



# Annual Report 2015-2016

**इरकॉन**

**इरकॉन इन्टरनेशनल लिमिटेड**  
**IRCON INTERNATIONAL LIMITED**

**ircon**

# VISION

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



# MISSION

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



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## Registered Office

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E-mail: [info@ircon.org](mailto:info@ircon.org) Website: [www.ircon.org](http://www.ircon.org) CIN: U45203DL1976GOI008171

## Joint Statutory Auditors

M/s. V.K. Dhingra & Co.  
Chartered Accountants

## Cost Auditor

M/s. Chandra Wadhwa & Co.  
Cost Accountants

## Company Secretary

Sumita Sharma

## Secretarial Auditor

M/s. Vishal Agarwal & Associates  
Company Secretaries

## Main Bankers

Indian Overseas Bank  
State Bank of India  
HDFC Bank



Corporate Office Building of Ircon at Saket, New Delhi

# BOARD OF DIRECTORS

## Chairman & Managing Director



**Mohan Tiwari**

## Whole-Time Directors



**K. K. Garg**  
Director Finance  
(Up to 30.04.2016)



**M.K. Singh**  
Director Finance  
(w.e.f. 01.05.2016)



**Deepak Sabhlok**  
Director Projects



**Hitesh Khanna**  
Director Works

## Part-Time (Official) Directors



**H. K. Kala**  
(Up to 30.06.2016)



**Anjum Pervez**

## Independent Directors



**S. K. Singh**  
(w.e.f. 05.04.2016)



**Avineesh Matta**  
(w.e.f. 08.04.2016)



**Prof. Vasudha V. Kamat**  
(w.e.f. 22.04.2016)



# CHAIRMAN'S ADDRESS



## **Distinguished Shareholders,**

It is a great pleasure for me to welcome you all to this 40<sup>th</sup> Annual General Meeting of Ircon.

Your Company has completed illustrious four decades of profitable existence in construction sector by executing numerous prestigious and nation building projects in India as well as abroad. This track record has enabled your Company to pay back a sum of more than Rs. 1000 crore by way of dividend to its shareholders, against the seed capital of Rs. 5 crore approx.

I would like to share with you that despite reduction in the turnover your Company is one of the only four Indian company which figures in top 250 international contractors as listed by Engineering News Record (ENR) in August 2016. I believe you would have gone through the financial statements and related reports for the year 2015-16. I would now like to highlights some salient features of the performance during the year as well as emerging scenario.

## **Financial profile**

There has been a dip in the operating turnover and profit before tax this year as compared to the last few years primarily on account of completion of mega foreign projects. Your Company recorded an operating turnover of Rs. 2403 crore during 2015-16. Foreign projects have accounted for 18% of this turnover, which is 51% less than the previous year's contribution by such projects. There has been a corresponding fall in the profit before tax which stood at Rs.567 crore, registering a decline of 33% approx.

Your Company is confident of surmounting the decline in the turnover and profitability with sizeable order book of more than Rs.17,000 crore.

## **Dividend**

In addition to the interim dividend of 400% on the paid-up share capital already paid in March 2016, your Company has proposed a further dividend of 450% of the paid-up share capital amounting to Rs. 89.08 crore. With this, the total dividend pay-out for 2015-16 would stand at 850% of the paid-up share capital, which is 44.36% of the post-tax profits.

## **Bonus Shares**

On account of notable Net worth amounting to Rs. 3530 crore as on 31<sup>st</sup> March 2016, your Company proposes to issue bonus shares for the third time in a span of 11 years. The earlier bonus issues of 1:1 in April 2005 and October 2012 had raised the paid-up share capital from Rs. 4.949 crore to the present Rs.19.796 crore.

The size of present proposed bonus issue of 1:4, i.e. four equity shares for every one equity share held, would take the paid-up share capital to Rs. 98.98 crores.

## **Authorized Equity Share Capital**

With the proposed bonus issue the paid-up share capital of the Company (at Rs. 98.98 crore) would be nearing to its present authorized share capital (at Rs. 100 crore). Your Company proposes to increase its authorized share capital to Rs. 400 crore to broaden the capital base.

