



IRCON INTERNATIONAL LIMITED

Our Company was incorporated as "Indian Railway Construction Company Private Limited" on April 28, 1976 in Delhi, as a private limited company under the Companies Act, 1956 and was granted a certificate of incorporation by the then Registrar of Companies, Delhi and Haryana. Our Company became a public limited company with effect from November 20, 1976 and a certificate of incorporation consequent upon conversion to public limited company was issued by the then Registrar of Companies, Delhi and Haryana in the name of "Indian Railway Construction Company Limited". Subsequently, the name of our Company was changed to its present name "Ircan International Limited" and a fresh certificate of incorporation consequent upon change of name dated October 17, 1995 was issued by the Registrar of Companies, N.C.T. of Delhi and Haryana. For further details of changes in the name and registered office of our Company, see "**History and Certain Corporate Matters**" on page 185 of the Red Herring Prospectus dated August 31, 2018 ("RHP").

Registered Office: Plot no. C - 4, District Centre, Saket, New Delhi -110017, India; **Contact Person:** Ritu Arora, Company Secretary and Compliance Officer; **Telephone:** +91 11 2956 5666; **Fax:** +91 11 2652 2000 / 2685 4000
E-mail: cosecy@ircon.org; **Website:** www.ircon.org; **Corporate Identity Number:** U45203DL1976GOI008171

OUR PROMOTER: THE PRESIDENT OF INDIA ACTING THROUGH THE MINISTRY OF RAILWAYS

INITIAL PUBLIC OFFERING OF UPTO 9,905,157 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") OF IRCON INTERNATIONAL LIMITED (OUR "COMPANY" OR THE "ISSUER") THROUGH AN OFFER FOR SALE BY THE PRESIDENT OF INDIA, ACTING THROUGH THE MINISTRY OF RAILWAYS, GOVERNMENT OF INDIA (THE "SELLING SHAREHOLDER"), FOR CASH AT A PRICE* OF ₹ [-] PER EQUITY SHARE ((INCLUDING A SHARE PREMIUM OF ₹ [-] PER EQUITY SHARE) (THE "OFFER PRICE"), AGGREGATING TO ₹ [-] MILLION (THE "OFFER"). THE OFFER INCLUDES A RESERVATION OF UP TO 500,000 EQUITY SHARES AGGREGATING TO ₹[-] MILLION FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (AS DEFINED HEREIN) ("EMPLOYEE RESERVATION PORTION"). THE OFFER LESS EMPLOYEE RESERVATION PORTION IS REFERRED TO AS THE NET OFFER. THE OFFER AND THE NET OFFER WILL CONSTITUTE 10.53% AND 10.00% RESPECTIVELY, OF THE POST OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

*A discount of ₹ 10 per Equity Share on the Offer Price shall be offered to Retail Individual Bidders ("**Retail Discount**") and a discount of ₹ 10 per Equity Share on the Offer Price shall be offered to Eligible Bidding in the Employee Reservation Portion ("**Employee Discount**").

Price Band: ₹ 470 to ₹ 475 per Equity Share of face value of ₹ 10 each.

Retail Discount and Employee Discount ₹ 10 per Share on Offer Price.

The Floor Price is 47 times the face value and the Cap Price is 47.5 times the face value.

Bids can be made for a minimum of 30 Equity Shares and in multiples of 30 Equity Shares thereafter.

Risks to Investors

- The three Book Running Lead Managers associated with the Offer have handled 54 public offers in the past three years, out of which 20 offers closed below the offer price on listing date.
- There are no comparable listed companies in India engaged in the same line of business as the Company, hence comparison with industry peers are not applicable.
- Average cost of acquisition of Equity Shares for the Selling Shareholder in Offer is ₹ (19.83) per Equity Share and Offer Price at upper end of the Price Band is ₹ 475.

BASIS FOR OFFER PRICE

The Offer Price will be determined by the Selling Shareholder and our Company in consultation with the BRLMs on the basis of an assessment of market demand for the Offered Shares through the Book Building Process and on the basis of the following qualitative and quantitative factors. The face value of the Equity Shares of our Company is ₹ 10 each and the Offer Price is 47 times of the face value at the lower end of the Price Band and 47.5 times the face value at the higher end of the Price Band.

Qualitative Factors

Some of the qualitative factors and our strengths which form the basis for the Offer Price are:

- Our business operates in diverse sectors covering many countries;
- Excellent execution track record through strong operating systems and controls;
- Strong financial performance and credit profile;
- Visible growth through robust order book and steady execution; and
- Qualified and experienced employees and proven management team.

