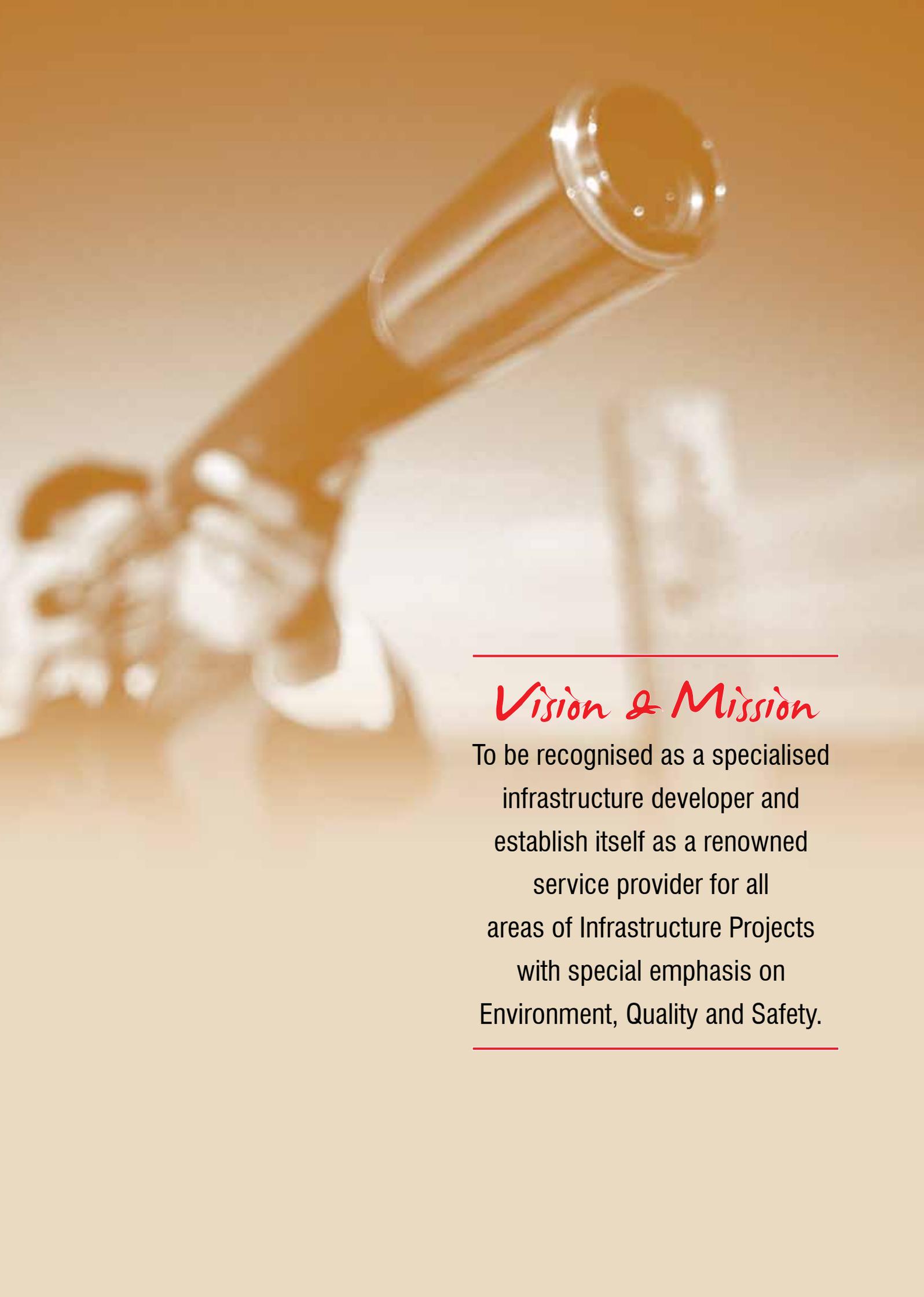


# 6<sup>th</sup> Annual Report 2014-15





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## *Vision & Mission*

To be recognised 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.

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# *Board of Directors*

(Part-Time Directors)



Mr. Hitesh Khanna  
Chairman



Mr. Surajit Dutta  
Director



Mr. Anil Jain  
Director



Mr. A.K. Goyal  
Director

## Key Executives



Mr. C.K. Nayar  
Chief Executive Officer



Mr. Aniket Khetrpal  
Chief Financial Officer



Ms. Deepshikha Gupta  
Company Secretary

### Statutory Auditors

RSPH Associates  
Chartered Accountants  
906, Vikram Tower,  
16, Rajendra Place,  
New Delhi-110008

### Main Bankers

Indian Overseas Bank  
HDFC Bank

### Registered Office

Plot No. C-4, District Centre Saket,  
New Delhi-110017  
CIN-U45400DL2009GOI194792

## Multi Functional Complexes



Allahabad



Gwalior



Hubli



Kannur



Udaipur



Haridwar



## *Chairman's Address*

### **Distinguished Shareholders,**

It gives me immense pleasure to welcome you all to the 6th Annual General Meeting of IrconSL. The Annual Report for the Financial Year ending 31st March 2015, along with the Director's Report, Audited Annual Accounts and Auditor's Report have been circulated and I request your permission to take them as read.

At the outset, I would like to briefly share with you the details of the performance of the Company.

### **Financial Profile**

During the FY 2014-15, your Company has recorded operating revenue of INR 36.39 crores, a 17% growth compared to previous year, and total revenue of INR 41.51 crores, a growth of 30% over the previous year. The Company has achieved Profit before tax of INR 20.29 crores, a growth of 51%. The Profit after tax is 10.93 crores.

### **Operational Profile**

Your Company had undertaken the development of Multi-Functional Complexes for the Ministry of Railways at twenty four identified railway station premises. The construction works have been completed at all the stations.

The Company has sub-leased 19 MFCs to third parties at Allahabad, Hubli, Kannur, Mysore, Bardhaman, Hyderabad, Bilaspur, Jammu, Udaipur, Haridwar etc. Out of these 19 MFC's, 11 have become operational, namely **Haridwar, Gwalior, Udaipur, Raipur, Kannur, Hubli Bardhaman etc.**

**The MFC's at Allahabad & Udaipur were inaugurated by Honourable Minister of State for Railways, and MFC at Gwalior was inaugurated by Honourable Minister of Steel & Mines.**

Your Company had also secured another consultancy project from Ministry of External Affairs for preparation of feasibility report for construction of 71 bridges in Tamu-Kalewa section of Myanmar. Final feasibility report for the same had been submitted to MEA on 20.02.2015.

IrconISL had also secured work from Ministry of Construction, The Republic of the Union of Myanmar for preparation of DPR & feasibility study for Maungtaw- Alethankyaw Road in Rakhine state of Myanmar. Agreement for the same was signed on 22nd August 2015.

Your Company has undertaken the work for provision of toilet blocks in Govt. schools under Swachh Bharat Abhiyaan for various PSU's such as Power Grid Corporation of India Limited (PGCIL), Indian Renewable Energy Development Agency Limited (IREDA), South East Coal Fields Limited (SECL) & Power Finance Corporation (PFC). The work has been completed before 15/08/2015.

### **Corporate Governance**

Your Company has been ensuring compliance of applicable rules, laws, regulations and transparency conducting the business in an ethical manner. Quarterly compliance report for corporate governance under para 8.3 of Department of Public Enterprises Guidelines on Corporate Governance for CPSE's, is being sent to respective Ministry(s)/ Department(s). A separate section on corporate governance furnishing applicable details forms part of the Directors' Report.

### **Acknowledge**

On behalf of the Board of Directors and the Company, I extend our sincere gratitude to Ministry of Railways, Ministry of External Affairs and Rail Land Development Authority and also to our holding company Ircon International Limited and the shareholders thereon, for their continued support and guidance. I acknowledge the efforts of the company's employees, who are our most valuable asset. Their dedication, intellect, hard work and deep sense of values has been the key to take our company forward. Finally, I would like to thank our clients, vendors and partners for their trust and support.

**(Hitesh Khanna)**  
**Chairman**  
**(DIN 02789681)**

**Place: New Delhi**  
**Date: 21/09/2015**





# *Directors' Report*



# Directors' Report

## Distinguished Shareholders of IrconISL,

Your Directors are pleased to present the 6th Annual Report of the Company for the financial year 2014-15, together with the Audited Financial Statements, the Auditors' Report, and Review by the Comptroller and Auditor General of India.

## OPERATIONAL PERFORMANCE

A. Your Company had undertaken the work of development of Multi-Functional Complexes (MFCs) for Ministry of Railways in the vicinity of identified railway station premises, with the objective of providing facilities and amenities to users of Indian Railway System. The physical work of construction (warm shells) was taken up on 24 stations namely Alleppey, Barddhaman, 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). Work has been completed at all the stations successfully.

After signing of the Lease Agreement for "Planning, Design, Development, Operation and Maintenance of Multi Functional Complexes on Indian Railways Land" with Rail Land Development Authority on 04.07.2013, IrconISL has successfully sub-leased 19 MFCs to third parties. During the year 2014-15, your Company sub-leased 12 MFC's namely Rampurhat, Rajgir, Raipur, Jammu, Udaipur, Jabalpur, Gwalior, Indore, Jodhpur, Haridwar, Madurai and Thiruvalla.

**After the close of the year 11 MFC's have been made operational which includes 6 MFC's with hotels namely Haridwar, Gwalior, Udaipur, Raipur, Kannur, Hubli, and 5 MFC's namely Barddhaman, Hyderabad, Rampurhat, Bilaspur & Thiruvalla with passenger amenities having shops and food plaza. The MFC's at Allahabad & Udaipur were successfully inaugurated by Honourable Minister of State for Railways, and MFC at Gwalior was inaugurated by Honourable Minister of Steel & Mines.**

Efforts are being made for sub-leasing of balance MFCs namely Tarapith, Alleppey, Digha, Siliguri & Jammu (small).



- B. IrconISL has successfully completed the consultancy work for Ministry of External Affairs (MEA) for preparation of DPR for road portion from Palweta to Indian Myanmar Border of Kaladan multi-modal transit project in Myanmar. IrconISL had also secured another consultancy project from Ministry of External Affairs for preparation of feasibility report for construction of 71 bridges in Tamu-Kalewa section of Myanmar. During the year 2014-15, final feasibility report for the same had been submitted to MEA on 20.02.2015.

MEA had also awarded the work of consultancy services for preparation of DPR for upgradation of existing cart road of 60 km length to 2 lane formation width with single lane carriageway width from Rih to Tiddim in Myanmar on 24.07.14 and agreement was signed on 30.07.14. The inception report was submitted to MEA on 01.12.2014. Draft feasibility report including alignment options were submitted on 20.02.2015 to MEA. A meeting was held with honourable minister of construction of Govt. of Myanmar on 21.07.2015 in NAY PYI TAW and subsequently one of the alignment had been approved by Ministry of Construction (Govt. of Myanmar) on 22.07.2015.

**After the close of the year**, IrconISL had also secured another work from Ministry of Construction, The Republic of the Union of Myanmar for preparation of DPR & feasibility study for Maungtaw- Alethanyaw Road in Rakhine state of Myanmar. Agreement for the same was signed on 22nd August 2015.

- C. IrconISL is also undertaking the work of “Supply of Manpower” for Sri Lanka and Malaysia Projects of Ircon and agreements for the same had also been signed with Ircon. As on 31st March 2015, 30 employees are working in Sri Lanka and 35 employees are working in Malaysia. During the year 2014-15, 79 employees were repatriated from Sri Lanka and 1 employee was repatriated from Malaysia. **After the close of the year**, IrconISL has deployed 2 employees in Malaysia and 3 employees were repatriated from Sri Lanka.
- D. Your Company is also undertaking the work of “Leasing of Machinery” to Ircon for its Sri Lanka Project. IrconISL has successfully commissioned and deployed ‘Duomatic Tamping Machine’ for Ircon’s project in Sri Lanka on 22.11.2013 and the same is under operation for Ircon’s project in Sri Lanka. Apart from this orders for selling old track machines to IrconISL had been issued by Railway Board. After carrying out periodical overhauling & maintenance of these machines, these shall be deployed in India with third parties.



E. The current activities of the Company relates to infrastructure projects and consultancy in the related areas. Apart from these activities, IrconISL is trying to step into, and make consistent efforts for executing the CSR projects on behalf of various PSU's (Public Sector Undertakings). Your Company had undertaken the work of Swachh Bharat Abhiyaan for various PSU's. IrconISL has signed MoU with Power Grid Corporation of India Limited on 26.11.2014 for Construction of toilet blocks in Govt. Schools under *Swachh Bharat Abhiyaan* and MOU had also been entered with Indian Renewable Energy Development Agency Limited (IREDA) on 13.01.2015 for Construction of toilet blocks in of Govt. Schools under Swachh Bharat Abhiyaan. MoU has also been signed with South East Coal Fields Limited (SECL) on 28.02.2015 for construction of toilet blocks in Govt. Schools under *Swachh Bharat Abhiyaan*.

| Name of PSU  | States   | No. of Toilets constructed | Project Cost (approx. in crores) |
|--|--|----------------------------|----------------------------------|
| Power Grid Corporation of India Limited (PGCIL)            | Bihar, Uttar Pradesh, Chhattisgarh, Madhya Pradesh, Andhra Pradesh | 2,011                      | 10.95                            |
| Indian Renewable Energy Development Agency Limited (IREDA) | Haryana, Rajasthan, Chhattisgarh                                   | 531                        | 5.10                             |
| Power Finance Corporation (PFC)                            | Rajasthan  | 525                        | 25.97                            |
| South Eastern Coalfields Limited (SECL)                    | Chhattisgarh, Madhya Pradesh, Odisha                               | 1,647                      | 23.57                            |

**After the close of the year**, MoU was signed with Power Finance Corporation (PFC) on 22.05.2015 for construction of toilet blocks in Govt. Schools. Following is the brief details of *Swachh Bharat Abhiyaan* for above PSU's taken up and successfully accomplished by your Company during 2014-15, which were completed before 15th August 2015.



F. The holding Company, Ircon International Limited handed over EMP (Environment Management Planning) Lab at Jammu to IrconISL. The laboratory was made operational in the last week of November, 2013. Various Tests pertaining to Water, Air and Noise are being conducted on regular basis as per the requirement of the Project Authorities. Application for NABL Accreditation was submitted in October, 2014 after which pre audit of EMP Lab was held and successfully completed. The final audit of EMP Lab was also completed successfully and final NABL accreditation certificate is awaited after which EMP Lab shall be fully operative for conducting various tests for the prospective clients.

## FINANCIAL HIGHLIGHTS

Important indicators of financial performance of the Company for the year ended 31.03.2015 are given below:

### Financial Performance Indicators

(In ₹ crores)

| Particulars                                  | 2014-15 | 2013-14 |
|--|---------|---------|
| 1 Authorized Share Capital                   | 65.00   | 40.00   |
| 2 Subscribed & Paid-up Share Capital         | 40.00   | 40.00   |
| 3 Share Application Money Pending Allocation | 25.00   | -       |
| 4 Reserves & Surplus                         | 23.11   | 12.19   |
| 5 Capital Work-in-progress                   | 0.90    | 29.16   |
| 6 Total Revenue                              | 41.51   | 31.99   |
| 7 Revenue from Operations                    | 36.39   | 31.08   |
| 8 Profit before tax                          | 20.29   | 13.41   |
| 9 Profit after tax                           | 10.93   | 7.66    |
| 10 Net worth                                 | 88.11   | 52.19   |
| 11 Earnings Per Share (₹)                    | 2.73    | 1.92    |

### Revenue from Operations

The Revenue from operations increased from ₹ 31.08 crores to ₹ 36.39 crores. Profit after tax increased from ₹ 7.66 crores to ₹ 10.93 crores.

### Share Capital

The Authorized Share Capital of the Company has been increased from ₹ 40 crores to ₹ 65 crores (w.e.f 23rd February 2015), during the financial year 2014-15. **After the close of the year**, the Subscribed & Paid-up Share Capital of the Company has also been increased from ₹ 40 crores to ₹ 65 crores (w.e.f. 25.05.2015) which is 100% held by IRCON.

### Unsecured Loan

The Company had taken a loan of ₹ 6.50 crores during the year from Ircon. The Opening balance was ₹ 48.15 crores. During the year a sum of ₹ 23.15 crores have been repaid and the outstanding Loan as on 31st March 2015 stood at ₹ **31.50 crores**. Interest paid/payable on the loan is ₹ 5.61 crores.

### DIVIDEND

In order to plough back profits for growth, the Directors are not proposing any dividend for the year 2014-15.

### TECHNOLOGY UPGRADATION, CONSERVATION OF ENERGY, R&D, ETC.

The focus on environment continued with the same vigor and the targets for the year were achieved fully by incorporating the feasible elements of the green building in the constructed MFCs.

### FOREIGN EXCHANGE EARNINGS & OUTGO

Net Foreign Exchange earnings are ₹ 20.61 crores in 2014-15 on account of Manpower supply for Sri Lanka & Malaysia Projects of Ircon and Leasing of Plant & Machinery for Sri Lanka Project of Ircon.

### PERSONNEL

As on 31st March 2015, the total manpower strength was 80 employees which included 30 contract employees appointed by the Company for Sri Lanka project of Ircon and 35 contract employees appointed by the Company for Malaysia project of Ircon.

**After 31st March 2015**, the Company has deployed 2 employees in Malaysia and 3 employees were repatriated from Sri Lanka. During 2015-16, one DGM/Civil and one AM/Civil joined on deputation from IRCON. **9** employees of the Company are on secondment basis from Ircon. **18** employees are on contract and service contract basis deployed on Indian Projects and Corporate Office.

Matters related to Personnel Development of employees on deputation from Ircon, are being taken care of by Ircon, the holding Company

Those who have been engaged by the Company, and those who are posted on contract for Ircon's Sri Lanka and Malaysia Projects is taken care by the Company.

## **COMPLIANCES**

### **Presidential Directive**

No Presidential Directive was received during the year.

### **Memorandum of Understanding**

Your Company has also signed the Memorandum of Understanding with Ircon International Limited, holding company for the first time for the year 2014-15 during March 2014 complying with the DPE's MoU guidelines for Central Public Sector Enterprises (CPSEs). On the same lines, during March 2015, Memorandum of Understanding with Ircon International Limited, holding company for the year 2015-16 was also signed.



*MoU signed between IRCON & IrconISL  
Left- Yogesh Kumar Mishra, GM-BD(I) (IRCON), Right- C.K. Nayar, CEO (IrconISL)*

### **Particulars of employees**

There is no employee who has drawn a remuneration of ₹ 60 lakhs or more per annum or ₹ 5 lakhs or more per month during the year 2014-15 in terms of section 134(3) read with rule 5(2) of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014.