## **Business profile**

To march on a higher growth trajectory, your Company is vying for more projects in foreign countries and further increase turnover from Indian Projects. Securing these new foreign projects assumes importance in the wake of better profit margins afforded by them as compared to domestic projects.

Your Company is already executing Majuba Rail project in South Africa; Installation of double track laying project in Algeria; turnkey electrical sub-station project in Bhutan; and Khulna-Mongna Port Rail line, Construction of 2<sup>nd</sup> Bhairab Railway Bridge, and Turnkey project for signaling system between Ishurdi-Darsana section all three in Bangladesh; etc.

On the home front, the projects being executed by your Company include railway projects, road projects, dedicated freight corridor projects, turnkey electrical projects, metro projects, etc. in various states of India.

EPC is presently the favoured mode of project execution by Indian Construction Industry wherein the project owners/clients award complete projects as single lump sum turnkey contract. Your Company, having required technological and financial capabilities, is well geared to take up turnkey projects in EPC mode with overall responsibilities to complete the projects.

Your Company has also formed two special purpose vehicles to execute road projects on BOT/DBFOT basis as well as holds strategic share in joint venture companies formed for coal connectivity projects in three states of India. Ircan also has responsibility for implementation of these projects.

#### **Ircan – as a conglomerate**

With addition of one more joint venture company viz. Bastar Railway Private Limited, formed on 5<sup>th</sup> May 2016, Ircan Group now comprises:

- \* four subsidiaries viz. Ircan Infrastructure & Services Limited, Indian Railway Stations Development Corporation Limited, Ircan PB Tollway Limited, Ircan Shivpuri Guna Tollway Limited and
- \* six JVCs in India viz. Ircan-Soma Tollway Private Limited, Chhattisgarh East Railway Limited, Chhattisgarh East-West Railway Limited, Mahanadi Coal Railway Limited, Jharkhand Central Railway Limited, and Bastar Railway Private Limited

Your Company has divested its stake of 25% in the Companhia Dos Caminhos De Ferro Da Beira SA (CCFB), a joint venture company formed for execution of Beira Rail Concession Project in Mozambique, consequent upon receipt of payment in terms of Settlement Agreement dated 21<sup>st</sup> October 2015 with Government of Mozambique in respect of dispute regarding termination of Concession. Your Company would be able to recover its entire investment in CCFB with a reasonable return on investment.

Ircan as a group offers the entire spectrum of infrastructure services in the areas of railway construction, bridges,

construction of roads, highways, commercial, industrial and residential complexes, electrical and distribution system, metro and mass rapid transit system, etc.

#### **Corporate Governance, CSR and Sustainability**

Your Company adheres to the requirements of corporate governance under the DPE Corporate Governance Guidelines, and other legal requirements.

On the CSR and Sustainability front, your Company has taken initiatives in the field of health, education, infrastructure development, rural development, conservation of environment, in addition to facilitating differently abled persons. The Company has spent an amount of Rs. 6.15 crore on CSR & Sustainability during the year 2015-16 against the budget of Rs. 6.03 crore.

#### **Emerging Milieu**

The Company has made a paradigm shift from income generation to sustainable wealth creation through its subsidiaries and joint venture companies. These companies are likely to generate revenue and profits on a sustained basis. It is expected that projects with a capex (capital expenditure) of Rs. 12,000 crore approx. would be executed by these companies in the next five years. The portfolio of your Company will have 1232 lane kms of toll road and 1000 track km of railway lines for coal and iron ore connectivity. These assets are also required to be maintained. Thus, your Company would be gradually moving from a construction company to a conglomerate having a portfolio of EPC and other contracts as well as Project Development and operation through JVs/ SPVs.

#### **Acknowledgements**

Your Company has come a long way in the last four decades but still has miles to go.

I, on behalf of the Board of Directors, express my heartfelt thanks for goodwill and co-operation extended to the Company by the shareholders, customers, Railway Board and other Ministries, Embassies, Bankers, and all other stakeholders. I would also like to record sincere appreciation for dedication and devotion displayed by the employees of the Company who have been instrumental in the growth of your Company. It is my firm belief that Ircan with all its achievements, potential, and talent, has the tenacity to meet the need of accelerated infrastructure development of the Country.