For further details, see "**Risk Factors**" and "**Our Business – Our Competitive Strengths**" on pages 20 and 157 of the RHP, respectively.

Quantitative Factors

The information presented below relating to our Company is based on the Restated Consolidated Financial Statements and Restated Standalone Financial Statements prepared in accordance with Ind AS, the Companies Act, 1956 and the Companies Act, 2013 and restated in accordance with the SEBI ICDR Regulations. For details, see "**Financial Statements**" on page 237 of the RHP.

Some of the quantitative factors which may form the basis for computing the Offer Price are as follows:

1. Basic and Diluted Earnings/Loss per Share ("EPS"), as adjusted for changes in capital

As per our Restated Standalone Financial Statements:

Year/Period ended	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
March 31, 2018	40.01	40.01	3
March 31, 2017	37.27	37.27	2
March 31, 2016	37.31	37.31	1
Weighted Average	38.65	38.65	

As per our Restated Consolidated Financial Statements:

Year/Period ended	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
March 31, 2018	42.13	42.13	3
March 31, 2017	38.79	38.79	2
March 31, 2016	39.72	39.72	1
Weighted Average	40.62	40.62	

- Notes:
- The face value of each Equity Share is ₹10;
 - Basic and Diluted earnings per share (EPS) calculations are in accordance with Ind AS 33 notified under the Companies Act, 2013 read together with the Companies (Accounting Standards) Rules;

- Basic earnings per share = Restated profit after tax attributable to equity shareholders for the year / weighted average number of shares outstanding during the year;
- Diluted earnings per share = Restated profit after tax attributable to equity shareholders / weighted average number of diluted shares outstanding during the year;
- Weighted Average derived by multiplication of weight with their respective EPS divided by sum of weights.
- Restated Profit after tax without considering other comprehensive income (OCI).

2. Price Earning Ratio (P/E) in relation to the Price Band of ₹ 470-475 per Equity Share of the face value of ₹ 10 each.

Particulars	As per our Restated Standalone Financial Statements	As per our Restated Consolidated Financial Statements
P/E ratio based on Basic EPS for the financial year ended March 31, 2018 at the Floor Price	11.75	11.16
P/E ratio based on Diluted EPS for the financial year ended March 31, 2018 at the Floor Price	11.75	11.16
P/E ratio based on Basic EPS for the financial year ended March 31, 2018 at the Cap Price	11.87	11.27
P/E ratio based on Diluted EPS for the financial year ended March 31, 2018 at the Cap Price	11.87	11.27

Industry P/E ratio

There are no comparable listed companies in India engaged in the same line of business as the Company, hence comparison with industry peers are not applicable.

Return on Net worth ("RoNW")

3. Return on net worth as per Restated Standalone Financial Statements of our Company:

As per our Restated Standalone Financial Statements:

Year/Period ended	RoNW (%)	Weight
March 31, 2018	10.46	3
March 31, 2017	9.65	2
March 31, 2016	10.06	1
Weighted Average	10.12	

As per our Restated Consolidated Financial Statements:

Year/Period ended	RoNW (%)	Weight
March 31, 2018	10.98	3
March 31, 2017	10.07	2
March 31, 2016	10.79	1
Weighted Average	10.65	

Note: Return on Net Worth has been computed as Net Profit after tax (as restated) divided by Net Worth for the period.

Notes:

- Weighted average = Aggregate of year-wise weighted Net Worth divided by the aggregate of weights i.e. [(Net Worth x Weight) for each year] / [Total of weights]
- Return on Net Worth (%) = Net Profit after Taxation (as restated) divided by Net worth at the end of the year.
- Net worth has been computed as the aggregate of share capital and reserves and surplus (including securities premium, share option outstanding account, debenture redemption reserve and surplus/ (deficit) of our Company) and excludes items of other comprehensive income & Capital redemption reserves.
- Restated profit after tax without considering other comprehensive income (OCI).

4. Minimum Return on Total Net Worth after Offer needed to maintain pre-Offer EPS for the fiscal year ended March 31, 2018

There will be no change in Net Worth post the Offer as the Offer is by way of the Offer for Sale by the Selling Shareholder.

5. Net Asset Value (NAV) per Equity Share

NAV	Standalone (₹)	Consolidated (₹)
As on March 31, 2018	397.47	398.51

There will be no change in NAV post the Offer as the Offer is by way of Offer for Sale by the Selling Shareholder.