### RIGHT TO INFORMATION ACT, 2005

As per the requirements of the RTI Act, necessary updated information including names of Appellate Authority, Central Public Information Officer and Assistant Public Information Officer of the Company are posted on the website. Queries received are replied within the stipulated time. During the year, the Company received 7 queries which were replied satisfactorily. **After the close of the year**, one query was received which was also replied within due time.

### INFORMATION TECHNOLOGY

The Company has its website on domain <http://www.irconisl.com>, which provides profile of the Company, projects, Annual reports, tenders, contact details etc. During the year, updates were made regarding projects, annual reports, tenders, RTI, contact details etc. The website also has a link on the holding Company website [www.ircon.org](http://www.ircon.org).

### EXTRACT OF ANNUAL RETURN

In accordance with Section 92 (3) and section 134(3) (a) of the Companies Act, 2013, an extract of the Annual Return in form no. **MGT-9** forms the part of Director's Report and have been appended at **Annexure "A"**.

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

The particulars of contracts or arrangements with related parties referred to in Section 188(1), as prescribed in **Form AOC - 2** of the rules prescribed under Chapter IX relating to Accounts of Companies under the Companies Act, 2013, is appended as **Annexure "B"**.

### INTEGRAL REPORTS

"Management Discussion and Analysis Report" and a "Corporate Governance Report" forms an integral part of this Directors' Report and have been placed as **Annexures "C" and "D" respectively**.

### DIRECTORS' RESPONSIBILITY STATEMENT AS REQUIRED UNDER SECTION 134(3) (C) OF THE COMPANIES ACT, 2013

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

- In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- The directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the year ended on 31st March 2015 and of the profit of the Company for year 2014-15.
- The directors have taken proper and sufficient care 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;
- The directors have prepared the annual accounts for financial year ended 31st March 2015 on a 'going concern' basis.
- The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

During April 2014 to March 2015, six meetings of the Board of Directors were held. Three meetings in the quarter ended March 2015, one meeting in each of the quarters ended on June 2014, September 2014, and December 2014.

#### The following Directors are holding office as on date:

|   |                                  |                         |
|---|----------------------------------|-------------------------|
| 1 | Mr. Hitesh Khanna (DIN 02789681) | From 11.03.2011 onwards |
| 2 | Mr. Anil Jain (DIN 05283217)     | From 10.05.2012 onwards |
| 3 | Mr. Surajit Dutta (DIN 06687032) | From 01.09.2013 onwards |
| 4 | Mr. A.K. Goyal (DIN 05308809)    | From 01.12.2013 onwards |

### **Key Managerial Personnel**

Pursuant to the provisions of Section 203 of Companies Act 2013, which came into effect from April 1, 2014, the appointments of Mr. CK. Nayar, Chief Executive Officer, Mr. Aniket Khetrpal, Chief Financial Officer and Ms. Deepshikha Gupta, Company Secretary as key managerial personnel of the Company were formalized.

### **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 composition of Audit Committee, CSR Committee & Nomination and Remuneration Committee are included in the Corporate Governance Report, which forms part of this report.

### **CORPORATE SOCIAL RESPONSIBILITY**

The provisions of CSR are not applicable to the Company as per section 135 of the Companies Act' 2013, as the net profit of the Company from its operation in India is less than ₹ **5.00 Crores**.

### **AUDITORS**

RSPH & Associates, Chartered Accountants, were appointed by the Comptroller and Auditor General of India, as Statutory Auditors, to audit the accounts of the Company for the year 2014-15. There are no adverse comments, observation or reservation in the auditor's report on the accounts of the Company.

### **ACKNOWLEDGMENT**

We record our appreciation and thanks to Ircon International Limited, your holding Company, Ministry of Railways, Rail Land Development Authority (RLDA), Ministry of External Affairs and other Ministries for their support to the Company, and also the employees for their efforts to take the Company forward.

**For and on behalf of the Board of Directors**

Sd/-

**(Hitesh Khanna)**

**Chairman**

**(DIN 02789681)**

**Place: New Delhi**

**Date: 28.08.2015**

**Form No. MGT-9**

**EXTRACT OF ANNUAL RETURN**

**As on the financial year ended on 31st March 2015**

[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<br>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       | To undertake planning, designing, development, Improvement, commissioning, operation, maintenance, etc. in the field of construction, infrastructure of Multi Functional Complexes (MFCs), etc. to provide facilities and amenities to users of Indian Railway System. | 45201                            | 22.24%                             |
| 2       | To undertake the work of "Supply of Manpower" for Sri Lanka and Malaysia Projects of Ircon   | -                                | 48.87%                             |
| 3       | To undertake the work of "Leasing of Plant & Machinery" to Ircon for its Sri Lanka Project.  | 71220                            | 16.96%                             |

**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)              |

#### 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 |
|--|---|--------------------|--------------------|-------------------|---|--------------------|--------------------|-------------------|--------------------------|
|  | De-mat  | Physical           | Total              | % of Total Shares | De-mat                                    | Physical           | Total              | % of Total Shares |                          |
| <b>A. Promoters</b>  |   |                    |                    |                   |   |                    |                    |                   |                          |
| <b>(1) Indian</b>  |   |                    |                    |                   |   |                    |                    |                   |                          |
| a) Individual/ HUF   | -   | -                  | -                  | -                 | -   | -                  | -                  | -                 | -                        |
| b) Central Govt  | -   | -                  | -                  | -                 | -   | -                  | -                  | -                 | -                        |
| c) State Govt(s)   | -   | -                  | -                  | -                 | -   | -                  | -                  | -                 | -                        |
| d) <b>Bodies Corp.</b>   | -   | <b>4,00,00,000</b> | <b>4,00,00,000</b> | <b>100%</b>       | -   | <b>4,00,00,000</b> | <b>4,00,00,000</b> | <b>100%</b>       | -                        |
| e) Banks / FI  | -   | -                  | -                  | -                 | -   | -                  | -                  | -                 | -                        |
| f) Any Other   | -   | -                  | -                  | -                 | -   | -                  | -                  | -                 | -                        |
| <b>Sub-total (A) (1)</b>   | -   | <b>4,00,00,000</b> | <b>4,00,00,000</b> | <b>100%</b>       | -   | <b>4,00,00,000</b> | <b>4,00,00,000</b> | <b>100%</b>       | -                        |
| <b>(2) Foreign</b>   |   |                    |                    |                   |   |                    |                    |                   |                          |
| a) NRIs - Individuals  | -   | -                  | -                  | -                 | -   | -                  | -                  | -                 | -                        |
| b) Other- Individuals  | -   | -                  | -                  | -                 | -   | -                  | -                  | -                 | -                        |
| c) Bodies Corp.  | -   | -                  | -                  | -                 | -   | -                  | -                  | -                 | -                        |
| d) Banks / FI  | -   | -                  | -                  | -                 | -   | -                  | -                  | -                 | -                        |
| e) Any Other   | -   | -                  | -                  | -                 | -   | -                  | -                  | -                 | -                        |
| <b>Sub-total (A) (2)</b>   | -   | <b>NIL</b>         | <b>NIL</b>         | <b>NIL</b>        | -   | <b>NIL</b>         | <b>NIL</b>         | <b>NIL</b>        | -                        |
| <b>Total Shareholding of Promoter (A) = (A)(1) + (A)(2)</b>              | -   | <b>4,00,00,000</b> | <b>4,00,00,000</b> | <b>100%</b>       | -   | <b>4,00,00,000</b> | <b>4,00,00,000</b> | <b>100%</b>       | -                        |
| <b>B. Public Shareholding</b>  |   |                    |                    |                   |   |                    |                    |                   |                          |
| <b>(1) Institutions</b>  |   |                    |                    |                   |   |                    |                    |                   |                          |
| a) Mutual Funds  | -   | -                  | -                  | -                 | -   | -                  | -                  | -                 | -                        |
| b) Banks / FI  | -   | -                  | -                  | -                 | -   | -                  | -                  | -                 | -                        |
| c) Central Govt  | -   | -                  | -                  | -                 | -   | -                  | -                  | -                 | -                        |
| d) State Govt(s)   | -   | -                  | -                  | -                 | -   | -                  | -                  | -                 | -                        |
| e) Venture Capital Funds   | -   | -                  | -                  | -                 | -   | -                  | -                  | -                 | -                        |
| f) Insurance Companies   | -   | -                  | -                  | -                 | -   | -                  | -                  | -                 | -                        |
| g) FIs   | -   | -                  | -                  | -                 | -   | -                  | -                  | -                 | -                        |
| h) Foreign Venture Capital Funds   | -   | -                  | -                  | -                 | -   | -                  | -                  | -                 | -                        |
| i) Others (specify)  | -   | -                  | -                  | -                 | -   | -                  | -                  | -                 | -                        |
| <b>Sub-total (B)(1):</b>   | <b>NIL</b>                                      | <b>NIL</b>         | <b>NIL</b>         | <b>NIL</b>        | <b>NIL</b>                                | <b>NIL</b>         | <b>NIL</b>         | <b>NIL</b>        | <b>NIL</b>               |
| <b>(2) Non- Institutions</b>   |   |                    |                    |                   |   |                    |                    |                   |                          |
| <b>a) Bodies Corp.</b>   | -   | -                  | -                  | -                 | -   | -                  | -                  | -                 | -                        |
| i) Indian  | -   | -                  | -                  | -                 | -   | -                  | -                  | -                 | -                        |
| ii) Overseas   | -   | -                  | -                  | -                 | -   | -                  | -                  | -                 | -                        |
| <b>b) Individuals</b>  | -   | -                  | -                  | -                 | -   | -                  | -                  | -                 | -                        |
| i) 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 |
|---|---|-------------|-------------|-------------------|---|-------------|-------------|-------------------|--------------------------|
|   | De-mat  | Physical    | Total       | % of Total Shares | De-mat                                    | 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)   | -   | 4,00,00,000 | 4,00,00,000 | 100%              | -   | 4,00,00,000 | 4,00,00,000 | 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 share holding during the year |
|---------|--|---|----------------------------------|---|-------------------------------------|----------------------------------|---|---|
|         |  | No. of Shares                             | % of total shares of the company | % of Shares Pledged / encum-bered to total shares | No. of Shares                       | % of total shares of the company | % of Shares Pledged / encum-bered to total shares |   |
| 1.      | Ircon International Limited and its 6 nominees | 4,00,00,000                               | 100%                             | -   | 4,00,00,000                         | 100%                             | -   | 100%                                      |
|         | <b>Total</b>                                   | <b>4,00,00,000</b>                        | <b>100%</b>                      | <b>-</b>  | <b>4,00,00,000</b>                  | <b>100%</b>                      | <b>-</b>  | <b>100%</b>                               |

## 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 Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | No Changes during the year                |                                  |   |                                  |
| At the beginning of the year   | No Changes during the year                |                                  |   |                                  |

**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   |   |                                  |   |                                  |
| Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): |   | NIL                              |   |                                  |
| 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   |   |                                  |   |                                  |
| Date wise Increase or Decrease during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): |   | NIL                              |   |                                  |
| 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 Indebtedness |
|--|----------------------------------|-----------------|----------|--------------------|
| <b>Indebtedness at the beginning of the financial year</b> | -                                | -               | -        | -                  |
| i) Principal Amount  | -                                | 48.15           | -        | 48.15              |
| ii) Interest due but not paid                              | -                                | 6.82            | -        | 6.82               |
| iii) Interest accrued but not due                          | -                                | NIL             | -        | NIL                |
| <b>Total (i + ii + iii)</b>                                | -                                | 54.97           | -        | 54.97              |
| <b>Change in Indebtedness during the financial year</b>    | -                                | -               | -        | -                  |
| - Addition   | -                                | 6.50            | -        | 6.50               |
| - Reduction  | -                                | 23.15           | -        | 23.15              |
| <b>Net Change</b>  | -                                | 16.65           | -        | 16.65              |
| <b>Indebtedness at the end of the financial year</b>       |                                  |                 |          |                    |
| i) Principal Amount  | -                                | 31.50           | -        | 31.50              |
| ii) Interest due but not paid                              | -                                | 5.60            | -        | 5.60               |
| iii) Interest accrued but not due                          | -                                | NIL             | -        | NIL                |
| <b>Total (i+ii+iii)</b>                                    | -                                | 37.1            | -        | 37.1               |

**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<br>(throughout 2014-15) |  |  |  | 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<br>- as % of profit<br>- others, specify                             |  |  |  |  |              |
| 5.      | Others, please specify  |  |  |  |  |              |
|         | <b>Total (A)</b>  |  |  |  |  |              |
|         | <b>Ceiling as per the Act</b>   |  |  |  |  |              |

\*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 Directors |   | Total Amount |
|---------|--|-------------------|---|--------------|
|         |  |                   |   |              |
| 1       | Independent Directors                                  | -                 | - | -            |
| a)      | Fee for attending board/ committee meetings Commission |                   |   |              |
| b)      | Others (please specify)                                |                   |   |              |
| c)      |  |                   |   |              |
|         | <b>Total (B1)</b>                                      | -                 | - | -            |
| 2       | Other Non-executive Directors                          | -                 | - | -            |
| a)      | Fee for attending board/ committee meetings Commission |                   |   |              |
| b)      | Others (please specify)                                |                   |   |              |
| c)      |  |                   |   |              |
|         | <b>Total (B2)</b>                                      | -                 | - | -            |
|         | <b>Total [B= B1 + B2]</b>                              | -                 | - | -            |
|         | <b>Total Managerial Remuneration [A + B]</b>           | -                 | - | -            |
|         | <b>Overall ceiling as per the Act</b>                  | -                 | - | -            |

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

| Sl. No. | Particulars of Remuneration  | Name of Company Secretary (KMP) |                   |          | Total Amount |
|---------|--|---------------------------------|-------------------|----------|--------------|
|         |  | CEO                             | Company Secretary | CFO      |              |
| 1       | Gross salary   |                                 |                   |          |              |
| a)      | Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961. | 28,69,924                       | 3,03,065          | 9,00,715 |              |
| b)      | Value of perquisites u/s 17(2) Income-tax Act, 1961                              | 4,434                           | NIL               | 6,293    |              |
| c)      | Profits in lieu of salary under section 17(3) Income- tax Act, 1961              | 6,14,050                        | NIL               | 17,692   |              |
| 2       | Stock option   | NIL                             | NIL               | NIL      |              |
| 3       | Sweat Equity   | NIL                             | NIL               | NIL      |              |
| 4       | Commission<br>- as % of profit<br>- others, specify                              | NIL                             | NIL               | NIL      |              |
| 5.      | Others, please specify   | NIL                             | NIL               | NIL      |              |
|         | <b>Total (A)</b>   | 28,74,358                       | 3,03,065          | 9,07,008 |              |
|         | <b>Ceiling as per the Act</b>  |                                 |                   |          |              |

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

| Type                                | Section of the Companies Act | Brief Description | Details of Penalty / Punishment/ Compounding fees imposed | Authority [RD / NCLT made, / COURT] | Appeal if any (give Details) |
|-------------------------------------|------------------------------|-------------------|---|-------------------------------------|------------------------------|
| Penalty                             |                              |                   |   |                                     |                              |
| Punishment                          |                              |                   |   |                                     |                              |
| Compounding                         |                              |                   | NIL   |                                     |                              |
| <b>C. OTHER OFFICERS IN DEFAULT</b> |                              |                   |   |                                     |                              |
| Penalty                             |                              |                   |   |                                     |                              |
| Punishment                          |                              |                   |   |                                     |                              |
| Compounding                         |                              |                   |   |                                     |                              |

For and on behalf of the Board of Directors

Sd/-

(Hitesh Khanna)

Chairman

(DIN 02789681)

Place: New Delhi

Date: 28.08.2015

**Annexure-B**

**FORM NO. AOC-2**

**Form for Disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in section 188 (1) of the Companies Act, 2013, including certain arms-length transactions under third proviso thereto for the financial year 2014-15 (for the period 1st April 2014 to 31st March 2015).**

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 :

| 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       | <p><b>IRCON INTERNATIONAL LIMITED</b><br/>Holding Company</p> | Execution of Corporate Social Responsibility works of Ircon.  | MOU dated 8th June 2012<br>Duration - Continuing.  | CSR Works relating to construction of toilets at schools, solar lights, etc.<br>Ircon had assigned the work to IrconISL on actual cost of work plus specified percentage of work addition towards overheads and profit.  | Not Applicable                        | NIL                             |
| 2       |   | Work for Detailed Design for bridges & Supervision of Geo-Technical investigations in Myanmar for IrconISL. | Letter of award dated 20th March 2015 to Ircon. Duration-- 6 months from date of mobilization to site or 3 months from date of providing all relevant details for design of bridges, whichever is later.   | Carrying out site investigation including Geotechnical Investigation and Detailed Design of Bridges. The cost of work is ₹ 32.02 lakhs including service tax.  | Not Applicable                        | NIL                             |
| 3       |   | Reimbursements to IRCON   | Not Applicable   | Employees of Ircon have been deputed to IrconISL. Deputation of employees is on actual cost (GTC) basis. The entire actual cost is reimbursed to Ircon.<br>Further, miscellaneous expenses such as advertisement cost etc. is also reimbursed to Ircon on actual basis.  | Not Applicable                        | NIL                             |
| 4       |   | Construction of MFCs complexes for IrconISL   | Date: 03.06.2010<br>Duration: Not Available  | Work related to design and construction of MFC in station premises [for construction work carried out in 2014-15].<br>Value: 109.03 Lakhs<br>Salient terms of transaction:<br>1. Carried out feasibility study of MFC Stations.<br>2. Construction of MFCs at each identified stations.  | Not Applicable                        | NIL                             |
| 5       |   | Leasing of Plant & Machinery to IRCON   | Agreement signed on 31.03.2014<br>Duration: 24 months commencing from commission of Machine in Sri Lanka i.e. 22.11.2013   | Leasing of One no. of Duomatic on Line Track Tamping Machine' leased to IRCON Sri Lanka Project.<br>Value: 616.99 Lakhs( carried out in year 2014-15)<br>Salient terms of Lease Agreement:<br>a) Provision of providing one no. of Duomatic Tamping machine to IRCON/ Sri Lanka.<br>b) Provision of fuel, lubricating oil, hydraulic oil, etc. – to be provided by IRCON/ Sri Lanka<br>c) Maintenance of the machine including spares – to be done by IrconISL | Not Applicable                        | NIL                             |
| 6       |   | Supply of Manpower to IRCON   | a) MoU signing date 21.09.2012<br>b) Agreement signed on 26.12.2012<br>Duration: 2 years from the date of signing (can be terminated with 30 days of notice by either party. Unless terminated to be renewed every two years<br>Agreement signed on 01.04.2013<br>Duration: 2 years from the date of signing | IrconISL to provide various technical manpower for Ircon's project in Sri Lanka. During the year 2014-15, total revenue comes out ₹ 1315.08 Lakhs  | Not Applicable                        | NIL                             |
|         |   |   |  | IrconISL to provide various technical manpower for Ircon's project in Malaysia. During the year 2014-15, total revenue comes out ₹ 463.14 Lakhs  | Not Applicable                        | NIL                             |

**Note:** All the above said transactions has been approved by the Audit Committee of IrconISL

Date : 28.08.2015  
Place : New Delhi

For and on behalf of the Board of Directors  
Sd/-

(Hitesh Khanna)  
Chairman  
(DIN :02789681)

## **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 23 stations. The Company has successfully sub-leased 17 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 and hence objectives were amended accordingly.