**Mohan Tiwari**

Chairman & Managing Director  
(DIN: 00191363)

Place : New Delhi

Date : 28<sup>th</sup> September 2016



## DIRECTORS' REPORT

### DISTINGUISHED SHAREHOLDERS

The Directors of your Company have pleasure in presenting their 40<sup>th</sup> Report on the affairs of the Company for the financial year 2015-16.

### PERFORMANCE HIGHLIGHTS

During the financial year 2015-16, your Company achieved a total operating income of Rs. 2403 crore and profit before tax of Rs. 567 crore as compared to operating income of Rs. 2950 crore and profit before tax of Rs. 844 crore achieved during the previous financial year.

The decline of about 18.54% in operating income is mainly on account of completion of mega foreign projects in Sri Lanka. Delay in starting major projects in India due to land acquisition and statutory clearances led to lower contribution to operating income by Indian projects. Since foreign projects have high profit margins, the overall profit before tax has registered a decline of 32.82%.

### FINANCIAL HIGHLIGHTS

Some important indicators of financial performance of the Company for the year 2015-16 *vis-à-vis* 2014-15 are given below:

#### A. Financial Performance Indicators:

(Rs. in crore)

Sl. No.	Particulars	2015-16	2014-15	Increase / (Decrease) [in %]
1.	Total income	<b>2703</b>	3122	(13.42%)
2.	Total Operating income	<b>2403</b>	2950	(18.54%)
3.	Operating income from Foreign Projects	<b>434</b>	877	(50.51%)
4.	Operating income from Indian Projects	<b>1969</b>	2073	(5.02%)
5.	Profit before tax	<b>567</b>	844	(32.82%)
6.	Profit after tax	<b>379</b>	579	(34.54 %)
7.	Net worth	<b>3530</b>	3354	5.25 %
8.	Dividend	<b>168.26</b>	182.12	(7.61%)

#### B. Foreign Exchange Earnings and Outgo

The Company has earned a foreign exchange of Rs. 480 crore during 2015-16 as compared to Rs. 842 crore earned during 2014-15. The foreign exchange outgo stood at Rs. 360 crore during 2015-16 as compared to Rs. 424 crore during 2014-15. Thus, the net foreign exchange earnings have decreased by 71.29% from Rs. 418 crore in 2014-15 to Rs. 120 crore in 2015-16 due to completion of foreign projects as stated above.

#### C. Dividend

The Board of Directors (BoD) had declared in February 2016 an interim dividend of Rs. 79.184 crore (approx.) @ Rs. 40/- per share i.e. 400% on the paid-up share capital of Rs. 19.796 crore, which was paid to the shareholders in March 2016. The BoD has recommended further dividend (over and above the interim dividend) @ Rs. 45 per share i.e. 450% on the paid-up share capital for declaration by the shareholders, which would amount to Rs. 89.08 crore approximately. With this, the total dividend for the year 2015-16 would amount to Rs. 168.26 crore @ Rs. 85 for every Rs. 10 share (i.e. 850% of paid-up share capital) which works out to 44.36% of the post-tax profits of Rs. 379.27 crore. After approval and payment of the proposed dividend, the cumulative dividend to shareholders up to 2015-16 will stand at Rs. 1107.51 crore.

#### D. Appropriations/ Tax Provisions/ Reserves

(Rs. in crore)

Sl. No.	Particulars	2015-16	2014-15
1	Interim Dividend	<b>79.18</b>	79.18
2	Proposed Final Dividend	<b>89.08</b>	102.94
3	Tax on Interim Dividend	<b>16.12</b>	15.83
4	Tax on Proposed final dividend	<b>18.14</b>	20.96
5	Transfer to / (from) CSR Activities Reserve	-	(1.71)
6	Transfer to General Reserve	<b>176.75</b>	362.19

#### ORDER BOOK

The Company secured works worth Rs. 7461 crore during the year 2015-16. The work load as on 31<sup>st</sup> March 2016

stood at Rs. 17569 crore as compared to Rs. 13293 crore as on 31<sup>st</sup> March 2015. The present work load as on 31<sup>st</sup> August 2016 is Rs. 17910 crore.