Notes:

- Offer Price per Equity Share will be determined on conclusion of the Book Building Process.
- Net Asset Value per Equity Share represents Net worth at the end of the year / Total number of equity shares outstanding at the end of year.

Net worth has been computed as the aggregate of share capital and reserves and surplus (including securities premium, share option outstanding account, debenture redemption reserve and surplus/ (deficit) of our Company) and excludes items of other comprehensive income & Capital redemption reserves.

6. Comparison of Accounting Ratios with Listed Industry Peers

There are no comparable listed companies in India engaged in the same line of business as the Company, hence comparison with industry peers are not applicable.

The Offer Price of ₹ [-] has been determined by the Selling Shareholder and our Company in consultation with the BRLMs on the basis of assessment of demand from investors for the Equity Shares through the Book Building Process and, is justified in view of the above qualitative and quantitative parameters. The Offer Price is [-] times of the face value of the Equity Shares.

Bidders should read the above mentioned information along with "**Risk Factors**", "**Our Business**", "**Financial Statements**" and "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" on pages 20, 157, 237 and 708 respectively, to have a more informed view. The trading price of the Equity Shares of our Company could decline due to the factors mentioned in "**Risk Factors**" and you may lose all or part of your investments.

BID/OFFER PROGRAMME

OPENS ON MONDAY, SEPTEMBER 17, 2018 | CLOSSES ON WEDNESDAY, SEPTEMBER 19, 2018

ASBA*

Simple, Safe, Smart way of Application - Make use of it!!!

Mandatory in public issue from January 1, 2016. No cheque will be accepted.

*Applications supported by blocked amount (ASBA) is a better way of applying to issues by simply blocking the fund in the bank account. For further details, check section on ASBA below.

In case of any revision in the Price Band, the Bid/ Offer Period shall be extended for at least three additional Working Days after such revision of the Price Band, subject to the total Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bid/ Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges by issuing a press release and also by indicating the change on the websites of the BRLMs and at the terminals of the Syndicate Members and by intimation to Self Certified Syndicate Banks, Registered Brokers, Registrar and Transfer Agents, and Collecting Depository Participants.

The Offer is being made in terms of Rule 19(2)(b)(iii) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR") read with Regulation 41 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended ("SEBI ICDR Regulations"), wherein at least 10% of the post-Offer-paid-up Equity Share capital of our Company will be offered to the public. The Offer is being made through the Book Building Process in accordance with Regulation 26(1) of the SEBI ICDR Regulations, wherein 50% of the Net Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("**QIB Portion**"). Such number of Offered Shares representing 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the QIB Portion, the balance Offered Shares available for allocation in the Mutual Fund Portion will be added to the remaining QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Net Offer will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. Further, upto 5,00,000 Equity Shares shall be offered for allocation and Allotment to the Eligible Employees Bidding in the Employee Reservation Portion, conditional upon valid Bids being received from them at or above the Offer Price. All Bidders shall participate in the Offer mandatorily through the Applications Supported by Blocked Amount ("**ASBA**") process by providing the details of their respective ASBA Accounts in which the corresponding Bid Amount will be blocked by the Self Certified Syndicate Banks ("**SCSBs**"). For details, see "**Offer Procedure**" on page 787 of the RHP.

Bidders/Applicants should note that on the basis of PAN, DP ID and Client ID as provided in the Bid cum Application Form/Application Form, the Bidder/Applicants may be deemed to have authorised the Depositories to

provide to the Registrar to the Offer, any requested Demographic Details of the Bidder/Applicants as available on the records of the depositories. These Demographic Details may be used, among other things, for unblocking of ASBA Account or for other correspondence(s) related to the Offer. Bidders/Applicants are advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders'/Applicants' sole risk. Bidders/Applicants should ensure that PAN, DP ID and the Client ID are correctly filled in the Bid cum Application Form/Application Form. The PAN, DP ID and Client ID provided in the Bid cum Application Form/Application Form should match with the PAN, DP ID and Client ID available in the depository database, otherwise, the Bid cum Application Form is liable to be rejected. Bidders/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form is active.

Contents of the Memorandum of the Company as regards its Objects: For information on the main objects and other objects of the Company, see "**History and Certain Corporate Matters**" on page 185 of the RHP and Clause III of the Memorandum of Association of the Company. The Memorandum of Association of the Company is a material document for inspection in relation to the Offer. For further details, see the section "**Material Contracts and Documents for Inspection**" on page 862 of the RHP.