### **BUSINESS ENVIRONMENT**

The growth rate in GDP at constant (2011-12) market prices in 2012-13 was 5.1 per cent, which increased to 6.9 percent in 2013-14 and it is expected to further increase to 7.4 per cent in 2014-15 (According to advanced estimates). The change in methodology by the Central Statistics Office has also introduced the concept of Gross Value Added (GVA) at the aggregate and various sectoral levels.

The Economic Survey says that expectation for such a growth rate is also due to a number of reforms that have already been undertaken and more that are being planned for. The Survey enlist various reform measures like de-regulation of diesel price, taxing energy products, replacing cooking gas subsidy by direct transfer on national scale, passing an Ordinance to reform the coal sector via auctions, increasing the FDI caps in defence, etc.

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.
- Environmental Impact Assessment (EIA) and Environment Management Plan (EMP) studies for projects.
- Corporate Social Responsibility (CSR) Projects of Public Sector Undertakings under *Swachh Bharat Abhiyaan*.

### **OUTLOOK**

The Vision/Mission and objectives of the Company as stated in its Memorandum of Understanding with the holding company, Ircon International Limited for 2015-16 are:-

#### **Vision / Mission**

To be recognised 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.

#### **Objectives**

- i) To achieve a turnover of ₹ 100 crores with an operational profit of ₹ 10 crores by the end of FY 2020-21.
- ii) To provide infrastructure Project Management Consultancy services in India and abroad.

### **FINANCIAL PERFORMANCE**

The Company has recorded operating revenue of ₹ 36.39 crores during the year 2014-15. The Profit before tax was ₹ 20.29 crores and Profit After Tax was ₹ 10.93 crores during the year.

Capital work-in progress of your Company as on 31st March 2015 stood at ₹ 0.90 crores.

## OPERATIONAL PERFORMANCE

IrconISL has successfully sub-leased 19 MFCs to third parties. During the year 2014-15, your Company sub-leased 12 MFC's namely Rampurhat, Rajgir, Raipur, Jammu, Udaipur, Jabalpur, Gwalior, Indore, Jodhpur, Haridwar, Madurai and Thiruvalla. **After the close of the year 11 MFC's have been made operational which includes 6 MFC's with hotels namely Haridwar, Gwalior, Udaipur, Raipur, Kannur, Hubli, and 5 MFC's namely Bardhaman, Hyderabad, Rampurhat, Bilaspur & Thiruvalla with passenger amenities having shops and food plaza.**

Your Company has also successfully completed consultancy work for Ministry of External Affairs (MEA) for preparation of DPR for road portion from Palweta to Indian Myanmar Border of Kaladan multi-modal transit project in Myanmar. MEA had also awarded the work of consultancy services for preparation of DPR for upgradation of existing cart road of 60 km length to 2 lane formation width with single lane carriageway width from Rih to Tiddim in Myanmar on 24.07.14 and agreement was signed on 30.07.14. The inception report was submitted to MEA on 01.12.2014.

IrconISL had undertaken the work of Swachh Bharat Abhiyaan for various PSU's. IrconISL has signed MoU with Power Grid Corporation of India Limited on 26.11.2014 for Construction of toilet blocks in Govt. Schools under Swachh Bharat Abhiyaan and MOU had also been entered with Indian Renewable Energy Development Agency Limited (IREDA) on 13.01.2015 for Construction of toilet blocks in of Govt. Schools under Swachh Bharat Abhiyaan.

Your Company is also undertaking the work of 'Supply of Manpower' for Ircon's project in Sri Lanka and Malaysia, and 'Leasing of Machinery' for Ircon's Sri Lanka project.

## SECTORAL PERFORMANCE

During the year 2014-15, there are four sectors of revenue namely Consultancy, Supply of Manpower, Sub- Leasing of MFCs and Leasing of Plant & Machinery. Supply of Manpower accounted for major portion of 48.87% of total operating income for the year 2014-15. The table below shows the share of income from different sectors and its percentage contribution to total income.

(₹ in crores)

| Sectors                      | 2012-13          |       | 2013-14          |       | 2014-15          |       |
|------------------------------|------------------|-------|------------------|-------|------------------|-------|
|                              | Operating Income | %     | Operating Income | %     | Operating Income | %     |
| Consultancy                  | 2.57             | 20.43 | 0.14             | 0.45  | 2.98             | 8.19  |
| Supply of Manpower           | 3.48             | 27.66 | 26.78            | 86.16 | 17.78            | 48.87 |
| Sub- Leasing of MFCs         | -                | -     | 0.49             | 1.58  | 8.09             | 22.24 |
| Leasing of Plant & Machinery | -                | -     | 2.12             | 6.82  | 6.17             | 16.96 |
| Others*                      | 6.53             | 51.91 | 1.55             | 4.99  | 1.36             | 3.74  |
| <b>Total</b>                 | <b>12.58</b>     |       | <b>31.08</b>     |       | <b>36.38</b>     | -     |

\*Includes income from execution of various CSR activities of Ircon International Limited (holding Company)

## Segment-wise Performance

Foreign projects contributed 65.81% to total operating income and domestic projects contributed 34.19% to total operating income during the year 2014-15.

(₹ in crores)

| Sectors      | 2012-13      |       | 2013-14      |       | 2014-15      |       |
|--------------|--------------|-------|--------------|-------|--------------|-------|
|              | Total Income | %     | Total Income | %     | Total Income | %     |
| Foreign      | 3.48         | 27.66 | 28.91        | 93.02 | 23.95        | 65.81 |
| Domestic     | 9.10         | 72.34 | 2.17         | 6.98  | 12.44        | 34.19 |
| <b>Total</b> | <b>12.58</b> |       | <b>31.08</b> |       | <b>36.39</b> |       |

## **STRENGTHS**

The biggest strength of the Company is that it is a wholly owned subsidiary of Ircon, having a long standing reputation in construction sector. The Company can take the advantage of holding Company's expertise to undertake various jobs.

## **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 dependant. Although, in-depth study for market potential has been carried out by independent renowned consultant but the risk of collection of revenue still exists.

## **INTERNAL CONTROL SYSTEM**

Your Company has appointed M/s K.K. Goel & Associates as Internal Auditors for the year 2014-15. Internal Auditors conduct audits of the Company in two phases to test the adequacy of the internal systems and suggest continual improvements. Internal Audit reports are reviewed by the Audit Committee of the Company.

## **HUMAN RESOURCE**

The employees of IrconISL is a combination of those who have been appointed by the Company and are posted on contract at Corporate Office and for Sri Lanka and Malaysia Projects of Ircon, and the employees who are on secondment basis from Ircon. 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**

**Sd/-**

**(Hitesh Khanna)**

**Chairman**

**(DIN 02789681)**

**Place: New Delhi**

**Date: 28.08.2015**

## 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 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 appoints the Chairman and all the Directors.

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 | Members of the Boards of public companies (excluding IrconISL) | Total No. of Committee memberships held (including IrconISL) |                               |
|-------------------------------------|------------------------|--|--|-------------------------------|
|                                     |                        |  | As Chairman  | As Member other than Chairman |
| Mr. Hitesh Khanna<br>(DIN 02789681) | Part-time<br>Chairman  | 1<br>[IRCON]   | NIL  | 1                             |
| Mr. Anil Jain<br>(DIN 05283217)     | Part-time<br>Director  | 2<br>[IrconPBTL, Ircon SGTL]                                   | 1  | 2                             |
| Mr. Surajit Dutta<br>(DIN 06687032) | Part-time<br>Director  | NIL  | 1  | 2                             |
| Mr. A.K. Goyal<br>(DIN 05308809)    | Part-time<br>Director  | 2<br>[IrconPBTL, Ircon SGTL]                                   | 1  | 2                             |

#### Notes:

- The number of Directorships is within the maximum limit of:  
- 20 Companies (out of which maximum 10 public companies) under the Companies Act, 2013.
- 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 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) IPBTL – Ircon PB Tollway Limited.
  - c) ISGTL – Ircon Shivpuri Guna Tollway Limited.
  - d) ISTPL – Ircon-Soma Tollway Private Limited.

### 3. 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.

### 4. 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. BoD Meetings and Attendance during 2014-15

The Board of Directors met 6 times during the financial year 2014-15 on 27th June 2014, 28th July 2014, 21st October 2014, 20th January 2015, 20th February 2015 and 27th March 2015.

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

Details of attendance of the Directors and Company Secretary during 2014-15 are given below: -

| Director         | No. of Board Meetings during 2014-15 |          | Attended last Annual General Meeting |
|------------------|--------------------------------------|----------|--------------------------------------|
|                  | Held (during their respect tenures)  | Attended |                                      |
| Hitesh Khanna    | 6                                    | 6        | YES                                  |
| Anil jain        | 6                                    | 6        | YES                                  |
| Surajit Dutta    | 6                                    | 5        | YES                                  |
| A.K. Goyal       | 6                                    | 5        | YES                                  |
| Deepshikha Gupta | 6                                    | 5        | NA                                   |

NA- Not Applicable

Ms. Deepshikha Gupta, Company Secretary, attended five out of six Board meetings held during the year 2014-15. The Company Secretary could not attend the Board Meeting held on 20th February 2015. Leave of absence was granted.

## 6. COMMITTEES OF BoD

### 6.1 Audit Committee

#### 6.1.1 Terms of Reference

The Paid-up Share Capital of the Company has been increased from ₹ 4.90 crores to ₹ 40 crores (w.e.f. 28.03.2013) during the financial year 2012-13, which is 100% held by IRCON. Consequently in compliance of 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 BoD. 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 clause (2AA) of section 217 of the Companies Act, 1956;
  - 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 Director.
- 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/CFO.

#### **6.1.2 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 has been reconstituted as and when there has been a change in part-time directors nominated by holding company.

The present composition of the committee is:

|                   |    |                                |
|-------------------|----|--------------------------------|
| Mr. Surajit Dutta | -- | Part-time Director as Chairman |
| Mr. Anil Jain     | -- | Part-time Director as Member   |
| Mr. A.K. Goyal    | -- | Part-time Director as Member   |

Ms Deepshikha Gupta, Company Secretary, is the Secretary of the Audit Committee.

The audit Committee was constituted on 05.07.2013. The Audit Committee had 4 meetings during 2014-15 on: 26th June 2014, 28th July 2014 2013, 21st October 2014 and 20th January 2015.

The attendance details are:

| Member                             | Status   | Meetings held (during their respective tenures) | Meetings attended |
|------------------------------------|----------|---|-------------------|
| Surajit Dutta (throughout 2014-15) | Chairman | 4   | 4                 |
| Anil Jain (throughout 2014-15)     | Member   | 4   | 3                 |
| A.K. Goyal (throughout 2014-15)    | Member   | 4   | 3                 |

During 2013-14, Ms. Deepshikha Gupta, Company Secretary, is the Secretary of the Audit Committee and attended all the meetings held during the year 2014-15.

## 6.2 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 BoD Committee for CSR has been constituted on 13th June 2014, to oversee the implementation of the CSR Policy of the Company and to assist the BoD to formulate suitable policies and strategies to take the CSR agenda of the Company forward in the desired direction.

The constitution of the Committee is as under:

- (i) Mr. A.K. Goyal -- Part-time Director as Chairman
- (ii) Mr. Anil Jain -- Part-time Director as Member
- (iii) Mr. Surajit Dutta -- Part-time Director as Member
- (iv) Deepshikha Gupta -- Company Secretary as Secretary of the Committee

No meeting of committee has been held during the year 2014-15.

## 6.3 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 ₹ 10 crores or more, or having turnover of ₹ 100 crores or more, or having in aggregate, outstanding loans or borrowings or debentures or deposits exceeding ₹ 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.

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 constitution of the Committee is as under:

- (i) Mr. Anil Jain -- Part-time Director as Chairman
- (ii) Mr. A. K. Goyal -- Part-time Director as Member
- (iii) Mr. Surajit Dutta -- Part-time Director as Member
- (iv) Deepshikha Gupta -- Company Secretary as Secretary of the Committee

### Terms of Reference

- a. 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.

## **7. General Body Meetings**

### **7.1 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                           |
|---------|----------------|-------------------------|----------|------------------------------------|
| 5th     | 2013-14        | 10th September 2014     | 1530 hrs | Company's Registered Office, Delhi |
| 4th     | 2012-13        | 2nd September 2013      | 1500 hrs | Company's Registered Office, Delhi |
| 3rd     | 2011-12        | 5th September 2012      | 1130 hrs | Company's Registered Office, Delhi |

No special resolution was required or passed in the last three Annual General Meetings (from 2011-12 to 2013-14)

### **7.2 Extra-Ordinary General Meeting**

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

| AGM 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 ₹ 10 crores to ₹ 40 crores.
  - (ii) Conversion of part of the loan to the extent of ₹ 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 ₹ 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).

## 8. Disclosures

- 8.1 There has been no related party transaction of material nature with potential conflict of interest. Attention of the members is drawn to the disclosure of transactions with the related parties set out in Note no. 39 to the Financial Statements
- 8.2 The Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India in the preparation of Financial Statements. During the year, the Company has changed its accounting policy relating to charging of depreciation by adopting provisions/rates containing in Schedule II of the Companies Act, 2013. Due to this change, depreciation for the year is lower by ₹ **38.58 Lakhs** & PBT is higher by ₹ **38.58 Lakhs**.
- 8.3 During 2014-15, 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. 41 forming part of the Financial Statements)
- 8.4 Administrative and office expenses as a percentage of total expenses vis-a-vis financial expenses are given below:

(₹ in crores)

| Particulars                                     | 2014-15 | 2013-14 | Remarks           |
|---|---------|---------|-------------------|
| Administrative expenses                         | 0.92    | 0.60    | NIL               |
| Bank & Other Finance Charges                    | 5.61    | 4.86    | Interest on Loan. |
| Total Expenses                                  | 6.53    | 5.46    | NIL               |
| Administration expenses/ Total expenses (in %)  | 14.09%  | 10.99%  |                   |
| Bank & Financial Charges/ Total expenses (in %) | 85.91%  | 89.01%  | NIL               |

- 8.5 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'.
- 8.6 Question of denying access to any of the personnel to Audit Committee has not arisen so far.
- 8.7 The Company made rights issue of ₹ 25,00,00,000 Equity Shares divided into 2,50,00,000 equity shares of ₹ 10/- each to Ircon international Limited (holding company) during the year 2014-15 and issued the letter of offer to Ircon International Limited for purchase of 10 Old Track Machines from Railways for carrying out necessary repairs and maintenance before putting up to use.
- 8.8 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
- 8.9 IrconISL has secured, based on self-evaluation, an annual score of '98' out of 100 which falls under 'Excellent' grade for compliance of DPE Corporate Governance Guidelines for the year 2014-15.
- 8.10 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 Financial Statement of the Company.
- 8.11 The Company has systems in place for monitoring statutory and procedural compliances. The Board is reported the status of the same so as to ensure proper compliances of all laws applicable to the Company.

## 9. 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 – "D-1"** to this Report).

## 10. GENERAL INFORMATION FOR SHAREHOLDERS

- **Means of communication**

The audited annual results are available on the website of the Company [www.irconisl.com](http://www.irconisl.com) and at the Registered Office of the company.

- **Annual General Meeting of the Current Year**

Date : 21st September 2015

Time : 14.00 Hours

Venue : Board Room of the Company's Registered Office -  
C-4, District Centre, Saket, New Delhi – 110 017

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

| Category   | No. of Shares held in physical form (₹ 10/- each) | % of Shares Held |
|--|---|------------------|
| Promoters (Ircon International Limited and its six nominees) | 6,50,00,000                                       | 100%             |
| <b>Total</b>   | <b>6,50,00,000</b>                                | <b>100</b>       |

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.

- **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. : 29565666

Fax No. : 26854000

E-Mail Id : [info@irconisl.com](mailto:info@irconisl.com)

Website : [www.irconisl.com](http://www.irconisl.com)

## 11. 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 2014-15.

Certificate obtained from a Practicing Company Secretary regarding compliance of the conditions of Corporate Governance is placed as **Annexure “D-2”** to this report.

Place: New Delhi  
Date: 28.08.2015

For and on behalf of the Board of Directors

Sd/-

(Hitesh Khanna)

Chairman

(DIN 02789681)

## **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 of the financial year 2014-15 and to the best of our knowledge and belief:

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

**Sd/-**  
**Mr. Aniket Khetrpal**  
**Chief Financial Officer (CFO)**

**Sd/-**  
**Mr. C.K. Nayar**  
**Chief Executive Officer (CEO)**

**Place : New Delhi**  
**Date : 27.07.2015**

**M. Bangia & Associates**  
Company Secretaries

B-152, Dayanand Coloy, Lajpat Nagar-IV  
New Delhi-1100024 Tel.: 011-41625462  
M o b i l e : 9 8 7 3 4 2 6 2 4 6  
Email : manojbangia.mb@gmail.com

**CERTIFICATE ON COMPLIANCE  
WITH THE CONDITIONS OF CORPORATE GOVERNANCE  
UNDER CORPORATE GOVERNANCE GUIDELINES OF DPE**

**To**  
**The Members of**  
**Ircon Infrastructure & Services Limited**  
**New Delhi**

In respect of the compliance of the conditions of Corporate Governance for the year ended 31st March, 2015 by Ircon Infrastructure & Services Limited, a Government Company under section 2 (45) of the Companies Act, 2013, as required by the Guidelines on Corporate Governance issued by the Department of Public Enterprises (DPE):

We have studied the Report on Corporate Governance of the said Company as approved by its Board of Directors. We have also examined the relevant records and documents maintained by the Company and furnished to us for our review in this regard.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

We state that there has been no investor grievance during the year against the Company as per the records maintained by the Company.

We further comment 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.

In our opinion and to the best of our information and on the basis of our review and according to the information and explanations given to us, we certify that the Company has complied with the mandatory requirements of Corporate Governance in all material respects as required by the Guidelines on Corporate Governance issued by the Department of Public Enterprises (DPE).