## OPERATIONAL PERFORMANCE

### A. Foreign Projects Completed:

Your Company completed following projects during 2015-16:

#### Malaysia

1. After continuous operation for 22 years, the contract for leasing and maintenance of meter gauge diesel electric locomotives on Malaysian Railway System (KTMB) was successfully completed on 31<sup>st</sup> December 2015. The last extension of this contract was given by KTMB for 2 years, which was valid upto 31<sup>st</sup> December 2015 at an annual value of USD 6.988 million and total contract value for these two years was USD 13.976 million.

#### Sri Lanka

2. Your Company had completed five projects in the last three years in the northern province of Sri Lanka viz. (i) Track work for restoration of Medawachchiya to Madhu Road Railway line – completed in the year 2012-13 (ii) Design, supply, installation, testing and commissioning of signalling and telecommunication system for Railway Line from Anuradhapura to Kankensanthurai and from Medawachchiya to Talaimannar Pier, (iii) Re-construction of Railway Line from Omanthai to Pallai – both completed in the year 2013-14, (iv) Re-construction of railway line from Pallai to Kankensanthurai, and (v) Re-construction of Railway Line from Madhu Road to Talai Mannar – both completed in the year 2014-15. Due to change in contract escalations and modifications in the scope of the contract values of these projects, your Company has signed revised contract agreement for variations in the project in the northern province of Sri Lanka, at a value of Rs. 158 crore. These variations and modifications in scope of work have also been completed during the year 2015-16.

### B. New / On-going Foreign projects:

Your Company is executing the following six major projects in foreign countries – three out of these six projects are in Bangladesh and one each in Algeria, Bhutan, and South Africa.

#### Bangladesh

1. Construction of 2<sup>nd</sup> Bhairab Railway Bridge with Approach Rail Lines (Lot-A) -- being undertaken through unincorporated JV between your Company and AFCONS viz. IRCON-AFCONS JV, at a value of Rs. 226 crore (Ircon's share). Physical work has started in December 2013. The project is likely to be completed in March 2017.
2. Design, Supply, Installation, Testing, and Commissioning of Computer based Interlocking Colour Light Signalling System on turnkey basis at 11 stations between Ishurdi-Darsana section of Bangladesh, at a value of Rs. 60 crore. Physical work has commenced in June 2014. The work is scheduled to be completed in September 2017.
3. Construction of Embankment, Track, all civil works, major & minor bridges (Except Rupsha) & culverts and implementation of EMP against Package WD1 under the project Construction of Khulna-Mongla Port Rail Line for Bangladesh Railway, at a value of Rs. 971 crore (USD 147.80 million). The work was commenced in March 2016 and is scheduled to be completed in September 2019.



Superstructure Construction - Bhairab Railway Bridge, Bangladesh

#### Algeria

4. Installation of a double track line (93 km) in Algeria awarded by ANESRIF, Ministry of Transport, Government of Algeria, at a value of Rs. 1103 crore (USD 230 million) involving construction of second line and upgradation of existing line from Oued Sly to Yellel in Algier – Oran section of Algerian Railways. The value of contract including additional works for realization of double line has been revised to Rs. 1882 crore. Though the work was awarded in 2008, but it

was suspended by the client and restarted in May 2010.

The modalities of payment to the local sub-contractor were not spelled in the amendment and were being negotiated with the client, which hampered the cash flow and project progress. Eventually, the mode of payment to the local sub-contractors and revision of the prices were negotiated by a high level committee in July 2016 paving the way for smooth progress of the project.

#### Bhutan

5. Turnkey project for dismantling of existing 66/33/11 KV sub-station and Design, Engineering, Construction, Supply, Erection, Testing and Commissioning of New 2x20 MVA, 66/33 KV sub-station including all associated works at Paro in Bhutan by Bhutan Power Corporation Limited, at a value of Rs. 23 crore. The

work has been secured in May 2015 and is scheduled to be completed in November 2016.

