accompanying Consolidated Financial Results of **Ircon International Limited** ("the holding company") and its subsidiaries (the holding company and its subsidiaries together referred to as "the Group") and its jointly controlled entities **for the Quarter ended 31st March 2020 and the year to date results for the period from 1st April, 2019 to 31st March, 2020** ("the Statement") attached herewith, being submitted by the holding company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"). Attention is drawn to the fact that the consolidated figures for corresponding quarter ended 31st March 2019, as reported in these financial results have been approved by the holding company's Board of Directors, but have not been subjected to audit by us.

We have audited the financial results of the 2 (two) foreign branches situated at South Africa, and Malaysia for the year ended 31st March, 2020. However, we have not visited any foreign branch and the relevant information for the audit purpose were provided to us by the management at corporate office level.

In our opinion and to the best of our information and according to the explanations given to us the statement and based on the consideration of the reports of the other auditors on separate financial statements/ financial information/ financial results of subsidiaries and jointly controlled entities, the Statement:

- i. includes the results of the entities as stated in **Annexure I**.
- ii. is presented in accordance with the requirements of Regulation 33 of the Listing Regulations, as amended; and
- iii. give a true and fair view in conformity with the applicable Indian accounting standards (Ind AS) and other accounting principles generally accepted in India of the

consolidated total comprehensive income (comprising of net profit and other comprehensive loss) and other financial information of the group and its jointly controlled entities for the quarter ended 31st March 2020 and for the period from 1st April, 2019 to 31st March, 2020.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements* section of our report. We are independent of the Group and its jointly controlled entities in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial results under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to it "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the statement.

Emphasis of Matter

We invite attention to Note No.9 of the Statement which describe the impact of Covid-19, a global pandemic, on the operations and financial matters of the group.

Our opinion on the same is not modified in respect of this matter.

Management's Responsibilities for the Consolidated Ind AS Financial Results

The statement has been prepared on the basis of the consolidated Ind AS financial statements for the year ended 31st March 2020. The Holding Company's Board of Directors are responsible for the preparation and presentation of these consolidated Ind AS financial results that give a true and fair view of the net profit and other comprehensive loss and other financial information of the group including its jointly controlled entities in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the companies included in the Group and of its jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act

for safeguarding of the assets of the Group and of its jointly controlled entities 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the statement by the Directors of the holding company, as aforesaid.

In preparing the statement, the respective Board of Directors of the companies included in the group and its jointly controlled entities are responsible for assessing the ability of the group and its jointly controlled entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the group and of its jointly controlled entities are responsible for overseeing the financial reporting process of the group and of its jointly controlled entities.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Results

Our objectives are to obtain reasonable assurance about whether the statement 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 the statement.

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 statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of

expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its jointly controlled entities to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its jointly controlled entities to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the statement, including the disclosures, and whether the statement represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group and its jointly controlled entities to express an opinion on the statement. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the statement of which we are the independent auditors. For the other entities included in the statement, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

Other Matters

- The opinion expressed in the present report is based on the information, facts and inputs made available to us through electronic means by the group. We wish to highlight that due to the COVID 19 induced restrictions on physical movement and strict timelines, the audit team could not visit the project offices of the group for undertaking the required audit procedures as prescribed under ICAI issued Standards on Auditing.
- We did not audit the financial statements / financial information/ financial results of 8 (Eight) branches of Holding Company included in the consolidated Ind AS financial statement of the group whose financial statements/financial information reflect Total Assets of Rs.6386.80 Crores (Previous Year Rs.6410.91 Crores) as at 31st March 2020, Total Revenues of Rs.5211.55 Crores (Previous Year Rs. 4226.56 Crores) and Total PBT of Rs. 374.29 Crores (Previous Year Rs.336.64 Crores) for the year ended on that date, as considered in the consolidated Ind AS financial statements. The financial statements/information of these branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosure included in respect of these branches, is based solely on the reports of such branch auditors.
- The financial statements/ financial information/ financial results include Rs.0.18 Crores (Previous Year Rs.3.13 Crores) profit (net), the company's share in three integrated joint operations (unincorporated) accounts which have been certified by other firms of chartered Accountants.
- We did not audit the financial statements/financial information/ financial results of five subsidiaries whose financial statements/financial information reflect Total Assets of Rs.2,664.66 Crores (Previous Year Rs.2,019.80 Crores) as at 31st March 2020, Total Revenues of Rs.97.96 Crores (Previous Year Rs.310.07 Crores) and net increase/(decrease) in cash flows amounting to Rs.107.19 Crores (Previous Year (Rs. 11.51 Crores)) for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated financial statements/ financial results also include the group's share of Rs. 30.44 Crores (Previous Year Rs.21.54 Crores) profit (net) using equity method for the year ended 31st March, 2020 as considered in the consolidated financial statements/ financial results in respect of seven jointly controlled entities whose financial statements/ financial information/ financial results have not been audited by us.

These financial statements / financial information / financial results have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and , jointly controlled entities and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries & Jointly controlled entities, is based solely on the reports of the other auditors and the procedures performed by us as stated in para “Auditor’s Responsibilities” above.

- The statement includes the results for the quarter ended 31 March 2020 being the balancing figure between the audited figures in respect of the full financial year ended 31st March, 2020 and the published unaudited year to date figures up to the third quarter of the current financial year, prepared by the management in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 “Interim Financial Reporting” which were subject to limited review by us, as required under the Listing Regulations.

Our opinion on the consolidated Financial Results is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the Financial Results/financial information certified by the Board of Directors.

For K. G. Somani & Co.
Chartered Accountants
Firm Registration No: 06591N

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(Bhuvnesh Maheswari)
Partner

Membership No: 088155
UDIN: 20088155AAAAFA8648

Place: New Delhi

Date: 10th July, 2020

Annexure I**List of Entities included in the Consolidated Financial Results for the quarter and year ended 31.03.2020**

Sr. No.	Name of the Company	Relation
1	Ircon Infrastructure & Services Limited	Subsidiary
2	Ircon PB Tollway Limited	Subsidiary
3	Ircon Davanagere Haveri Highway Limited	Subsidiary
4	Ircon Shivpuri Guna Tollway Limited	Subsidiary
5	Ircon Vadodara Kim Expressway Limited	Subsidiary
6	Ircon-Soma Tollway Pvt. Ltd.	Jointly Controlled Entities
7	Indian Railways Stations Development Corporation Ltd.	Jointly Controlled Entities
8	Bastar Railways Pvt. Ltd.	Jointly Controlled Entities
9	Jharkhand Central Railway Limited	Jointly Controlled Entities
10	Mahanadi Coal Railway Limited	Jointly Controlled Entities
11	Chhattisgarh East-West Railway Ltd.	Jointly Controlled Entities
12	Chhattisgarh East Railway Ltd.	Jointly Controlled Entities