**FOR M. BANGIA & ASSOCIATES**  
**COMPANY SECRETARIES**



**MANOJ BANGIA**  
**Proprietor**  
**CP No. 3655**

**Place : NEW DELHI**  
**Dated : 28/08/2015**

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*Financial Statements  
(2014-15)*

## **FINANCIAL HIGHLIGHTS OF IrconISL**

|            |                                 | <b>2014-2015</b> | <b>2013-2014</b> | <b>2012-2013</b> | <b>2011-2012</b> | <b>2010-2011</b> |
|------------|---------------------------------|------------------|------------------|------------------|------------------|------------------|
| 1.         | Operating Income                | 3,638.76         | 3,107.51         | 1,257.52         | 606.42           | 110.36           |
| 2.         | Other Income                    | 512.33           | 91.20            | 24.27            | 8.02             |                  |
| <b>3.</b>  | <b>Total Income (1 + 2)</b>     | <b>4,151.09</b>  | <b>3,198.72</b>  | <b>1,281.79</b>  | <b>614.44</b>    | <b>110.36</b>    |
| 4.         | Expenditure                     | 1,314.49         | 1,305.68         | 1,002.66         | 232.86           | 101.24           |
| 5.         | Operating Margin (PBDIT)        | 2,836.60         | 1,893.04         | 279.13           | 381.59           | 9.12             |
| 6.         | Interest Expenses               | 560.60           | 485.90           | -                | -                | -                |
| 7.         | Depreciation                    | 247.23           | 66.59            | 0.02             | -                | -                |
| 8.         | Profit Before Tax               | 2,028.77         | 1,340.55         | 279.15           | 381.59           | 9.12             |
| 9.         | Profit After Tax                | 1,092.60         | 766.04           | 191.53           | 255.69           | 7.09             |
| 10.        | Reserves & Surplus              | 2,311.36         | 1,218.76         | 452.72           | 261.18           | 5.49             |
| 11.        | Long Term borrowings            | 3,150.00         | 4,815.40         | 3,400.72         | 5,092.00         | 2,320.00         |
| 12.        | Net Fixed Assets                | 10,643.00        | 10,777.62        | 8,885.85         | 6,685.43         | 3,051.02         |
| 13.        | Share Capital                   | 4,000.00         | 4,000.00         | 4,000.00         | 490.00           | 490.00           |
| 14.        | Share Capital Pending Allotment | 2,500.00         | -                | 4,452.72         | -                | -                |
| <b>15.</b> | <b>Net Worth</b>                | <b>8,811.36</b>  | <b>5,218.76</b>  | <b>4,452.72</b>  | <b>751.18</b>    | <b>495.49</b>    |

## BALANCE SHEET

as at 31st March 2015

(Figures in ₹)

| Particulars   | Note No. | Figures as at<br>31st March 2015 | Figures as at<br>31st March 2014 |
|---|----------|----------------------------------|----------------------------------|
| <b>I. EQUITY AND LIABILITIES</b>                    |          |                                  |                                  |
| <b>1 Shareholders' funds</b>                        |          |                                  |                                  |
| (a) Share capital                                   | 2        | 40,00,00,000                     | 40,00,00,000                     |
| (b) Reserves and surplus                            | 3        | 23,11,35,990                     | 12,18,76,248                     |
| <b>2 Share Application Money Pending Allocation</b> | <b>4</b> | <b>25,00,00,000</b>              | -                                |
| <b>3 Non-current liabilities</b>                    |          |                                  |                                  |
| (a) Long-term Borrowings                            | 5        | 31,50,00,000                     | 48,15,40,000                     |
| (b) Deferred tax liabilities(net)                   | 6        | 6,88,51,845                      | 83,71,259                        |
| (c) Other Long term liabilities                     | 7        | 19,15,59,665                     | 4,52,17,789                      |
| (d) Long-term provisions                            | 8        | -                                | -                                |
| <b>4 Current liabilities</b>                        |          |                                  |                                  |
| (a) Short-term Borrowings                           | -        | -                                | -                                |
| (b) Trade payables                                  | 9        | 3,00,75,552                      | 3,08,06,076                      |
| (c) Other current liabilities                       | 10       | 14,93,81,026                     | 10,21,61,512                     |
| (d) Short-term provisions                           | 8        | 5,83,00,578                      | 5,48,39,509                      |
| <b>TOTAL</b>  |          | <b>1,69,43,04,656</b>            | <b>1,24,48,12,393</b>            |
| <b>II. ASSETS</b>                                   |          |                                  |                                  |
| <b>Non-current assets</b>                           |          |                                  |                                  |
| <b>1 (a) Fixed assets</b>                           |          |                                  |                                  |
| (i) Tangible assets                                 | 11       | 11,21,10,452                     | 12,17,78,822                     |
| (ii) Intangible assets                              | 11       | 94,31,77,809                     | 66,43,80,878                     |
| (iii) Capital work-in-progress                      | 12       | 90,11,750                        | 29,16,02,442                     |
| (b) Non-current investments                         |          | -                                | -                                |
| (c) Deferred tax assets (net)                       | 6        | -                                | -                                |
| (d) Long-term loans and advances                    | 13       | 3,58,188                         | 2,45,000                         |
| (e) Other non-current assets                        | 14       | 2,54,253                         | 2,43,777                         |
| <b>2 Current assets</b>                             |          |                                  |                                  |
| (a) Current investments                             |          | -                                | -                                |
| (b) Inventories                                     |          | -                                | -                                |
| (c) Trade Receivables                               | 15       | 16,70,11,442                     | 10,56,43,170                     |
| (d) Cash and Cash Equivalents                       | 16       | 40,84,32,907                     | 4,03,15,307                      |
| (e) Short-term loans and advances                   | 17       | 5,29,11,102                      | 2,05,25,007                      |
| (f) Other current assets                            | 18       | 10,36,753                        | 77,990                           |
| <b>TOTAL</b>  |          | <b>1,69,43,04,656</b>            | <b>1,24,48,12,393</b>            |
| III. Significant Accounting Policies                | 1        |                                  |                                  |
| IV. Notes forming part of Financial Statements      | 2- 51    |                                  |                                  |

As per our Report of even date attached  
**For RSPH & ASSOCIATES**  
Chartered Accountants  
**FRN 003013N**

**For and on behalf of the Board of Directors**

**CA Tarun Kumar Batra**  
(Partner)  
M. No. 094318

**Aniket Khetrapal**  
C.F.O.

**C. K. Nayar**  
C.E.O.

**Deepshikha Gupta**  
Co. Secy.

**Surajit Dutta**  
Director  
(DIN-06687032)

**Hitesh Khanna**  
Chairman  
(DIN-02789681)

**Place :** New Delhi  
**Date :** 27/07/2015

## **STATEMENT OF PROFIT AND LOSS**

**For the year ended 31st March 2015**

(Figures in ₹)

|            | Particulars   | Note No. | Figures for<br>the year ended<br>31st March 2015 | Figures for<br>the year ended<br>31st March 2014 |
|------------|---|----------|--|--|
|            | <b>Revenue :</b>  |          |  |  |
| I          | Revenue from operations   | 19       | 36,38,75,610                                     | 31,07,51,976                                     |
| II         | Other income  | 20       | 5,12,32,695                                      | 91,20,415  |
| <b>III</b> | <b>Total Revenue</b>  |          | <b>41,51,08,305</b>                              | <b>31,98,72,391</b>                              |
| <b>IV</b>  | <b>Expenses:</b>  |          |  |  |
|            | Cost of Operations  | 21       | 5,71,25,165                                      | 2,22,17,835                                      |
|            | Employee benefits Expense   | 21       | 6,50,84,060                                      | 10,23,38,953                                     |
|            | Finance costs   | 22       | 5,60,59,503                                      | 4,85,89,612                                      |
|            | Depreciation and amortization expense   | 11       | 2,47,23,042                                      | 66,59,357  |
|            | Other expenses  | 21       | 92,39,811  | 60,11,507  |
|            | <b>Total Expenses</b>   |          | <b>21,22,31,581</b>                              | <b>18,58,17,264</b>                              |
| <b>V</b>   | <b>Profit Before Exceptional and Extraordinary Items<br/>and Tax (III - IV)</b> |          | 20,28,76,724                                     | 13,40,55,127                                     |
| VI         | Exceptional Items   |          | -  | -  |
| <b>VII</b> | <b>Profit Before Extraordinary Items and Tax (V - VI)</b>                       |          | <b>20,28,76,724</b>                              | <b>13,40,55,127</b>                              |
| VIII       | Extraordinary Items   |          | -  | -  |
| <b>IX</b>  | <b>Profit Before Tax (VII - VIII)</b>   |          | <b>20,28,76,724</b>                              | <b>13,40,55,127</b>                              |
| X          | Tax expense:  |          |  |  |
|            | (1) Current tax   |          |  |  |
|            | - For the year  |          | 3,40,47,292                                      | 4,99,74,293                                      |
|            | - For earlier years (net)   |          | (9,10,896)                                       | (9,42,544)                                       |
|            | (2) Deferred tax (net)  |          | 6,04,80,586                                      | 84,18,972  |
|            | Total Tax Expense   |          | <b>9,36,16,982</b>                               | <b>5,74,50,721</b>                               |
| <b>XI</b>  | <b>Profit (Loss) for the period from continuing<br/>operations (IX-X)</b>       |          | <b>10,92,59,742</b>                              | <b>7,66,04,406</b>                               |
| <b>XII</b> | <b>Profit (Loss) for the period</b>   |          | <b>10,92,59,742</b>                              | <b>7,66,04,406</b>                               |
| XIII       | Earnings per equity share ( in ₹)   |          |  |  |
|            | - Basic   |          | 2.73   | 1.92   |
|            | - Diluted   |          | 2.73   | 1.92   |
| XIV        | Notes forming part of Financial Statements                                      | 2- 51    |  |  |

As per our Report of even date attached

**For RSPH & ASSOCIATES**

Chartered Accountants

**FRN 003013N**

**For and on behalf of the Board of Directors**

**CA Tarun Kumar Batra**

(Partner)

M. No. 094318

**Aniket Khetrupal**

C.F.O.

**C. K. Nayar**

C.E.O.

**Deepshikha Gupta**

Co. Secy.

**Surajit Dutta**

Director

(DIN-06687032)

**Hitesh Khanna**

Chairman

(DIN-02789681)

**Place :** New Delhi

**Date :** 27/07/2015

## CASH FLOW STATEMENT

### For the year ended 31st March, 2015

(Figures in ₹)

| Particulars   | Figures for the year ended<br>31st March 2015 |                        | Figure for the year ended<br>31st March, 2014 |                       |
|---|---|------------------------|---|-----------------------|
|   | ₹   | ₹                      | ₹   | ₹                     |
| <b>A. Cash flow from operating activities</b>                                     |   |                        |   |                       |
| Net Profit / (Loss) before extraordinary items and tax                            |   | 20,28,76,724           |   | 13,40,55,127          |
| Adjustments for:  |   |                        |   |                       |
| Depreciation and amortisation (Refer note no 10)                                  | 2,47,23,042                                   |                        | 66,59,357                                     |                       |
| Provision for impairment of fixed assets and intangibles                          | -   |                        | -   |                       |
| Amortisation of share issue expenses, discount on shares and Preliminary Expenses | -   |                        | -   |                       |
| (Profit) / loss on sale / write off of assets                                     | -   |                        | -   |                       |
| Expense on employee stock option scheme   | -   |                        | -   |                       |
| Finance costs   | 5,60,59,503                                   |                        | 4,85,89,612                                   |                       |
| Interest income   | -   |                        | -   |                       |
| Liabilities / provisions no longer required written back                          | -   |                        | -   |                       |
|   |   | 8,07,82,545            |   | 5,52,48,969           |
| Operating profit / (loss) before working capital change                           |   | <b>28,36,59,269</b>    |   | <b>18,93,04,096</b>   |
| <i>Changes in working capital:</i>  |   |                        |   |                       |
| <i>Adjustments for (increase) / decrease in operating assets:</i>                 |   |                        |   |                       |
| Inventories   | -   |                        | -   |                       |
| Trade receivables   | (6,13,68,272)                                 |                        | (7,44,04,721)                                 |                       |
| Short-term loans and advances   | (15,01,907)                                   |                        | 1,00,37,896                                   |                       |
| Long-term loans and advances  | (1,13,188)                                    |                        | -   |                       |
| Other current assets  | (9,58,763)                                    |                        | 14,536  |                       |
| Other non-current assets  | (10,476)                                      |                        | (2,43,777)                                    |                       |
| <i>Adjustments for increase / (decrease) in operating liabilities:</i>            |   |                        |   |                       |
| Trade payables  | (7,30,524)                                    |                        | (5,56,90,171)                                 |                       |
| Other current liabilities   | 4,72,19,514                                   |                        | (1,51,06,190)                                 |                       |
| Other long-term liabilities   | 14,63,41,876                                  |                        | 4,52,17,789                                   |                       |
| Short-term provisions   | (4,09,134)                                    |                        | 36,64,026                                     |                       |
| Long-term provisions  | -   |                        | -   |                       |
|   |   | 12,84,69,126           |   | (8,65,10,612)         |
|   |   | <b>41,21,28,395</b>    |   | <b>10,27,93,484</b>   |
| Cash flow from extraordinary items  |   | -                      |   | -                     |
| Cash generated from operations  |   | 41,21,28,395           |   | 10,27,93,484          |
| Net income tax (incl. TDS) (paid) / refunds                                       |   | (6,01,50,381)          |   | (1,49,65,547)         |
| <b>Net cash flow from / (used in) operating activities (A)</b>                    |   | <b>35,19,78,014.00</b> |   | <b>8,78,27,937.00</b> |

## **CASH FLOW STATEMENT**

**For the year ended 31st March, 2015**

(Figures in ₹)

| Particulars   | Figures for the year ended<br>31st March 2015 |                      | Figures for the year ended<br>31st March, 2014 |                       |
|---|---|----------------------|--|-----------------------|
|   | Rs.   | Rs.                  | Rs.  | Rs.                   |
| <b>B. Cash flow from investing activities</b>   |   |                      |  |                       |
| Capital expenditure on fixed assets, including capital advances   | (1,12,60,911)                                 |                      | (19,58,36,179)                                 |                       |
| Proceeds from sale of fixed assets  | -   |                      | -  |                       |
| Inter-corporate deposits (net)  | -   |                      | -  |                       |
| Interest received   |   |                      |  |                       |
| - Subsidiaries  | -   |                      | -  |                       |
| - Associates  | -   |                      | -  |                       |
| - Joint ventures  | -   |                      | -  |                       |
| - Others  | -   |                      | -  |                       |
| Cash flow from extraordinary items  |   | (1,12,60,911)        |  | (19,58,36,179)        |
| Net income tax (paid) / refunds   |   | -                    |  | -                     |
| <b>Net cash flow from / (used in) investing activities (B)</b>  |   | <b>(1,12,60,911)</b> |  | <b>(19,58,36,179)</b> |
| <b>C. Cash flow from financing activities</b>   |   |                      |  |                       |
| Proceeds from issue of equity shares  |   |                      | -  |                       |
| Share application money received / (refunded)   | 25,00,00,000.00                               |                      | -  |                       |
| Net Proceeds from long-term borrowings<br>(from Holding Company)  | -16,65,40,000                                 |                      | 14,14,68,457                                   |                       |
| Net increase / (decrease) in working capital borrowings   | -   |                      | -  |                       |
| Finance cost  | -5,60,59,503                                  |                      | -4,85,89,612                                   |                       |
| Tax on dividend   | -   |                      | -  |                       |
| Cash flow from extraordinary items  |   | 2,74,00,497          |  | 9,28,78,845           |
|   |   | -                    |  | -                     |
| <b>Net cash flow from / (used in) financing activities (C)</b>  |   | <b>2,74,00,497</b>   |  | <b>9,28,78,845</b>    |
| <b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>   |   | <b>36,81,17,600</b>  |  | <b>(1,51,29,397)</b>  |
| Cash and cash equivalents at the beginning of the year  |   | 4,03,15,307          |  | 5,54,44,704           |
| Effect of exchange differences on restatement of foreign currency   |   |                      |  |                       |
| Cash and cash equivalents   |   | -                    |  | -                     |
| <b>Cash and cash equivalents at the end of the year</b>   |   | <b>40,84,32,907</b>  |  | <b>4,03,15,307</b>    |
| <b>Reconciliation of Cash and cash equivalents with the Balance Sheet:</b>  |   |                      |  |                       |
| Cash and cash equivalents as per Balance Sheet  |   | 40,84,32,907         |  | 4,03,15,307           |
| Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 <i>Cash Flow Statements</i> (give details) |   | -                    |  | -                     |
| Net Cash and cash equivalents (as defined in AS 3 <i>Cash Flow Statements</i> )   |   | <b>40,84,32,907</b>  |  | <b>4,03,15,307</b>    |
| Add: Current investments considered as part of Cash and cash equivalents (as defined in AS 3 <i>Cash Flow Statements</i> )    |   | -                    |  | -                     |

## CASH FLOW STATEMENT

For the year ended 31st March, 2015

(Figures in ₹)

| Particulars  | Figures for the year ended<br>31st March 2015 |                     | Figures for the year ended<br>31st March, 2014 |                    |
|--|---|---------------------|--|--------------------|
|  | Rs.   | Rs.                 | Rs.  | Rs.                |
| <b>Cash and cash equivalents at the end of the year *</b>                                  |   | <b>40,84,32,907</b> |  | <b>4,03,15,307</b> |
| * Comprises:   |   |                     |  |                    |
| (a) Cash on hand   |   | -                   |  | -                  |
| (b) Cheques, drafts on hand  |   | -                   |  | -                  |
| (c) Balances with banks  |   |                     |  |                    |
| (i) In current accounts  |   | 38,02,579           |  | 44,61,251          |
| (ii) In EEFC accounts  |   | -                   |  | -                  |
| (iii) In Flexi accounts  |   | 5,68,48,889         |  | 84,38,993          |
| (iii) In deposit accounts with original maturity of<br>less than 3 months                  |   | 19,77,81,439        |  | 2,74,15,063        |
| (iv) In earmarked accounts   |   | -                   |  | -                  |
| (v) Remittance in Transit  |   | 15,00,00,000        |  | -                  |
| (d) Others bank balances (Fixed deposit with maturity<br>more than 3 months upto 12 months |   | -                   |  | -                  |
| (e) Current investments considered as part of Cash and<br>cash equivalents                 |   | -                   |  | -                  |
|  |   | <b>40,84,32,907</b> |  | <b>4,03,15,307</b> |

### Notes:

- The Cash Flow Statement reflects the combined cash flows pertaining to continuing and discounting operations.
- These earmarked account balances with banks can be utilised only for the specific identified purposes.
- The Last Year's figures has been rescheduled as per new format as per Schedule III

**See accompanying notes forming part of the financial statements**

In terms of our report attached

**For RSPH & ASSOCIATES**

Chartered Accountants

**FRN 003013N**

**For and on behalf of the Board of Directors**

**CA Tarun Kumar Batra**  
(Partner)  
M. No. 094318

**Aniket Khetrapal**  
C.F.O.

**C. K. Nayar**  
C.E.O.

**Deepshikha Gupta**  
Co. Secy.

**Surajit Dutta**  
Director  
(DIN-06687032)

**Hitesh Khanna**  
Chairman  
(DIN-02789681)

**Place :** New Delhi  
**Date :** 27/07/2015

**NOTE NO. 1**

**SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF  
THE ACCOUNTS FOR THE FINANCIAL YEAR 2014-15**

**(i) Basis of Preparation**

- a) The financial statements are prepared according to the historical cost convention on accrual basis and in line with the fundamental accounting principles of prudence, consistency and materiality.
- b) The Accounts are prepared on the basis of going concern concept, with revenue recognised and expenses accounted for on their accrual.
- c) The financial statements are reported in Indian rupees.