#### South Africa

6. Procurement of Plant Design, Supply and Installation of Overhead Track Equipments, Traction Substations, Auxiliary Power Supplies Substation, Bulk Power Supplies Switching Stations and Signalling Systems for the Majuba Rail Project, South Africa, for Eskom Holdings SOC Limited, at a value of Rs. 346 crore (Rand 663 million). The work has been secured in November 2015 and is scheduled to be completed in September 2017.

#### C. Likely Foreign projects:

Concerted efforts are being made to secure contracts in **Malaysia, Bangladesh, Sri Lanka and Iran.**



Signing of MOU with Construction and Development of Transportation Infrastructures Company (CDTIC) of Iran

#### D. Projects Completed in India:

During the year 2015-16, following two projects got completed in India:

1. Construction of steel super-structure and other ancillary work of rail bridge across river Ganga at Patna, for East Central Railway, at a value of Rs. 1570 crore, which was dedicated to the nation by Hon'ble Prime Minister of India on 12<sup>th</sup> March 2016.
2. Contract CT-4 – DMRC – Ballastless track from Badarpur to Faridabad; broad gauge corridor from Jahangirpuri to Badli along with tracks in Depots at

Ajronda and Badli of Delhi MRTS Project of Phase-III, for DMRC, at a value of Rs. 62.60 crore.

#### E. New Projects in India:

During 2015-16, your Company secured following major projects in India:

1. Design and Construction of Civil, Building and Track Works of Vaitarna-Sachin Section of Dedicated Freight Corridor Project, CTP-12, for Dedicated Freight Corridor Corporation of India Limited (DFCCIL), at a value of Rs. 2116 crore.
2. Execution of Civil & Railway Allied works in



A Ballastless Track Badli of DMRC CT-4



Basholi Cable-stayed Bridge in Jammu & Kashmir

connection with Construction of Private Railway Siding for proposed 3.0 MTPA Integrated Steel Plant at Nagarnar Near Jagdalpur, Chhattisgarh (Package-I), for NMDC Limited, at a value of Rs. 283 crore.

3. Execution of Civil, Signalling & Telecommunication, Mechanical and Structural works in connection with Construction of Railway siding for the proposed 3.0 MTPA Integrated Steel Plant at Nagarnar, Chhattisgarh (Package-II), for NMDC Limited, at a value of Rs. 79 crore.
4. Construction of New Howrah Divisional Railway Office Building, for Eastern Railway, at a value of Rs. 33 crore.
5. DPR & Detailed Engineering, Project Management and Construction of Railway Siding connecting MGR system of Dulanga mine-Darlipali STPP with Mahanadi Coal Limited's Siding for Darlipali Super Thermal Power project, Stage-I (2x800 MW), for NTPC Limited, at a value of Rs. 11 crore.

**F. Projects Secured in India after the close of the year 2015-16:**

1. Construction of Corridor-III of East-West Corridor between Gevra Road to Pendra Road via Dipka, Katghora, Pasan approximately 135 km, subsequent to preparation and submission of Detailed Project Report, Land Acquisition and feasibility study of East-West Corridor between Gevra Road to Pendra Road in the State of Chhattisgarh, for Chhattisgarh East-West Railway Limited (CEWRL).

2. Katni-Singrauli Doubling Project, for West Central Railway.
3. Doubling between RDUM-TAL-RJO (Rampur Dumra Tal Rajendrapul) Project, for East Central Railway. The agreement has been signed on 24<sup>th</sup> June 2016.
4. Kiul-Gaya Doubling Project, for East Central Railway. The agreement has been signed on 24<sup>th</sup> June 2016.
5. Hajipur-Bachwara Doubling Project, for East Central Railway. The agreement has been signed on 30<sup>th</sup> May 2016.
6. Survey, Feasibility study, Detailed Design and Construction of various identified Rail Connectivity Project(s) for Jharkhand Central Railway Limited (JCRL).
7. Survey, Feasibility study, Detailed Design and Construction of various identified Rail Coal Connectivity Project(s), for Mahanadi Coal Railway Limited (MCRL).
8. Construction of New Block Station, Staff Quarters and associated P-Way, OHE and S&T works in connection with construction of Railway siding for the proposed 3.0 MTPA Integrated Steel Plant at Nagarnar, Chhattisgarh State (Package No.- IV), for NMDC Limited.