Liability of the members of the Company: Limited by shares.

Amount of share capital of the Company and Capital Structure: The authorised share capital of our Company is ₹ 4000 million divided into 400,000,000 Equity Shares of face value ₹ 10 each. The issued, subscribed and paid up share capital of our Company is ₹ 940.52 million divided into 94,051,574 Equity Shares of face value of ₹ 10 each. For further details, see "**Capital Structure**" on page 105 of the RHP.

Names of signatories to the Memorandum of Association of the Company and the number of Equity Shares subscribed by them: The signatories of the Memorandum of Association are the President of India and Mr. M. N. Bery, the then Chairman, Railway Board and K. T. Mirchandani, Additional Member Finance, Railway Board, who subscribed to 1,000 and 1 Equity Shares (as nominees of the President of India), respectively, of face value of ₹ 10 each of our Company. The liability of the members of the Company is limited. For details of the main objects of the Company as contained in the Memorandum of Association, see "**History and Certain Corporate Matters**" on page 185 of the RHP.

Listing: The Offered Shares are proposed to be listed on BSE and NSE. Our Company has received in-principle approvals from BSE and NSE for listing of the Equity Shares pursuant to their letters dated April 12, 2018 and April 11, 2018, respectively. For the purposes of this Offer, BSE Limited shall be the Designated Stock Exchange. A signed copy of the Red Herring Prospectus and the Prospectus shall be delivered for registration to the Registrar of Companies, National Capital Territory of Delhi & Haryana ("RoC") in accordance with Section 26(4) of the Companies Act, 2013. For details of the material contracts and documents which shall be available for inspection from the date of registration of the Red Herring Prospectus with the RoC, until the Bid/ Offer Closing Date, see "**Material Contracts and Documents for Inspection**" on page 862 of the RHP.

Disclaimer Clause of SEBI: SEBI only gives its observations on the offer documents and this does not constitute approval of either the Offer or the specified securities or the offer document. The investors are advised to refer to page 762 of the RHP for the full text of the disclaimer clause of SEBI.

Disclaimer Clause of BSE (the Designated Stock Exchange): "It is to be distinctly understood that the permission given by BSE should not in any way be deemed or construed that the RHP has been cleared or approved by BSE nor does it certify the correctness or completeness of any of the contents of the RHP". The investors are advised to refer to page 772 of the RHP for the full text of the disclaimer clause of the BSE.

Disclaimer Clause of NSE: "It is to be distinctly understood that the permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE nor does it certify the correctness or completeness of any of the contents of the offer document". The investors are advised to refer to page 773 of the RHP for the full text of the disclaimer clause of NSE.

General Risks: Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Red Herring Prospectus. Specific attention of the investors is invited to "**Risk Factors**" on page 20 of the RHP.

BOOK RUNNING LEAD MANAGERS			REGISTRAR TO THE OFFER	COMPANY SECRETARY AND COMPLIANCE OFFICER
				Ritu Arora, Company Secretary and Compliance Officer Registered Office: Plot no. C - 4, District Centre, Saket, New Delhi -110017, India Telephone: +91 11 2956 5666, Fax: +91 11 2652 2000 / 2685 4000 E-mail: cosecy@ircon.org; Website: www.ircon.org Corporate Identity Number: U45203DL1976GOI008171
IDBI Capital Markets & Securities Limited 3rd Floor, Mafatlal Centre, Nariman Point Mumbai 400 021, Maharashtra, India Telephone: +91 22 4322 1212, Fax: +91 22 2285 0785 Email: ircon.ip@idbicapital.com Investor grievance E-mail: redressal@idbicapital.com Website: www.idbicapital.com Contact Person: Astha Daga SEBI Registration No.: INM000010866	Axis Capital Limited 1st Floor, Axis House, C-2, Wadia International Centre Pandurang Budhkar Marg, Worli, Mumbai 400 025 Maharashtra, India Telephone: +91 22 4325 2183, Fax: +91 22 4325 3000 E-mail: ircon.ip@axiscap.in, Website: www.axiscapital.co.in Investor Grievance E-mail: complaints@axiscap.in Contact Person: Kanika Sarawgi / Akash Aggarwal SEBI Registration Number: INM000012029	SBI Capital Markets Limited 202, Maker Tower "E", Cuffe Parade, Mumbai 400 005 Maharashtra, India Telephone: +91 22 2217 8300, Fax: +91 22 2218 8332 E-mail: ircon.ip@sbicaps.com Investor grievance E-mail: investor.relations@sbicaps.com Website: www.sbicaps.com Contact Person: Gitesh Vargantwar / Karan Savardekar SEBI Registration No.: INM000003531	Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District Nanakramguda, Hyderabad 500 032, Telangana, India Telephone: +91 40 6716 2222, Facsimile: +91 40 2343 1551 Email: einward.ris@karvy.com Investor Grievance e-mail: einward.ris@karvy.com Website: www.karisma.karvy.com Contact Person: M. Muralikrishna SEBI Registration No. INR000000221	All grievances may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, ASBA Form number, Bidder's DP ID, Client ID, PAN, date of submission of the ASBA Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the ASBA Form was submitted by the ASBA Bidder.