**(ii) Statement of Compliance**

The financial statements are prepared on the basis of generally accepted accounting principles in India and in accordance with provisions of Companies Act, 2013 ("the Act") and comply in all material aspects with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Company (Accounts) Rule, 2014 and other relevant provisions of The Companies Act, 2013.

**(iii) Foreign Currency Transactions**

**a) Transactions of Indian operations:**

Foreign Currency transactions are translated in the following manner:

- i) All foreign currency transactions are translated into Indian Currency at the buying rate prevalent on the date of transaction.
- ii) Fixed assets and non-monetary items are translated using the buying rate on the date of transaction.
- iii) Depreciation is translated at the rates used for translation of the value of the assets on which depreciation is calculated.
- iv) Monetary items and contingent liabilities denominated in foreign currency are translated at the prevailing closing buying rate at each balance sheet date.

**b) Transactions of Integral Foreign Operations**

Foreign currency transactions of foreign branches are translated in the following manner:

- i) Revenue items are translated into Indian Currency on the basis of buying rate at the date of transaction.
  - ii) Fixed assets and non-monetary items are translated at the buying rate at the date of transaction.
  - iii) Depreciation is translated at the rates used for the translation of the value of the assets on which depreciation is calculated.
  - iv) Monetary items and contingent liabilities are translated at the prevailing closing buying rate at each balance sheet date.
  - v) Inventories, if any are translated at the buying rate prevalent at each Balance Sheet date.
- c) The net exchange differences resulting from the translations at (a) & (b) above are recognized as income or expense for the year.

**d) Transactions of Non-Integral Foreign Operations**

Financial statements of Non- Integral Foreign Operations are translated in the following manner-

- i) The assets and liabilities, both monetary and non-monetary are translated at the closing buying rate.
- ii) Income and expense items are translated at the buying rate on date of transaction.

- iii) All resulting exchange difference is accumulated in foreign currency translation reserve until disposal of the net investment and is recognized as income or expense in the same period in which gain or loss on disposal is recognized.

#### **(IV) Fixed assets**

- a) Fixed assets are stated at historical cost less accumulated depreciation and any impairment in value.
- b) Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalized.
- c) Incidental expenditure during construction period incurred up to the date of commissioning is capitalized.
- d) Capital Work in Progress: All the expenditure directly or indirectly relating to construction activity are capitalised and is valued at cost. Indirect Expenditure /Incidental Expenditure during the construction period is capitalised as cost to the extent to which the expenditure is directly related to construction or is incidental thereto.
- e) Intangible assets are stated at cost of construction till completion less accumulated depreciation / amortisation and accumulated impairment loss, if any.

#### **(V) Investments**

- a) Non-Current Investments are valued at cost less provision for permanent diminution in value, if any.
- b) Current Investments are valued at lower of cost and fair value.
- c) An investment in land or buildings, which is not intended to be occupied substantially for use by, or in the operation of the Company, is classified as investment property. Investment Properties are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

#### **(VI) Inventories**

##### **a) Construction Work in Progress**

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

##### **b) Others**

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

#### **(VII) Cash and Bank balance**

Cash and bank balances comprise of cash at bank, cash in hand, Cheques in hand, demand deposits and bank deposits with maturity period upto 12 months from Balance Sheet date.

For the purpose of cash flow statement, cash and cash equivalents consist of cash and bank balances, cheques in hand and demand deposits net of bank overdrafts.

#### **(VIII) Provisions**

##### **a) Provision for Maintenance**

- (i) In Cost Plus contract, no provision for maintenance is required to be made where cost is reimbursable.

- (ii) Item Rate and Lump Sum turnkey contracts, provision is made for maintenance to cover company's liability during defect liability period keeping into consideration the contractual obligations, the obligations of the sub-contractors, operating turnover and other relevant factors.
- (iii) Provision for unforeseen expenditure during design guarantee period is made based on risk perception of management in each contract subject to a minimum amount of Rs 50 lakhs and maximum of the amount of Design guarantee specified in Contract Agreement with the Client.

**b) Provision for Demobilisation**

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

**c) Provision for Doubtful Debts /Advances**

Provision for Doubtful Debts /Advances is made when there is uncertainty of realisation irrespective of the period of its dues. For outstanding over 3 years full provision is made unless the amount is considered recoverable. Debts/Advances are written off when unrealisability is almost established.

**(d) Others**

Provision is recognised when:

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

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

**(IX) Contract Revenue Recognition**

Contract Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Depending on the nature of contract, revenue is recognised as under-

- a) In cost plus contracts, revenue is worked out by including eligible items of expenditure in the bills raised on the clients and charging specified margin thereon.
- b) In fixed price contracts, revenue is recognized by adding the aggregate cost of work certified and proportionate margin using the percentage of completion method. The percentage of completion is determined as a proportion of cost incurred upto the reporting date to the total estimated cost of the contract.
- c) Full provision is made for any loss in the period in which it is foreseen.
- d) Revenue does not include Sales Tax/VAT/WCT/Service Tax etc.

**(X) Accounting for Joint Venture (JV) Contracts**

- a) In jointly controlled operations, are accounted as independent contracts;
- b) In respect of contracts executed by a jointly controlled entity, the profit / loss from the Joint Venture is accounted for in the year when determined.

**(XI) Leases**

- a) Lease incomes from assets given on operating lease are recognized as income in the statement of profit & loss on straight-line basis over the lease term.
- b) Lease payments for assets taken on operating lease are recognized as expense in the statement of profit & loss on straight-line basis over the lease term.

## **(XII) Liquidated Damages and Escalations**

- a) Liquidated damages/penalties arising from delays actually paid/recovered are adjusted against contract revenue/contract cost. Liquidated damages arising from contractual obligation but under negotiation and not considered payable and not recovered by the client are treated as contingent liability.
- b) Escalation receivable/payable is accounted for as per the provisions of the contract. Escalation receivable but not certified before close of project accounts is included in work-in-progress.

## **(XIII) Research & Development Expenses**

Expenses on research and development are charged to statement of profit and loss.

## **(XIV) Mobilisation Expenses**

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

## **(XV) Depreciation & Amortisation**

### **Tangible Assets**

- a) Depreciation on Tangible assets is provided on Straight Line basis (SLM) over the useful life of the assets as specified in Schedule II of the Companies Act, 2013
- b) In case of leasehold land (other than perpetual lease) and leasehold property, depreciation is provided proportionately over the period of lease.
- c) Tangible Assets acquired during the year, individually costing up to ₹ 5000/- are fully depreciated, by keeping Re. 1 as token value for identification.

### **Intangible Assets**

- a) Software cost exceeding ₹ 25 lakhs each is amortised over a period of 36 months on straight line basis from the date of successful commissioning of the software subject to review at each financial year end. Software cost up to ₹ 25 Lakhs in each case is fully amortised in the year of purchase, by keeping Re. 1 as token value for identification.
- b) Capital Expenditure as referred in accounting policy no. (iv)(d) as above amortised over the lease period from the year in which the concerned project comes into commercial operations

## **(XVI) Borrowing Cost**

- a) Borrowing cost in ordinary course of business are recognized as an expense in the period in which they are incurred.
- b) Borrowing cost that is directly attributable to acquisition, construction or production of a qualifying asset is capitalized as part of the cost of the asset.

## **(XVII) Retirement Benefits**

- a) The persons working for the company are on nomination/secondment basis and are on the rolls of its Holding Company. Provision for leave encashment, gratuity and other retirement benefits is made by its Holding Company based on actuarial valuation at the year end.
- b) Similarly, Provident Fund contribution of the employees on nomination/secondment is made by the Holding Company to its PF Trust on accrual basis
- c) Similarly all other provisions of Retirement Benefits of the employees on nomination/ secondment basis is made by its Holding Company.

- d) Provision for leave salary only is made in the books of accounts, for the contract employee posted at Sri Lanka Branch as no other retirement benefit are payable to them.

**(XVIII) Prior period adjustment and extraordinary items**

- a) Income/expenditure relating to prior period and prepaid expenses not exceeding ₹ 50000/- in each case are treated as income/expenditure of the current year.
- b) Voluntary Retirement Scheme expenses are charged off in the year of incidence of expense.

**(XIX) Taxes**

- a) Taxes including current income-tax are computed using the applicable tax rates and tax laws. Liability for additional taxes, if any, is provided / paid as and when assessments are completed.
- b) Deferred income- tax on timing differences is computed using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

**(XX) Impairment of Assets**

The Company tests for impairments at the close of the accounting period, if and only if, there are indication that suggests a possible reduction in the recoverable value of an asset. If the recoverable value amount of an asset, i.e. the net realizable value or the economic value in use of a cash generating unit, is lower than the carrying amount of the asset, the difference is provided as impairment.

However, if subsequently, the position reverses and recoverable amount become higher than the carrying value, then provision to the extent of the difference is reversed, but not higher than the amount provided for.

**(XXI) Segment Reporting**

The Company has identified two primary reporting segments based on geographic location of the project viz. Domestic & International and two secondary reporting segments based on its business area i.e. Consultancy, Supply of Manpower, Sub- Leasing of MFCs., Leasing of Plant & Machinery & Others.

**(XXII) Contingent Liabilities and Contingent Assets**

- a) Contingent Liabilities are disclosed in either of the following cases:
- i) A present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation; or
  - ii) A reliable estimate of the present obligation cannot be made; or
  - iii) A possible obligation, unless if the probability of outflow of resource is remote.
- b) Contingent Assets are neither recognized, nor disclosed.
- c) Contingent Liability and Provisions needed against Contingent Liability and Contingent Assets are reviewed at each Balance Sheet date.
- d) Contingent Liability is net of estimated provisions considering possible outflow on settlement.

## Note No. 2

### Share Capital

(Figures in ₹)

| Particulars   | As at<br>31st March 2015 | As at<br>31st March 2014 |
|---|--------------------------|--------------------------|
| <b>Authorised</b><br>6,50,00,000 Equity shares of ₹ 10 each<br>(Previous year : 4,00,00,000 Equity shares of ₹ 10 each)                                   | 65,00,00,000             | 40,00,00,000             |
| <b>Issued, Subscribed &amp; Paid-up</b><br>4,00,00,000 Equity shares of Rs.10 each-fully paid<br>(Previous year : 4,00,00,000 Equity shares of ₹ 10 each) | 40,00,00,000             | 40,00,00,000             |
| <b>TOTAL</b>  | <b>40,00,00,000</b>      | <b>40,00,00,000</b>      |

### Details of Shareholders holding more than 5% shares in the company

| Type of Shares                                       | Name of Shareholder                              | As at 31st March 2015 |                  | As at 31st March 2014 |                  |
|--|--|-----------------------|------------------|-----------------------|------------------|
|  |  | No. of Shares         | % age of Holding | No. of Shares         | % age of Holding |
| Equity Shares<br>(Face value of<br>Rs. 10 per share) | Ircon International Limited<br>(Holding Company) | 4,00,00,000           | 100%             | 4,00,00,000           | 100%             |
|  | <b>Total</b>                                     | <b>4,00,00,000</b>    | <b>100%</b>      | <b>4,00,00,000</b>    | <b>100%</b>      |

### Reconciliation of Share Capital:

| Particulars                        | As at 31st March 2015 |              | As at 31st March 2014 |              |
|------------------------------------|-----------------------|--------------|-----------------------|--------------|
|                                    | No. of Shares         | Amount       | No. of Shares         | Amount       |
| Opening Share Capital              | 4,00,00,000           | 40,00,00,000 | 4,00,00,000           | 40,00,00,000 |
| Add: Shares issued during the year | -                     | -            | -                     | -            |
| Closing Share Capital              | 4,00,00,000           | 40,00,00,000 | 4,00,00,000           | 40,00,00,000 |

#### NOTE:

- 1) The company has increased its Authorised share capital from ₹ 40,00,00,000 to ₹ 65,00,00,000 during the year
- 2) The company has only one class of Equity having a par value ₹ 10.00 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the Equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding

### Note No. 3

## Reserves & Surplus

(Figures in ₹)

| Particulars                                       | As at 31st March 2015 |                     | As at 31st March 2014 |                     |
|---|-----------------------|---------------------|-----------------------|---------------------|
| <b>a. General Reserves</b>                        |                       |                     |                       |                     |
| Opening Balance                                   | 12,18,76,248          |                     | 4,52,71,842           |                     |
| Add: Current Year Transfer                        | <u>10,92,59,742</u>   | 23,11,35,990        | <u>7,66,04,406</u>    | 12,18,76,248        |
| <b>b. Balance in Statement of Profit and Loss</b> |                       |                     |                       |                     |
| Net Profit/(Net Loss) for the current year        | 10,92,59,742          |                     | 7,66,04,406           |                     |
| Add: Transfer from Reserves                       | <u>-</u>              |                     | <u>-</u>              |                     |
|   | 10,92,59,742          |                     | 7,66,04,406           |                     |
| Less:- Appropriations                             |                       |                     |                       |                     |
| - Transfer to General Reserves                    | <u>10,92,59,742</u>   | -                   | <u>7,66,04,406</u>    | -                   |
| <b>Total</b>                                      |                       | <b>23,11,35,990</b> |                       | <b>12,18,76,248</b> |

### Note No. 4

## Share Application Money Pending Allocation

(Figures in ₹)

| Particulars  | As at<br>31st March 2015 | As at<br>31st March 2014 |
|--|--------------------------|--------------------------|
| Share Application Money<br>Related Party - Ircon International Limited | 25,00,00,000             | -                        |
| <b>Total</b>   | <b>25,00,00,000</b>      | <b>-</b>                 |

**NOTE:** The Company has made a Right issue of 2,50,00,000 equity shares of ₹ 10/- each of ₹ 25,00,00,000 to its holding company on 27th March 2015 and received a sum of ₹ 25,00,00,000 against the same on 31st March 2015. The share are pending for allotment as on 31st March 2015.

### Note No. 5

## Long Term Borrowings

(Figures in ₹)

| Particulars  | As at<br>31st March 2015 | As at<br>31st March 2014 |
|--|--------------------------|--------------------------|
| Loan From Related Party*<br>- Ircon International Ltd. | 31,50,00,000             | 48,15,40,000             |
| <b>Total</b>   | <b>31,50,00,000</b>      | <b>48,15,40,000</b>      |

**\*Note:** No repayment schedule has been agreed between Ircon International limited (Holding company) and our company, therefore whole outstanding loan amount has been treated as Long term borrowings

## Note No. 6

### Deferred Tax Asset

(Figures in ₹)

| Particulars                        | As at<br>01st April 2014 | Addition (Deletion)<br>during the year | As at<br>31st March 2015 |
|------------------------------------|--------------------------|--|--------------------------|
| <b>Asset</b>                       |                          |  |                          |
| Provision for :                    |                          |  |                          |
| - Preliminary expenses written off | -                        | -                                      | -                        |
| - Gratuity*                        | -                        | -                                      | -                        |
| - Leave Salary                     | 16,53,687                | (1,39,065)                             | 15,14,622                |
| <b>Total</b>                       | <b>16,53,687</b>         | <b>(1,39,065)</b>                      | <b>15,14,622</b>         |
| Previous Year                      | 51,689                   | 16,01,998                              | 16,53,687                |

\* Refer note no. 29

### Deferred Tax Liability

(Figures in ₹)

| Particulars                           | As at<br>01st April 2014 | Addition (Deletion)<br>during the year | As at<br>31st March 2015 |
|---------------------------------------|--------------------------|--|--------------------------|
| - Due to Depreciation on Fixed Assets | 1,00,24,946              | 6,03,41,521                            | 7,03,66,467              |
| <b>Total</b>                          | <b>1,00,24,946</b>       | <b>6,03,41,521</b>                     | <b>7,03,66,467</b>       |
| Previous Year                         | 3,976                    | 1,00,20,970                            | 1,00,24,946              |

**Deferred Tax Assets (Net)**

-

**Deferred Tax Liability (Net)**

6,88,51,845

**Note No. 7**

**Other Long Term Liabilities**

(Figures in ₹)

| Particulars  | As at<br>31st March 2015 | As at<br>31st March 2014 |
|--|--------------------------|--------------------------|
| (a) Trade Payables   |                          |                          |
| - Micro, Small & Medium Enterprises<br>(Refer Note 27(i))          | -                        | -                        |
| - Others   | -                        | -                        |
| (b) Other Liabilities  |                          |                          |
| - Upfront Amount from Sub - leasing of MFCs<br>(Refer note no.38 ) | 19,15,59,665             | 4,52,17,789              |
| - Retention Money /Security Deposit                                | -                        | -                        |
| <b>Total</b>   | <b>19,15,59,665</b>      | <b>4,52,17,789</b>       |