**G. On-going major Projects in India:**

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

## **SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

A brief background on the subsidiaries, joint ventures and associate companies of Ircon along with their financials and performance is given at **Appendix – B**. Details of equity investments, loans given, and guarantees extended under section 186 of the Companies Act, 2013, to the subsidiaries, joint ventures, and associate companies are given at para E (3) under the heading 'Compliances':

### **CONSOLIDATED FINANCIAL STATEMENTS:**

In accordance with the provisions of Section 129(3) of the Companies Act, 2013, your Company has prepared its Consolidated Financial Statements with its four subsidiaries viz. IrconISL, IRSDC, IrconPBTL, and IrconSGTL; six joint venture companies viz. ISTPL, CERL, CEWRL, MCRL, JCRL and CCFB; and five un-incorporated joint ventures viz. RICON, IMCC, MTG, IRCON-SPSCPL, and IRCON-AFCONS. The Board of Directors of your Company has, at its meeting held on 2<sup>nd</sup> September 2016, approved the Financial Statements for 2015-16 (Standalone and Consolidated).

All the above said subsidiaries, joint venture companies, and un-incorporated joint ventures in India have financial year ending on 31<sup>st</sup> March except CCFB (joint venture company in foreign country) which is having a financial year ending on 31<sup>st</sup> December.

Your Company would make available audited financial statements (standalone and consolidated) and accounts / financial statements of its subsidiaries (IrconISL, IRSDC, IrconPBTL, and IrconSGTL), joint venture companies in India (ISTPL, CERL, CEWRL, MCRL, and JCRL), and un-incorporated joint ventures (RICON, IMCC, MTG, and IRCON-AFCONS) at its website ([www.ircon.org](http://www.ircon.org)). Your Company would also make available financial statements certified by Management with respect to CCFB and IRCON-SPSCPL UJV.

Further, the above said accounts / financial statements of these subsidiaries and joint ventures would also be made available upon request by any shareholder of the Company.

**A statement containing the salient features of the financial statements of these subsidiaries and joint ventures in Form AOC-1 is attached with the Financial Statements.**

## **COMPLIANCES:**

### **A. Presidential Directive:**

The presidential directive received after the close of the year, vide Railway Board letter dated 29<sup>th</sup> April 2016, regarding final dividend for 2015-16 and dividend for 2016-17 is being implemented.

### **B. Official language:**

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

### **C. Right to Information Act, 2005:**

As per the requirements of the RTI Act, necessary updated information including the names of Appellate Authority, Central Public Information Officer, State Level Public Information Officer and Assistant Public Information Officer are posted on Ircon's website. Queries received are replied within the stipulated time. The queries are usually in the nature of service matters, related to finance, contract, and projects. The details of RTI cases have been forwarded to the Ministry of Railways for publication on the website of Central Information Commission (CIC) website on quarterly as well as annual basis.

During the year, out of 153 queries 150 applications (inclusive of 1<sup>st</sup> appeal) were processed / disposed off.

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

Your Company has evolved and implemented a comprehensive Purchase Preference Policy in June 2012 in line with the Public Procurement Policy notified by the Ministry of Micro, Small and Medium Enterprises (MSME) under section 11 of Micro, Small and Medium Enterprises Development Act, 2006. The e-procurement portal of Ircon i.e. [www.tenderwizard.com/IRCON](http://www.tenderwizard.com/IRCON) provides for facilitation of registration of MSME firms registered with any statutory bodies

specified by Ministry of MSME, and participation in e-tender by availing the benefits of exemption from payment of cost of tender fee and Earnest Money.