Availability of RHP: Investors are advised to refer to the RHP, and the "**Risk Factors**", beginning on page 20 of the RHP, before applying in the Offer. Full copy of the RHP is available on the website of SEBI at www.sebi.gov.in, websites of the BRLMs at www.idbicapital.com, www.axiscapital.co.in, www.sbicaps.com and the websites of BSE and NSE i.e. www.bseindia.com and www.nseindia.com, respectively.

Availability of Bid-cum-Application Forms: Bid-cum-Application Forms can be obtained from the Registered Office of the Company, **Ircan International Limited**, Tel: +91 11 2956 5666, Fax: +91 11 2652 2000 / 2685 4000; the BRLMs: **IDBI Capital Markets & Securities Limited**, Tel: +91 22 4322 1212, Fax: +91 22 2285 0785; **Axis Capital Limited**, Tel: +91 22 4325 2183, Fax: +91 22 4325 3000, **SBI Capital Markets Limited**, Tel: +91 22 2217 8300, Fax: +91 22 2218 8332 the Syndicate Member: **SBICAP Securities Limited**, Marathona Futurex, A&B Wing, 12th Floor, N. M. Joshi Marg, Lower Parel, Mumbai – 400 013, Tel: +91 22 42273300/ +91 9324634624; Fax: +91 22 42273390, at selected location of the sub-Syndicate Members (as given below), Registered Brokers, RTAs and CDPs participating in the Offer. Bid-cum-Application Forms will also be available on the websites of BSE and NSE and the Designated Branches of SCSBs, the list of which is available at websites of the Stock Exchanges and SEBI.

Sub-Syndicate Members: Axis Securities Limited, Aijon Global Services Limited, Almondz Global Securities Limited, Amit Jasani Financial Services Pvt Limited, Amrapali Capital & Finance Services Limited, Anand Rathi Share & Stock Brokers Limited, Anand Share Consultancy, Anil Dhulia, ANS Pvt Limited, Ashika Stock Broking Limited, Ashwani Dandia & Co, Centrum Broking Limited, Edelweiss Securities Limited, Eureka Stock & Share Broking Services Limited, G Raj & Co. (Consultants) Limited, HDFC Securities Limited, ICICI Securities Limited, India Infoline Limited, Indiabull Ventures Limited, Jhaveri Securities, JM Financial Services Ltd, Jobanputra Fiscal Services Pvt Ltd, Kalpataru Multiplier Limited,

Date: September 06, 2018
Place: New Delhi

Ircan International Limited is proposing, subject to applicable statutory and regulatory requirements, receipt of requisite approvals, market conditions and other considerations, to make an initial public offer of its Equity Shares and has filed the Red Herring Prospectus dated August 31, 2018 ("RHP") with the RoC, National Capital Territory of Delhi & Haryana. The RHP will be available on the websites of SEBI, BSE, NSE at www.sebi.gov.in, www.bseindia.com, www.nseindia.com, respectively and is available on the websites of the BRLMs at www.idbicapital.com, www.axiscapital.co.in and www.sbicaps.com, respectively. Any potential investors should note that investment in equity shares involves a high degree of risk and for details relating to the same, refer to the Section titled "**Risk Factors**" of the Red Herring Prospectus. Potential investors should not rely on the DRHP filed with the SEBI for making any investment decision.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in accordance with any applicable U.S. state securities laws. The Equity Shares are being offered and sold only (1) in the United States to persons reasonably believed to be "qualified institutional buyers" as defined in Rule 144A, and (2) outside the United States in offshore transactions in reliance on Regulation S and the applicable laws of each jurisdiction where such offers and sales occur.