## Note No. 8 Provisions

(Figures in ₹)

| Particulars                                    | Long Term | Short Term         | Balance as at 01st April 2014 | During the year 2014-15 |                 |                    |               |                 | Balance as on 31st March 2015 | Long Term          | Short Term |
|--|-----------|--------------------|-------------------------------|-------------------------|-----------------|--------------------|---------------|-----------------|-------------------------------|--------------------|------------|
|  |           |                    |                               | Additions               | Written Back    | Utilisation        | Exchange Gain | Exchange Loss   |                               |                    |            |
| Provided for                                   |           |                    |                               |                         |                 |                    |               |                 |                               |                    |            |
| <b>A Employees Related Retirement Benefits</b> |           |                    |                               |                         |                 |                    |               |                 |                               |                    |            |
| Leave Salary                                   | -         | 48,65,216          | 48,65,216                     | 3,82,850                | -               | 10,23,292          | -             | 2,31,308        | 44,56,082                     | 44,56,082          |            |
| <b>Total Employee Related Provisions</b>       | -         | <b>48,65,216</b>   | <b>48,65,216</b>              | <b>3,82,850</b>         | -               | <b>10,23,292</b>   | -             | <b>2,31,308</b> | <b>44,56,082</b>              | <b>44,56,082</b>   |            |
| <b>B Others</b>                                |           |                    |                               |                         |                 |                    |               |                 |                               |                    |            |
| Income-tax                                     | -         | 4,99,74,293        | 4,99,74,293                   | 3,40,47,292             | 9,10,896        | 2,92,66,193        | -             | -               | 5,38,44,496                   | 5,38,44,496        |            |
| <b>Total Other Provisions (B)</b>              | -         | <b>4,99,74,293</b> | <b>4,99,74,293</b>            | <b>3,40,47,292</b>      | <b>9,10,896</b> | <b>2,92,66,193</b> | -             | -               | <b>5,38,44,496</b>            | <b>5,38,44,496</b> |            |
| <b>C GRAND TOTAL (C = A + B)</b>               | -         | <b>5,48,39,509</b> | <b>5,48,39,509</b>            | <b>3,44,30,142</b>      | <b>9,10,896</b> | <b>3,02,89,485</b> | -             | <b>2,31,308</b> | <b>5,83,00,578</b>            | <b>5,83,00,578</b> |            |
| <b>D Less:- Considered Separately</b>          |           |                    |                               |                         |                 |                    |               |                 |                               |                    |            |
| Income-tax adjusted / considered separately    | -         | -                  | -                             | 3,40,47,292             | 9,10,896        | 2,92,66,193        | -             | -               | -                             | -                  |            |
| <b>TOTAL (D)</b>                               | -         | -                  | -                             | <b>3,40,47,292</b>      | <b>9,10,896</b> | <b>2,92,66,193</b> | -             | -               | -                             | -                  |            |
| <b>Net: Current Year (C - D)</b>               | -         | <b>5,48,39,509</b> | <b>5,48,39,509</b>            | <b>3,82,850</b>         | -               | <b>10,23,292</b>   | -             | <b>2,31,308</b> | <b>5,83,00,578</b>            | <b>5,83,00,578</b> |            |
| Previous Year                                  | -         | 95,83,609          | 95,83,609                     | 36,64,026               | -               | -                  | -             | -               | 5,48,39,509                   | 5,48,39,509        |            |

### NOTE:

Retirement Benefits provisions considered in Note 29

44,56,082

## Note No. 9

### Trade Payables

(Figures in ₹)

| Particulars   | As at<br>31st March 2015 | As at<br>31st March 2014 |
|---|--------------------------|--------------------------|
| <b>Trade Payables</b>                                     |                          |                          |
| - Micro, Small & Medium Enterprises<br>(Refer Note 27(i)) | -                        | -                        |
| - Small Scale Industrial units<br>(Refer Note 27(ii))     | -                        | -                        |
| - Others  |                          |                          |
| (a) To Contractors & Suppliers                            | 1,97,75,684              | 39,09,796                |
| (b) To Related Parties                                    |                          |                          |
| Ircon International Limited                               | 1,02,99,868              | 2,68,96,280              |
| <b>Total</b>  | <b>3,00,75,552</b>       | <b>3,08,06,076</b>       |

## Note No. 10

### Other Current Liabilities

(Figures in ₹)

| Particulars  | As at<br>31st March 2015 | As at<br>31st March 2014 |
|--|--------------------------|--------------------------|
| (a) Income received in advance                                       | 5,46,24,844              | 38,16,667                |
| (b) Other payables   |                          |                          |
| - Deposits & Retention Money   | 1,06,08,303              | 61,18,823                |
| - Statutory Dues   | 76,08,103                | 83,82,411                |
| - Book Overdraft   | -                        | -                        |
| - Staff  | 41,13,891                | 62,27,530                |
| - Others   | 40,676                   | 1,63,272                 |
| (c) Advance from client - Related Party                              |                          |                          |
| (i) Ircon International Limited                                      | -                        | 2,29,917                 |
| (d) Other payables - Related Party                                   |                          |                          |
| (i) Ircon International Limited                                      |                          |                          |
| - Towards Reimbursement of<br>remuneration of staff, other exp, etc. | 2,19,61,032              | 1,58,38,506              |
| - Interest Payable on Loan   | 5,04,24,177              | 6,13,84,386              |
| <b>Total</b>   | <b>14,93,81,026</b>      | <b>10,21,61,512</b>      |

**Note No. 11****Fixed Assets**

(Figures in ₹)

| Sl. No.  | Fixed Assets                     | Gross Block         |                     |                    | Accumulated Depreciation/Amortisation |                  |                    | Net Block          |                    |                       |                     |
|----------|----------------------------------|---------------------|---------------------|--------------------|---------------------------------------|------------------|--------------------|--------------------|--------------------|-----------------------|---------------------|
|          |                                  | As at 01.04.2014    | Additions           | Sales/ Adjustments | Upto 31.03.2015                       | As at 01.04.2014 | For the Year       | Sales/ Adjustments | Upto 31.03.2015    | As at 31.03.2015      | As at 31.03.2013    |
| <b>A</b> | <b>Tangible Assets</b>           |                     |                     |                    |                                       |                  |                    |                    |                    |                       |                     |
|          | Plant & Machinery                | 12,66,74,773        |                     |                    | 12,66,74,773                          | 50,63,486        | 98,90,998          |                    | 1,49,54,484        | 11,17,20,289          | 12,16,11,287        |
|          | Computers                        | 1,80,879            | 2,49,720            |                    | 4,30,599                              | 29,551           | 87,879             |                    | 1,17,430           | 3,13,169              | 1,51,328            |
|          | Furniture, Fixtures, Furnishings | 18,077              | 84,128              |                    | 1,02,205                              | 1,870            | 44,018             |                    | 45,888             | 56,317                | 16,207              |
|          | Office Equipments                | -                   | 23,649              |                    | 23,649                                | -                | 2,972              |                    | 2,972              | 20,677                | -                   |
|          | <b>Current Year Total</b>        | <b>12,68,73,729</b> | <b>3,57,497</b>     | -                  | <b>12,72,31,226</b>                   | <b>50,94,907</b> | <b>1,00,25,867</b> | -                  | <b>1,51,20,774</b> | <b>11,21,10,452</b>   | <b>12,17,78,822</b> |
|          | <b>Previous Year</b>             | <b>47,989</b>       | <b>12,68,25,740</b> | -                  | <b>12,68,73,729</b>                   | <b>2,142</b>     | <b>50,92,765</b>   | -                  | <b>50,94,907</b>   | <b>12,17,78,822</b>   | <b>45,847</b>       |
| <b>B</b> | <b>Intangible Assets</b>         |                     |                     |                    |                                       |                  |                    |                    |                    |                       |                     |
|          | Lease Rights                     | 66,59,47,470        | 29,34,94,106        | -                  | 95,94,41,576                          | 15,66,592        | 1,46,97,175        |                    | 1,62,63,767        | 94,31,77,809          | 66,43,80,878        |
|          | <b>Current Year Total</b>        | <b>66,59,47,470</b> | <b>29,34,94,106</b> | -                  | <b>95,94,41,576</b>                   | <b>15,66,592</b> | <b>1,46,97,175</b> | -                  | <b>1,62,63,767</b> | <b>94,31,77,809</b>   | <b>66,43,80,878</b> |
|          | <b>Previous Year</b>             | -                   | 66,59,47,470        | -                  | 66,59,47,470                          | -                | 15,66,592          | -                  | 15,66,592          | 66,43,80,878          | -                   |
|          | <b>GRAND TOTAL CURRENT YEAR</b>  | <b>79,28,21,199</b> | <b>29,38,51,603</b> | -                  | <b>1,08,66,72,802</b>                 | <b>66,61,499</b> | <b>2,47,23,042</b> | -                  | <b>3,13,84,541</b> | <b>1,05,52,88,261</b> | <b>78,61,59,700</b> |
|          | <b>PREVIOUS YEAR</b>             | <b>47,989</b>       | <b>79,27,73,210</b> | -                  | <b>79,28,21,199</b>                   | <b>2,142</b>     | <b>66,59,357</b>   | -                  | <b>66,61,499</b>   | <b>78,61,59,700</b>   | <b>45,847</b>       |

NOTE: 1. Depreciation/ Amortisation for the year has been allocated as given below :-  
(Figures in ₹)

| Description                  | 2014-15            | 2013-14          |
|------------------------------|--------------------|------------------|
| Statement of Profit and Loss |                    |                  |
| Current year                 | 2,47,23,042        | 66,59,357        |
| Prior Period                 | -                  | -                |
| <b>Total</b>                 | <b>2,47,23,042</b> | <b>66,59,357</b> |

2. **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 constructed the buildings on the same and having lease rights (Commercial Rights) of 45 years from the date of commencement of MFC.

3. 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 ₹ 146.97 lakhs (Previous year ₹ 15.66 Lakhs)

**Note No. 12**

**Capital work-in-progress**

(Figures in ₹)

| Particulars                | Opening Balance<br>As at<br>1st April, 2014 | Additions during<br>the year<br>2014-15 | Capitalisation<br>of CWIP into<br>Intangible assets<br>(Lease Rights) | Balance<br>As at<br>31st March, 2015 |
|----------------------------|---|---|---|--------------------------------------|
| Capital Work In Progress * | 29,16,02,442                                | 26,09,746                               | (28,52,00,438)  | 90,11,750                            |
| <b>TOTAL</b>               | <b>29,16,02,442</b>                         | <b>26,09,746</b>                        | <b>(28,52,00,438)</b>   | <b>90,11,750</b>                     |

**\* Break-up of Capital Work in progress**

(Figures in ₹)

| Particulars  | Opening Balance<br>As at<br>1st April, 2014 | Additions during<br>the year<br>2014-15 | Capitalisation<br>of CWIP into<br>Intangible assets<br>(Lease Rights) | Balance<br>As at<br>31st March, 2015 |
|--|---|---|---|--------------------------------------|
| Multi Functional Complex - Digha Project                   | 13,30,15,891                                |   | (13,30,15,891)  | -                                    |
| Multi Functional Complex - Siliguri Project                | -   |   |   | -                                    |
| Multi Functional Complex - Allahabad Project               | -   |   |   | -                                    |
| Multi Functional Complex - Alleppey Project                | -   |   |   | -                                    |
| Multi Functional Complex - Barddhaman Project              | -   |   |   | -                                    |
| Multi Functional Complex - Bilaspur Project                | -   |   |   | -                                    |
| Multi Functional Complex - Gwalior Project                 | 4,97,77,234                                 |   | (4,97,77,234)   | -                                    |
| Multi Functional Complex - Haridwar Project                | -   |   |   | -                                    |
| Multi Functional Complex - Hubli Project                   | -   |   |   | -                                    |
| Multi Functional Complex - Hyderabad Project               | -   |   |   | -                                    |
| Multi Functional Complex - Indore Project                  | 5,42,41,917                                 |   | (5,42,41,917)   | -                                    |
| Multi Functional Complex - Jabalpur Project                | -   |   |   | -                                    |
| Multi Functional Complex - Jodhpur Project                 | -   |   |   | -                                    |
| Multi Functional Complex - Jammu Project(mfc)              | 64,02,004                                   | 26,09,746                               |   | 90,11,750                            |
| Multi Functional Complex - Jammu Project(Rail Yatri Niwas) | 4,81,65,395                                 |   | (4,81,65,395)   | -                                    |
| Multi Functional Complex - Kannur Project                  | -   |   |   | -                                    |
| Multi Functional Complex - Madurai Project                 | -   |   |   | -                                    |
| Multi Functional Complex - Mysore Project                  | -   |   |   | -                                    |
| Multi Functional Complex - Raipur Project                  | -   |   |   | -                                    |
| Multi Functional Complex - Rajgir Project                  | -   |   |   | -                                    |
| Multi Functional Complex - Rampurhat Project               | -   |   |   | -                                    |
| Multi Functional Complex - Tarapith Project                | -   |   |   | -                                    |
| Multi Functional Complex - Thiruvalla Project              | -   |   |   | -                                    |
| Multi Functional Complex - Udaipur Project                 | -   |   |   | -                                    |
| <b>Total</b>   | <b>29,16,02,442</b>                         | <b>26,09,746</b>                        | <b>(28,52,00,438)</b>   | <b>90,11,750</b>                     |

Refer note no - 31

## Note No. 13

### Long Term Loans and Advances

(Figures in ₹)

| Particulars                          | As at 31st March 2015 |                 | As at 31st March 2014 |                 |
|--------------------------------------|-----------------------|-----------------|-----------------------|-----------------|
| <b>A. Unsecured, considered good</b> |                       |                 |                       |                 |
| Security Deposits                    |                       |                 |                       |                 |
| - With Statutory Departments -       | 3,58,188              | 3,58,188        | 2,45,000              | 2,45,000        |
| <b>Total</b>                         |                       | <b>3,58,188</b> |                       | <b>2,45,000</b> |

Loans and Advances 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 JVs and Subsidiary as disclosed above.

| Particulars                                   | 2014-15 | 2013-14 |
|---|---------|---------|
| Directors *                                   | -       | -       |
| Other officers of the Company *               | -       | -       |
| Firm in which director is a partner *         | -       | -       |
| Private Company in which director is a member | -       | -       |

\*Either severally or jointly

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.

**Note No. 14**  
**Other Non Current Assets**

(Figures in ₹)

| Particulars                          | As at 31st March 2015 | As at 31st March 2014 |
|--------------------------------------|-----------------------|-----------------------|
| <b>A. Secured, considered good</b>   |                       |                       |
| - Interest Accrued on :              |                       |                       |
| - Staff Advances                     | 2,54,253              | 2,40,873              |
| - Contractors, Suppliers & Others    |                       | -                     |
|                                      |                       | 2,40,873              |
|                                      | 2,54,253              |                       |
| <b>B. Unsecured, considered good</b> |                       |                       |
| Fixed Deposits More than 12 Months   | -                     | -                     |
| Interest Accrued on :                |                       |                       |
| - Staff Advances                     | -                     | 2,904                 |
| - Contractors, Suppliers & Others    | -                     | -                     |
|                                      |                       | 2,904                 |
| <b>C. Considered Doubtful</b>        |                       |                       |
| Less: Provision for _____            |                       |                       |
|                                      | 2,54,253              | 2,43,777              |

Other non current assets 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.

## Note No. 15

### Trade Receivables\*

(Figures in ₹)

| Particulars  | As at<br>31st March 2015 | As at<br>31st March 2014 |
|--|--------------------------|--------------------------|
| <b>Unsecured :</b>   |                          |                          |
| Outstanding for a period exceeding six months from the date they were due for payment          |                          |                          |
| - Considered good  |                          |                          |
| a) From Related Party -<br>Ircon International Limited"  | 32,370                   | 15,76,212                |
| (b) From Others  | 1,62,77,967              | -                        |
| - Considered doubtful  | 1,63,10,337              | -                        |
| Others - Outstanding for a period less than six months from the date they were due for payment |                          |                          |
| - Considered good  |                          |                          |
| (a) From Related Party -<br>Ircon International Limited"                                       | 7,25,24,961              | 9,02,79,397              |
| (b) From Others  | 7,81,76,144              | 1,37,87,561              |
| - Considered doubtful  | -                        | -                        |
|  | 15,07,01,105             | 10,40,66,958             |
| <b>Total</b>   | <b>16,70,11,442</b>      | <b>10,56,43,170</b>      |

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:

\* Includes amount due from Holding Company

(Figures in ₹)

| Particulars  | As at<br>31st March 2015 | As at<br>31st March 2014 |
|--|--------------------------|--------------------------|
| Outstanding for a period exceeding six months from the date they were due for payment          | 32,370                   | 15,76,212                |
| Others - Outstanding for a period less than six months from the date they were due for payment | 7,25,24,961              | 9,02,79,397              |
| <b>Total</b>   | <b>7,25,57,331</b>       | <b>9,18,55,609</b>       |

**Note No. 16**  
**Cash and cash equivalents**

(Figures in ₹)

| Particulars   | As at<br>31st March 2015 |                     | As at<br>31st March 2014 |                    |
|---|--------------------------|---------------------|--------------------------|--------------------|
| <b>Cash and cash equivalents</b>  |                          |                     |                          |                    |
| a) Cash In hand   |                          | -                   |                          | -                  |
| b) Cheques / drafts in hand   |                          | -                   |                          | -                  |
| c) Balances with banks :  |                          |                     |                          |                    |
| - In Current accounts   | 38,02,579                |                     | 44,61,251                |                    |
| - In Flexi accounts   | 5,68,48,889              |                     | 84,38,993                |                    |
| - In Fixed deposits (with a maturity period of less than 3 months)                    | 19,77,81,439             | 25,84,32,907        | 2,74,15,063              | 4,03,15,307        |
| d) Reimittance in Transit*  |                          | 15,00,00,000        |                          | -                  |
| <b>Other bank balances</b>  |                          |                     |                          |                    |
| - In Fixed deposits (with a maturity period of more than 3 months and upto 12 months) |                          | -                   |                          | -                  |
| <b>Total</b>  |                          | <b>40,84,32,907</b> |                          | <b>4,03,15,307</b> |

**\*Note:** Remittance in Transit is in respect of fund transferred on 31-03-2015 to Andhra Bank for fixed deposit, but the same is not received by Bank as on closing date. The Fixed Deposit of the same issued on 02-04-2015.

## Note No. 17

### Short Term Loans and Advances

(Figures in ₹)

| Particulars  | As at<br>31st March 2015 |                    | As at<br>31st March 2014 |                    |
|--|--------------------------|--------------------|--------------------------|--------------------|
| <b>A. Secured, considered good</b>                         |                          |                    |                          |                    |
| Staff Loans and Advances                                   | 2,32,314                 |                    | 6,72,297                 |                    |
| Advances to Contractors against Material and Machinery     | -                        | 2,32,314           | -                        | 6,72,297           |
| <b>B. Unsecured, considered good</b>                       |                          |                    |                          |                    |
| Advance to Related Parties                                 |                          |                    |                          |                    |
| - Advances to Contractors -<br>Ircon International Limited | -                        |                    | -                        |                    |
| Deposits with Statutory Departments                        | -                        |                    | -                        |                    |
| Staff Loans and Advances                                   | 32,851                   |                    | 98,013                   |                    |
| Deposits and Retention Money                               | 28,91,614                |                    | 4,00,000                 |                    |
| Claims Recoverable from Client                             | -                        |                    | -                        |                    |
| Sales Tax  | -                        |                    | -                        |                    |
| Service Tax (Net)  | 38,462                   |                    | 7,11,437                 |                    |
| Income Tax (Incl. TDS)                                     | 4,95,27,448              |                    | 1,86,43,260              |                    |
| Prepaid Expenses   | 1,88,413                 |                    | -                        |                    |
| Others   | -                        | 5,26,78,788        | -                        | 1,98,52,710        |
| <b>Total</b>   |                          | <b>5,29,11,102</b> |                          | <b>2,05,25,007</b> |

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.

Details of amount due from Directors:

| Particulars              | 2014-15 | 2013-14 |
|--------------------------|---------|---------|
| Staff Loans and Advances | -       | -       |

## Note No. 18

### Other Current Assets

(Figures in ₹)

| Particulars                          | As at<br>31st March 2015 | As at<br>31st March 2014 |
|--------------------------------------|--------------------------|--------------------------|
| <b>A) Interest Accrued on:</b>       |                          |                          |
| Staff loans and advances (Secured)   |                          |                          |
| Staff loans and advances (Unsecured) |                          |                          |
| FDR's with Bank                      | 10,36,753                | 77,990                   |
| <b>Total</b>                         | <b>10,36,753</b>         | <b>77,990</b>            |

**Note No. 19**  
**Revenue from Operations**

(Figures in ₹)

| Particulars                             | 2014-15             | 2013-14             |
|---|---------------------|---------------------|
| <b>(A) Sale of Services</b>             |                     |                     |
| Design Consultancy                      |                     |                     |
| - Others                                | 2,98,32,329         | 13,53,072           |
| - Related Party                         | -                   | -                   |
| <b>Sub- Total</b>                       | <b>2,98,32,329</b>  | <b>13,53,072</b>    |
| Lease Rentals from Sub-Leasing of MFCs* |                     |                     |
| - Others                                | 8,09,47,124         | 48,57,106           |
| - Related Party                         | -                   | -                   |
| <b>Sub- Total</b>                       | <b>8,09,47,124</b>  | <b>48,57,106</b>    |
| Supply of Manpower                      |                     |                     |
| - Others                                | -                   | -                   |
| - Related Party                         | 17,78,21,930        | 26,78,03,029        |
| <b>Sub- Total</b>                       | <b>17,78,21,930</b> | <b>26,78,03,029</b> |
| Leasing of Plant & Machinery            |                     |                     |
| - Others                                | -                   | -                   |
| - Related Party                         | 6,16,99,378         | 2,12,37,804         |
| <b>Sub- Total</b>                       | <b>6,16,99,378</b>  | <b>2,12,37,804</b>  |
| <b>(b) Other operating Revenues</b>     |                     |                     |
| Execution of CSR projects               |                     |                     |
| - Others                                | 89,56,084           | -                   |
| - Related Party                         | 46,18,765           | 1,55,00,965         |
| <b>Sub- Total</b>                       | <b>1,35,74,849</b>  | <b>1,55,00,965</b>  |
| <b>Total</b>                            | <b>36,38,75,610</b> | <b>31,07,51,976</b> |

\*Refer note no. 38

**Note No. 20**  
**Other Income**

(Figures in ₹)

| Particulars   | 2014-15            | 2013-14          |
|---|--------------------|------------------|
| Interest on Bonds (Gross)                           | -                  | -                |
| Bank Interest Gross                                 | 43,84,426          | 40,77,695        |
| Interest on staff advances                          | 28,355             | 46,664           |
| Interest on Receivables & Advances                  | 1,75,63,553        | -                |
| Other non- operating income*                        |                    |                  |
| - from Others                                       | 10,91,403          | 10,92,465        |
| from Related Party<br>(Ircan International Limited) | 2,81,64,958        | 39,03,591        |
| <b>TOTAL</b>  | <b>5,12,32,695</b> | <b>91,20,415</b> |

\* Note: Refer Note no. 49

**Note No. 21**

**Cost of Operations, Employee Benefits Expense and Other Expenses**

(Figures in ₹)

| Particulars                               | Expenses for the year |                     | Other Expenses for the year |                  |
|---|-----------------------|---------------------|-----------------------------|------------------|
|   | 2014-15               | 2013-14             | 2014-15                     | 2013-14          |
| <b>1. Expenses</b>                        |                       |                     |                             |                  |
| Cost of Operations (i)                    | 5,71,25,165           | 1,79,42,535         |                             |                  |
| <b>Total of Work expenses</b>             | <b>5,71,25,165</b>    | <b>1,79,42,535</b>  |                             |                  |
| <b>2. Other Expenses</b>                  |                       |                     |                             |                  |
| Rates and Taxes                           | -                     | -                   | -                           | -                |
| Travelling & conveyance                   | -                     | 58,533              | 25,76,396                   | 21,08,849        |
| Printing & stationery                     | -                     | -                   | 1,23,421                    | 3,59,186         |
| Postage, telephone & telex                | -                     | -                   | 51,236                      | 37,680           |
| Legal & Professional charges              | -                     | 12,06,700           | 4,57,140                    | 8,38,788         |
| Insurance                                 | -                     | -                   | 1,88,313                    | 2,62,245         |
| Bank and other Financial Charges          | -                     | -                   | 3,06,155                    | 16,911           |
| Auditors remuneration (ii)                | -                     | -                   | 93,725                      | 81,500           |
| Advertisement & publicity                 | -                     | 30,10,067           | 22,14,227                   | 95,683           |
| Miscellaneous expenses                    | -                     | -                   | 3,32,124                    | 12,29,952        |
| Fee & subscription charges                | -                     | -                   | 22,69,822                   | 14,099           |
| Honorium                                  | -                     | -                   | 14,000                      | 22,100           |
| Repair & Maintenance                      | -                     | -                   | 11,600                      | 8,900            |
| <b>Total of other expenses</b>            | <b>-</b>              | <b>42,75,300</b>    |                             |                  |
| <b>Total Operating expenses (1+2)</b>     | <b>5,71,25,165</b>    | <b>2,22,17,835</b>  |                             |                  |
| <b>3. Employee benefits Expense</b>       |                       |                     |                             |                  |
| Salaries and wages                        | 6,28,83,048           | 9,63,50,977         |                             |                  |
| Contribution to provident and other funds | 18,18,162             | 23,23,950           |                             |                  |
| Provision for leave salary                | 3,82,850              | 36,64,026           |                             |                  |
| <b>Total of employee benefits Expense</b> | <b>6,50,84,060</b>    | <b>10,23,38,953</b> |                             |                  |
| <b>4. Exchange Fluctuation Loss</b>       |                       |                     |                             |                  |
| Exchange Fluctuation loss                 |                       |                     | 25,08,310                   | 11,77,700        |
| Less: Exchange Fluctuation Gain           |                       |                     | (19,06,658)                 | (2,42,086)       |
| Net exchange Fluctuation Loss             |                       |                     | 6,01,652                    | 9,35,614         |
| <b>Total Expenses</b>                     | <b>12,22,09,225</b>   | <b>12,45,56,788</b> | <b>92,39,811</b>            | <b>60,11,507</b> |

**(i) Break-up of Cost of Operations**

| Particulars   | 2014-15               | 2013-14               |
|---|-----------------------|-----------------------|
| Works Expenses- CSR                                   | 1,12,95,624.00        | 1,47,52,038.00        |
| Works Expenses -Consultancy works                     | 2,38,05,040.00        | 9,19,250.00           |
| Works Expenses - Leasing of MFCs                      | 1,74,28,098.00        | 6,06,220.00           |
| Works Expenses for operation & Maintenance of EMP LAB | 45,96,403.00          | 16,65,027.00          |
| <b>Total</b>  | <b>5,71,25,165.00</b> | <b>1,79,42,535.00</b> |

**(ii) Payment to Statutory Auditors:**

|  | 2014-15 | 2013-14 |
|--|---------|---------|
| (i) Audit Fee - current year                 | 63,250  | 55,000  |
| (ii) Tax Audit Fees - current year           | 18,975  | 16,500  |
| (iii) Travelling & out of pocket expenses:   |         |         |
| - Local                                      | 11,500  | 10,000  |
| Amount charged to Statement of Profit & Loss | 93,725  | 81,500  |

**Note No. 22**  
**Finance Cost**

(Figures in ₹)

| Particulars   | 2014-15            | 2013-14            |
|---|--------------------|--------------------|
| <b>Interest Expenses</b>  |                    |                    |
| - Interest on Loan from related party<br>(ICon International Limited) | 5,60,59,503        | 4,85,89,612        |
| <b>Total</b>  | <b>5,60,59,503</b> | <b>4,85,89,612</b> |

## **NOTES FORMING PART OF THE ACCOUNTS INCLUDING DISCLOSURES**

23. Contingent liability consists of amounts not provided for:
- (a) Claims against the company not acknowledged as debt ₹ Nil (₹ Nil).
- (b) Further, there are no litigations pending against the company.
24. Capital Commitment:
- Out of the total estimated value of contracts of ₹ **10,529.93 lakhs** (₹ 10,529.93 Lakhs) to be carried out as per memorandum of Understanding dt. 17.2.2009, the work to the tune of ₹ **9,684.53 lakhs** (₹ 9,575.50 lakhs) have been carried out which has been considered as Capital work in progress under fixed assets. The estimated amount of contracts amounting to ₹ **845.40 lakhs** (₹ 954.43 lakhs) are remaining to be executed on Capital Accounts and not provided for.
25. (a) Some of the balances shown under debtors, advances and creditors are subject to confirmation / reconciliation/ adjustment, if any. The Company has been sending letters for confirmation to parties included in the above.
- (b) Sales tax (including TDS), Value added tax (VAT), Service Tax and Income tax (including TDS) shown under advances are subject to confirmation/reconciliation/adjustment, if any.
- (c) 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.
26. Basic earnings per share are computed by dividing net profit after tax ₹ **1,092.60 Lakhs** (₹ 766.04 Lakhs) by **4,00,00,000** (4,00,00,000) no. of fully paid up equity shares. As there is no dilution involved, Diluted earnings per share is same as basic earnings per share.
27. a) The Company has not received any information from any of its suppliers of their being covered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). Based on this information, there are no amounts due to Micro, Small and Medium Enterprises as on 31st March 2015.
- b) 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 2015, is ₹ Nil (₹ Nil).
28. **(a) CIF value of Imports:**

(₹ in Lakhs)

| <b>Particulars</b>                          | <b>2014-15</b>  | <b>2013-14</b>  |
|---|-----------------|-----------------|
| Materials/ Machinery                        | Nil             | 1,120.16        |
| Consumables, Components and Spares          | Nil             | 113.85          |
| <b>TOTAL</b>                                | <b>Nil</b>      | <b>1,234.01</b> |
| <b>(b) Earnings in foreign currency:</b>    |                 |                 |
| Work Receipts                               | 2,395.22        | 2,890.41        |
| Bank Interest                               | 0.69            | 3.86            |
| Other Interest                              | 0.00            | 0.00            |
| Foreign Exchange Fluctuation Gain (Net)     | 0.00            | 0.00            |
| Others                                      | 281.65          | 42.10           |
| <b>TOTAL</b>                                | <b>2,677.56</b> | <b>2,936.37</b> |
| <b>(c) Expenditure in foreign currency:</b> |                 |                 |
| Operational Expenses                        | 507.57          | 899.97          |
| Consultancy charges                         | 1.42            | 3.14            |
| Foreign Exchange Fluctuation Loss (Net)     | 6.02            | 9.36            |
| Administrative & Other Expenses             | 101.71          | 89.03           |
| <b>TOTAL</b>                                | <b>616.72</b>   | <b>1,001.50</b> |

29. The persons working for Ircon Infrastructure & Services limited are posted on deputation basis and are on the rolls of Ircon International Limited. Their PF contribution, gratuity, leave encashment & other retirement benefits have been accounted for on the basis of Invoices/Debit Advices from its Holding company. The provision for Gratuity & other Retirement Benefits of employees on deputation in terms of AS-15(Revised) is being made by its Holding company as per accounting policy (Note No -1, Point No. (xvii)).
- However, the company has also employed certain employee on contract basis for Sri Lanka Project & Malaysia Project. The salary for these employees are booked in the Sri Lanka Branch & Malaysia Branch and no other retirement benefits are payable to them except Leave encashment which has been provided for in the books of accounts.
- Provident Fund Contribution of the employees on deputation has been regularly deposited by the holding company with its P.F Trust.
30. The Company has taken a loan of ₹ **650 lakhs** (₹ 2,784.43 Lakhs) during the year from its Holding Company. During the year a sum of ₹ **2,315.40 Lakhs** (₹ 1,369.75 Lakhs) have been repaid and Outstanding Loan comes to ₹ **3,150.00 Lakhs** (₹ 4,815.40 Lakhs). Interest during the year was paid on the loan is ₹ **560.59 Lakhs** (₹ 682.05 Lakhs).
31. (i) Ministry of Railways vide railway Budget 2009-10 announced development of Multi Functional Complexes(MFC's) at identified sites to be undertaken by IRCON International limited (IRCON) and Rail Land Development Authority (RLDA) jointly.
- (ii) Accordingly Memorandum of Understanding (MOU) was signed on 21.8.2009 between IRCON and RLDA. In terms of Memorandum of Understanding signed between IRCON and RLDA on 21st August 2009, the development, operation and maintenance of the Multi functional Complexes is to be done by wholly owned subsidiary (WOS) of IRCON. Further, the lease agreement for the MFC's was signed between RLDA and WOS i.e., Ircon Infrastructure and Services limited on 04-07-2013.
- (iii) All the expenditure directly or indirectly relating to construction activity are capitalised and is valued at cost. Indirect Expenditure /Incidental Expenditure during the construction period is capitalised as cost to the extent to which the expenditure is directly related to construction or is incidental thereto.
- (iv) During the year, 4 MFC projects earlier carried out under Capital work in Progress were capitalized and transferred to lease (commercial) Rights under intangible assets (fixed Assets) namely MFC -Digha, MFC- Gwalior, MFC-Indore & MFC- Jammu (Rail Yatri Niwas).
- (v) All the MFC Projects except MFC Jammu (Commercial Complex) has been capitalized and all the expenses & interest on Loan has been charged to the Profit & Loss Account during the year under consideration (which was earlier capitalized to various projects).
32. (i) Memorandum of Understanding (MOU) was signed on 03.11.2011 and 08.06.2012 between Ircon International Limited (IRCON) and Ircon Infrastructure & Services Limited (IrconISL). In terms of MOU, IRCON intends that some areas of Corporate Social Responsibility (CSR) works of IRCON be undertaken by IrconISL as a special agency, in tune with guidelines on CSR issued by DPE.
- (ii) As per MOU, IrconISL shall be paid fixed percentage of 5% towards IrconISL Margin over the cost of work by IRCON for execution of CSR activities. The revenue from the same is ₹ **46.19 Lakhs** (₹ 155.01 Lakhs) during the period.
- (iii) During the year, the revenue from the CSR works for various clients other than Ircon International Limited is ₹ **89.56 Lakhs** (₹ Nil).
33. As per Agreement between Ircon International Limited (IRCON) and Ircon Infrastructure & Services Limited (IrconISL) dated 26.12.2012, IrconISL has been awarded the work of "Supply of Manpower" to IRCON's Srilanka Project on Man-day rate basis. The revenue from the same is ₹ **1,315.08 Lakhs** (₹ 2,317.52 Lakhs) during the year. Expenditure incurred on the same is ₹ **521.48 lakhs** (₹ 909.56 lakhs).
34. As per Agreement between Ircon International Limited (IRCON) and Ircon Infrastructure & Services Limited (IrconISL) dated 31.03.2015, IrconISL has leased out "Duomatic Tamping Machine" to IRCON's Srilanka Project on Hire Charges w.e.f. 23.11.2013. The revenue from the same is ₹ **616.99 Lakhs** (₹ 212.38 Lakhs) during the year. Expenditure incurred on the same is ₹ **100.13 lakhs** (₹74.75 lakhs).

35. As per Agreement between Ircon International Limited (IRCON) and Ircon Infrastructure & Services Limited (IrconISL) dated 01.04.2013, IrconISL has been awarded the work of “Supply of Manpower” to IRCON’s Malaysia Project on Man-day rate basis. The revenue from the same is ₹ **463.14 Lakhs** (₹ 360.51 Lakhs) during the year. Expenditure incurred on the same is ₹ **4.40 lakhs** (₹ 17.19 lakhs).
36. The company has been awarded the work of Construction of Toilets under “Swacch Bharat Abhiyaan” by various clients. For the same, the company has initiated an expense of ₹ 10.23 Lakhs. The company has received a sum of ₹ 420.94 Lakhs as an advance against the said projects. There is no revenue from these projects during the year under consideration as the projects are yet to be started till 31-03-2015.
37. During the year, holding company has handed over the possession of EMP Lab along with assets at Jammu to the company for operation & Maintenance of EMP Lab. The Company has incurred an expense of ₹ **45.96 Lakhs** on operation & Maintenance of EMP Lab at Jammu during the year, which is charged to Profit & Loss account and above includes electricity expenses of ₹ **0.76 Lakhs** for which bills are in the name of Ircon International Limited. These are the initial expenses for manpower & other administrative expenses. The Company has already applied for NABL accreditation and the revenue from the same is expected in coming year.
38. The company has Sub- leased 19 MFCs. For the same, company has received/ receivable one-time down payment and monthly rental from the Sub- lessee. The total revenue recognize under lease is ₹ **809.47 Lakhs** (₹ 48.57 Lakhs) during the year. 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 prorata basis.
39. Disclosure regarding leases:
- I. The Company has not taken any assets on operating lease.**
- II. Operating Leases for Multi-Functional Complexes:**
- (a) The Company has Sub – Leased 19 (Nineteen) MFCs to the various sub- lessees as on 31-03-2015.
- (b) Future minimum lease rental Payable / receivable under non- cancellable lease are as under:

(₹ in lakhs)

| Lease Rent | Not later than 1 year | Late than 1 year to 5 years | Later than 5 years |
|------------|-----------------------|-----------------------------|--------------------|
| Receivable | 1,385.72 (314.71)     | 1,395.02 (958.26)           | Nil (Nil)          |
| Payable    | Nil (Nil)             | Nil (Nil)                   | Nil (Nil)          |

(c) Disclosure of Depreciation/ Amortisation in respect of leased MFCs for the year:

(₹ in lakhs)

| Particulars of assets                  | 2014-15  | 2013-14  |
|--|----------|----------|
| Gross carrying amount of Assets        | 9,594.41 | 2,046.58 |
| Accumulated Depreciation/ Amortisation | 162.64   | 15.67    |

(₹ in lakhs)

| Particulars                             | 2014-15 | 2013-14 |
|---|---------|---------|
| Depreciation/ Amortisation for the year | 146.97  | 15.67   |

**III. Details of Assets given on Lease**

Operating Leases for Duomatic Tamping Machine:

- (a) The Company has provided 1 (One) Duomatic Tamping Machine on Lease to Holding company – Ircon International Limited as on 31-03-2015.
- (b) This lease is not non-cancellable.
- (c) The Lease income recognizes during the year is ₹ **616.99 Lakhs** (₹ 212.38 Lakhs).

- (d) In this leasing arrangement, the Duomatic Tamping machine is leased without operators and consumables.
- (e) Monthly rental for the machine is receivable in form of Fixed and variable rental. Variable rentals are payable by lessee on a pre- determined rate on the basis of excess working hours over the normal working hours.

40. **Segment Reporting:**

**Primary Segment information (Geographic):**

(₹ in lakhs)

| Particulars  | International   |          | Domestic         |           | Total            |           |
|--|-----------------|----------|------------------|-----------|------------------|-----------|
|  | 2014-15         | 2013-14  | 2014-15          | 2013-14   | 2014-15          | 2013-14   |
| <b>A. Turnover</b>                                       |                 |          |                  |           |                  |           |
| Revenue from Operations                                  | <b>2,395.22</b> | 2,890.41 | <b>1,243.54</b>  | 217.11    | <b>3,638.76</b>  | 3,107.52  |
| Other Income   | <b>282.34</b>   | 45.97    | <b>229.99</b>    | 45.24     | <b>512.33</b>    | 91.21     |
| Inter-segment  |                 | -        |                  |           |                  | -         |
| Total Revenue  | <b>2,677.56</b> | 2,936.38 | <b>1,473.53</b>  | 262.35    | <b>4,151.09</b>  | 3,198.73  |
| <b>B. Result</b>   |                 |          |                  |           |                  |           |
| Profit before Provision, Depreciation, Interest and Tax. | <b>2,163.87</b> | 2,045.78 | <b>676.55</b>    | -116.11   | <b>2,840.42</b>  | 1,929.67  |
| Less: Provision & write backs (Net)                      | <b>3.83</b>     | 36.64    | -                | -         | <b>3.83</b>      | 36.64     |
| Depreciation   | <b>98.91</b>    | 50.63    | <b>148.32</b>    | 15.96     | <b>247.23</b>    | 66.59     |
| Interest   | <b>0.29</b>     | 23.63    | <b>560.30</b>    | 462.26    | <b>560.59</b>    | 485.89    |
| Profit Before Tax  | <b>2,060.84</b> | 1,934.88 | <b>-32.07</b>    | -594.33   | <b>2,028.77</b>  | 1,340.55  |
| Tax Expense  | <b>331.36</b>   | 648.46   | <b>604.81</b>    | -73.95    | <b>936.17</b>    | 574.51    |
| Profit After Tax   | <b>1,729.48</b> | 1,286.42 | <b>-636.88</b>   | -520.38   | <b>1,092.60</b>  | 766.04    |
| <b>C. Other Information</b>                              |                 |          |                  |           |                  |           |
| Assets   | <b>1,929.18</b> | 2,058.57 | <b>15,013.87</b> | 10,389.55 | <b>16,943.05</b> | 12,448.12 |
| Include Fixed Assets (Net Block)                         |                 |          |                  |           |                  |           |
| Liabilities  | <b>420.58</b>   | 113.72   | <b>7,711.11</b>  | 7,115.64  | <b>8,131.69</b>  | 7,229.36  |
| Capital Expenditure: Additions to Fixed Assets           | -               | 1,266.75 | <b>112.61</b>    | 691.61    | <b>112.61</b>    | 1,958.36  |

**Secondary Segment information (Business):**

(₹ in lakhs)

| Particulars                  | Operating Income |          | Segment Assets   |           | Additions to Fixed Assets |          |
|------------------------------|------------------|----------|------------------|-----------|---------------------------|----------|
|                              | 2014-15          | 2013-14  | 2014-15          | 2013-14   | 2014-15                   | 2013-14  |
| Consultancy                  | <b>298.32</b>    | 13.53    | -                | -         | -                         | -        |
| Supply of Manpower           | <b>1,778.22</b>  | 2,678.03 | <b>654.49</b>    | 579.44    | -                         | -        |
| Sub- Leasing of MFCs         | <b>809.47</b>    | 48.57    | <b>10,291.39</b> | 9,697.71  | <b>109.04</b>             | 690.1    |
| Leasing of Plant & Machinery | <b>616.99</b>    | 212.38   | <b>1,275.06</b>  | 1,479.13  | -                         | 1,266.75 |
| Others                       | <b>135.75</b>    | 155.01   | <b>4722.11</b>   | 708.38    | <b>3.57</b>               | 1.51     |
| <b>Total</b>                 | <b>3,638.76</b>  | 3,107.52 | <b>16,943.05</b> | 12,464.66 | <b>112.61</b>             | 1,958.36 |

41. a. 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:

i. Holding Company: Ircon International Limited.

ii. Key Management personnel:

Directors: Shri Hitesh Khanna, Shri Anil Jain, Shri Surajit Dutta and Shri A K Goel.

Others: Shri C.K. Nayar, CEO, Shri Aniket Khetrpal, CFO, Ms. Deepshikha Gupta, Company Secretary

c. Remuneration to Key management personnel are as under:

(₹ in Lakhs)

| S. No | Particulars                     | 2014-15      | 2013-14      |
|-------|---------------------------------|--------------|--------------|
| 1     | Salary & Allowances             | 50.79        | 54.22        |
| 2     | Contribution to Provident Fund* | 4.34         | 3.22         |
|       | <b>Total</b>                    | <b>55.13</b> | <b>57.44</b> |

\*Refer note no. 29

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. Related Party Transactions

(₹ in Lakhs)

| Particulars  | Transactions         |          | Outstanding Amount |          |
|--|----------------------|----------|--------------------|----------|
|  | 2014-15              | 2013-14  | 2014-15            | 2013-14  |
| Remuneration to Key management personnel (b above)   | As per Note no 41(c) |          | Nil                | Nil      |
| Amount payable against Services & Purchase of Goods from Holding Company                     | 119.50               | 504.73   | 102.99             | 262.24   |
| Reimbursement of remuneration to staff as salary & Wages, PF contribution, travelling , etc. | 78.36                | 99.99    | 219.61             | 158.39   |
| Advance recoverable from Holding Company   | 0.00                 | (79.55)  | 0.00               | 0.00     |
| Revenue income from Holding company  | 2,727.19             | 3,084.45 | 725.57             | 918.56   |
| Loan from Holding Company*   | (1665.40)            | 1,414.68 | 3150.00            | 4,815.40 |
| Interest payable on Loan taken from Holding company  | 560.60               | 682.05   | 504.24             | 613.84   |
| Advance received from Holding company  | 0.00                 | 153.58   | 0.00               | 2.30     |
| Share Application Money received from Holding company  | 2,500.00             | -        | 2,500.00           | -        |

\*During the Company has taken a loan of ₹ 650.00 lakhs and repaid ₹ 2,315.40 lakhs.

42. The Company does not have any inventory as at 31st March 2015

43. The Company has carried out the assessment on impairment of individual assets by working out the recoverable amount based on lower of the net realisable value and carrying cost during the year in terms of AS 28 "Impairment of Assets" notified by the Companies (Accounting standards) Rules, 2006. The impairment loss is ₹ Nil (₹ Nil).

44. During the year, the Company has changed its accounting policy relating to charging of depreciation by adopting provisions/rates containing in Schedule II of the Companies Act, 2013. Due to this change, depreciation for the year is lower by ₹ 38.58 Lakhs & PBT is higher by ₹ 38.58 Lakhs.

45. The Company does not have any prior period income or expenses during the year.

46. The provision of CSR as per section 135 of the Companies Act' 2013 are not applicable to the Company, as the net profit of the Company from its operation in India is less than ₹ **500.00 Lakhs**.

| SI.No. | Particulars  | Amount (₹ in Lakhs) |
|--------|--|---------------------|
| (a)    | Gross Amount required to be spent by the Company during the year | NIL                 |
| (b)    | Amount Spent during the year                                     | Nil                 |

47. **Disclosure regarding capitalization of borrowing cost:**

The Company has capitalized borrowing cost that is directly attributable to acquisition, construction or production of a qualifying asset as part of the cost of the asset. The details are follows:

(₹ in lakhs)

| SI. No. | Name of Assets                               | Borrowing cost capitalized as cost of asset |         |
|---------|--|---|---------|
|         |  | 2014-15                                     | 2013-14 |
| A.      | Multi-Functional Complexes (MFCs)            | -   | 185.12  |
| B.      | Duomatic Tamping Machine (Plant & Machinery) | -   | 11.03   |

48. Fees & Subscription charges under the head "other Charges" includes ROC fees & Stamp duty expenses ₹ **22.50 Lakhs** for increasing Authorised Capital of the Company.
49. Other Income includes a sum of ₹ 281.65 Lakhs as reimbursement of Taxes paid in Srilanka for the financial year 2013-14 from its Holding Company i.e. Ircon International Limited.
50. The Company does not see any material foreseeable losses on any long term contracts entered by the Company, therefore no provision is required in this respect. Further the company has not entered into any derivative contracts during the year under consideration
51. Previous year figure have been regrouped, rearranged and recast wherever necessary to make it comparable to the current year's classification. Figures shown in brackets ( ) represent previous year figures.

As per our report of even date attached

**For RSPH & ASSOCIATES**

Chartered Accountants

FRN – 003013N

For and on behalf of Board of Directors

**CA Tarun Kumar Batra**  
(Partner)  
M. No. 094318

**Aniket Khetrpal**  
C.F.O.

**C. K. Nayar**  
C.E.O.

**Deepshikha Gupta**  
Co. Secy.

**Surajit Dutta**  
Director  
(DIN-06687032)

**Hitesh Khanna**  
Chairman  
(DIN-02789681)

**Place :** New Delhi  
**Date :** 27/07/2015





# *Auditors' Report*



## **INDEPENDENT AUDITOR'S REPORT**

**To The Members of  
Ircon Infrastructure and Services Ltd.  
New Delhi**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of M/s Ircon Infrastructure and Services Ltd. ("the Company"), which comprise the Balance Sheet as at March 31, 2015, and the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity

with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2015 and its profit and its cash flows for the year ended on that date.

### **Emphasis of Matters**

**We draw attention to the following matters in the notes to the financial statements:-**

- a. *Note No. 29, to the financial statements which states that the persons working in the company are on deputation basis and are on the roll of its holding company & therefore provision for gratuity & other retirements benefits of employees on deputation in terms of AS-15 is being made by its holding company*

Our opinion is not modified in respect of these matters.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required u/s 143(5) report on the sub-directions issued by the Controller and Auditor general of India u/s 143(5) of the Companies Act is enclosed as per Annexure II & III.
3. As required by section 143(3) of the Act, we report that:-
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 and the cash flow statement dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards 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 31st March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2015 from being appointed as a director in terms of Section 164 (2) of the Act;
  - f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, In our opinion and to the best of our information and according to the explanations given to us :-
    - i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements - **Refer Note No. 23 to the 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; **Refer Note No. 50 to the financial statements** and
    - iii. There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise

**For R S P H & Associates**  
**Chartered Accountants**  
**FRN : 003013N**

**(CA.Tarun kumar Batra)**  
**Partner**  
**Membership No:094318**

**Place: New Delhi**  
**Date: 27/07/2015**

## Annexure to the auditors' report

The annexure referred to in Para 1 of “**Report on Other Legal and Regulatory Requirements**” of the Independent auditors’ report of even date to the members of **Ircon Infrastructure and Services Ltd. (the Company)** on the accounts of the company for the year ended March 31, 2015. We report that:

- (i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) As explained to us, fixed assets, according to the practice of the Company, are physically verified by the management at reasonable intervals, in a phased verification programme, which in our opinion, is reasonable, looking to the size of the company and the nature of its business. No material discrepancies were noticed on such verifications.
- (ii) a) There is no inventory in the company.
- b) Since there is no inventory, question of physical verification does not arise.
- c) Since there is no inventory, question of maintaining any records of inventory does not arise.
- (iii) According to information and explanation given to us by the management and records produced, the Company has neither granted nor accepted any secured or unsecured loans to/from Companies covered in the register maintained under Section 189 of the Companies Act, 2013,
- Thus, clause (iii) (a), (iii) (b) of paragraph 4 of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchases of inventories and fixed assets and sale of publications and other allied services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us we have neither come across nor have been informed of any continuing failure to correct major weakness in the aforesaid internal control procedures.
- (v) The Company has not accepted any deposits from the public covered under section 73 to 76 of the Companies Act’2013.
- (vi) We have been informed by the management, no cost records have been prescribed under section 148(1) of the Companies Act’2013 in respect of Services rendered by the company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues were in arrears as at 31st March 2015 for a period of more than six months from the date they became payable except as stated hereunder:-

| Nature of Statute | Period to which amount relates | Nature of Dues | Amount | Forum where dispute is pending |
|-------------------|--------------------------------|----------------|--------|--------------------------------|
| Nil               | Nil                            | Nil            | Nil    | Nil                            |

- (c) According to the information and explanations given to us, there has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of reporting delay in transferring such sums does not arise.

- (viii) The Company does not have any accumulated losses at the end of the financial year and the company has not incurred cash losses during the financial year covered by audit and there was no cash loss in immediately preceding financial year.
- (ix) As per information and explanations given to us, there are no dues due to financial institutions, banks and debenture-holders. Accordingly, the provisions of Clause 4(ix) of the Companies Act (Auditors' Report) Order, 2015 are not applicable to the Company.
- (x) The Company has not given any guarantee for loans taken by others from banks or financial institutions, the terms and conditions whereof are prejudicial to the interest of the Company.
- (xi) As per information & explanations given by the Company, no term loans have been raised by the company. Accordingly, the provisions of Clause 4(xi) of the Companies Act (Auditors' Report) Order, 2015 are not applicable to the Company.
- (xii) During the course of examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanation given to us, we have neither come across any instances of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

**For R S P H & Associates**  
**Chartered Accountants**  
**FRN : 003013N**

**(CA.Tarun kumar Batra)**  
**Partner**  
**Membership No:094318**

**Place: New Delhi**  
**Date: 27/07/2015**

**Report on directions issued by the Comptroller & Auditor General of India Section 143(5) of the Companies Act, 2013 for specific areas to be examined during the course of audit of annual accounts of (Ircn Infrastructure and Services Limited) for the year (2014-2015)**

**Annexure-II**

| <b>S. No.</b> | <b>Particular</b>  | <b>Auditor's Remarks</b>  |
|---------------|--|---|
| 1.            | If the company has been selected for the disinvestment a complete status report in terms of valuation of assets (Including intangible assets and Land) and Liabilities ( Including committed & General Reserve) May be examined including the mode and present stage of disinvestment process. | NA, since company is not select for any disinvestment.  |
| 2.            | Please Report Whether there are any cases of waiver / write off of debts/loans /interest etc..., if yes, The reasons there for and the amount involved.  | No Such Cases   |
| 3.            | Whether Proper Records are maintained for inventories lying with parties & Assets received as gift from Govt. or other authorities.  | The company does not have any inventory. Further no inventories are lying with any third party.<br>No assets has been received as gift from Govt. or other authorities. |
| 4.            | A Report on age- wise analysis/arbitration cases including the reason of pendency and existence / effectiveness of a monitoring mechanism for expenditure on all legal cases ( foreign and local ) may be given.   | NIL   |

**For R S P H & Associates  
Chartered Accountants  
FRN : 003013N**

**(CA.Tarun kumar Batra)  
Partner  
Membership No:094318**

**Date: 27.07.2015  
Place: New Delhi**

**Annexure-III**

| S.No. | Particular  | Auditor's Remarks   |
|-------|---|---|
| 1.    | <p><b>Land</b></p> <p>Whether the company has clear title / lease deeds for freehold land respectively? If not, Please state the area of freehold and leasehold for which title / lease deeds are not available.</p>  | <p>The Company does not own any freehold Land or Lease deed pending for freehold/ leasehold land</p>  |
| 2.    | <p><b>Confirmation of balances</b></p> <p>Whether amount of (a) trade receivables (b) trade payables (d) loans and advances for which third party confirmation was not made available has been reported?</p> <p>Where such balances have been confirmed by respective parties, whether it varies widely from the amount reflected under respective heads in the financial statements, and if so, differences to be disclosed.</p> | <p>Some of the balance of Trade Receivables, Payables and Loans and Advances are subject to confirmation / reconciliation / adjustment, if any, <b>Refer to note no 25(a)</b></p> <p>No irreconcilable difference</p>   |
| 3.    | <p><b>Reconciliation of deposits</b></p> <p>Whether the deposit/ advances made by the company to the customs, excise, income tax, sales tax (vat), service tax and other authorities have been verified and reconciled with the respective authorities?</p>   | <p>The same has been verified from the returns and records. Some differences are appearing in service tax returns filed for which it has been informed to us that the same has to be revised.</p>   |
| 4.    | <p><b>Employees Benefits</b></p> <p>Independent verification may be made of information/ inputs furnished to actuary, viz number of employees average salary retirement age and assumption made by actuary regarding discount rate, future cost increase, mortality rate, etc for arriving at the provision for liability of retirement benefits viz gratuity , leave encashment, post retirement medical benefits etc.</p>       | <p>The persons working for Ircon Infrastructure and 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 &amp; other retirement benefits have been accounted for on the basis of Invoice/ Debit Advices from its Holding Company. The Provision for Gratuity &amp; Other Retirement Benefits of employees on deputation in term of AS-15 (Revised) is being made by its Holding Company as per accounting policy (Note No 1, Point no xvii), therefore no inputs has been sent by the company to the actuary as the same is done by its holding company. <b>Refer Note no 29.</b></p> |

**R S P H & Associates**  
**Chartered Accountants**  
FRN : 003013N

**CA.Tarun kumar Batra**  
**Partner**  
Membership No:094318

**Date: 27.07.2015**  
**Place: New Delhi**

## **Compliance Certificate**

We have conducted the audit of accounts of **(Iicon Infrastructure & Services Limited)** for the year (2014-2015). In accordance with the directions / sub-directions issued by the Comptroller & Auditor General of India under section 143(5) of the Companies Act' 2013 and certify that we have complied with all the directions /sub- directions issued to us.

**R S P H & Associates**  
**Chartered Accountants**  
**FRN : 003013N**

**CA.Tarun kumar Batra**  
**Partner**  
**Membership No:094318**

**Date: 27.07.2015**  
**Place: New Delhi**



*C&AG  
Comments*



**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA  
UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL  
STATEMENTS OF IRCON INFRASTRUCTURE AND SERVICES LIMITED FOR THE  
YEAR ENDED 31ST MARCH 2015**

The preparation of financial statements of **IRCON INFRASTRUCTURE AND SERVICES LIMITED**, New Delhi for the year ended 31 March 2015 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with 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 27.07.2015.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6) (a) of the Act of the financial statements of **IRCON INFRASTRUCTURE AND SERVICES LIMITED** for the year ended 31st March 2015. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

**For and on the behalf of the  
Comptroller and Auditor General of India**

**(Dinesh Bhargav)  
Principal Director of Audit  
(Railway Commercial)**

**Place: New Delhi  
Date: 11.09.2015**



**IRCON INFRASTRUCTURE & SERVICES LIMITED**

**(A wholly owned subsidiary of Ircon International Limited)**

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