The achievement vis-à-vis target of procurement from MSME (20% including a sub-target of 4% from MSMEs owned by SC/ST entrepreneurs) as per the above said policy during the year 2015-16 is tabulated below:

(Rs. in crore)

Sl. No.	Particulars	2015-16
1.	Total planned value of annual procurement (value in Rs. Lakh)	20,000
2.	Target % age of annual procurement (20%) (value in Rs. Lakh)	4,000
3.	Total value of goods and services procured from MSEs (including MSEs owned by SC/ST entrepreneurs) (value in Rs. Lakh)	11,353
4.	Total value of goods and services procured from only MSEs owned by SC/ST entrepreneurs (value in Rs. Lakh)	*
5.	% age of procurement from MSEs (including MSEs owned by SC/ST entrepreneurs) out of total procurement	56.76%
6.	% age of procurement from only MSEs owned by SC/ST entrepreneurs out of total procurement	-
7.	Total number of vendor development programme for MSEs	2

\* Reasons being lack of participation by MSEs owned by SC/ST entrepreneurs

All out efforts are made and some items were procured out of 358 items listed to be essentially procured from SSI / MSE.

## E. Companies Act, 2013:

### 1. Particulars of employees

In terms of the Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, no employee has drawn remuneration of Rs. 60 lakhs or more or Rs. 5 lakh or more per month during the year 2015-16, except Chairman and Managing Director and Ex-Director Finance who have drawn salary of Rs. 64.26 lakh (approx.) and Rs. 69.31 lakh (approx.) respectively, details of which are given in para 4.1 of the Corporate Governance Report.

### 2. Deposits

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

### 3. Particulars of investments, loans, and guarantees and securities under section 186 of the Companies Act, 2013

Investments made, loans granted, and guarantees extended by your Company in terms of section 186 of the Companies Act, 2013, up to 31<sup>st</sup> March 2016, are as under:

(Rs. in crore)

Sl. No.	Name of the Company	Committed	Actually invested / paid
Equity Investment:			
a)	Subsidiary Companies		
	i) IrconISL	65.00	65.00
	ii) IRSDC	40.80	20.40
	iii) IrconPBTL	165.00	90.00
	iv) IrconSGTL	150.00	70.00
b)	Joint Venture Companies		
	i) ISTPL	63.87	63.87
	ii) CERL	104.00	40.17
	iii) CEWRL	1.30	1.17
	iv) MCRL	1.30	0.01
	v) JCRL	1.30	Nil
	vii) BRPL (See Note no. 1)	1.30	Nil
	vi) CCFB (See Note no. 11)	5.53	5.53
	<b>TOTAL (A)</b>	<b>579.00</b>	<b>356.15</b>
Loan:			
a)	Subsidiary Companies		
	i) IrconISL (See Note no. 2)	29.50	27.50
	ii) IrconPBTL (See Note no. 3)	352.00	Nil
	iii) IrconSGTL (see note no. 4)	722.11	Nil

Sl. No.	Name of the Company	Committed	Actually invested / paid
b)	Joint Venture Companies		
	i) CERL (See Note no. 5)	39.00	39.00
	ii) CEWRL (See Note no. 6)	39.00	19.50
	iii) CCFB (See Note no. 11)	-	-
c)	Unincorporated Joint Ventures		
	i) IRCON-AFCONS JV (See Note no. 7)	18.15	Nil
	<b>TOTAL (B)</b>	<b>1213.40</b>	<b>86.00</b>
Guarantee:			
a)	Subsidiary Companies		
	i) IrconISL [See Note no. 8(i)]		Nil
	ii) IrconPBTL [See Note no. 8(ii)]	150.00	41.15
	iii) IrconSGTL [See Note no. 8(i)]		41.52
b)	Joint Venture Companies		
	i) ISTPL (See Note no. 9)	113.58	113.58
c)	Unincorporated Joint Ventures		
	i) IRCON-AFCONS JV [See Note no. 8 (ii)]	90.00	56.60
	<b>TOTAL (C)</b>	<b>353.58</b>	<b>252.85</b>
Bonds during 2015-16:			
a)	IRFC and NHAH Tax Free Bonds (See Note no. 10)	150.00	125.19
	<b>TOTAL (D)</b>	<b>150.00</b>	<b>125.19</b>
	<b>GRAND TOTAL (E = A+B+C+D)</b>	<b>2295.98</b>	<b>820.19</b>

#### NOTES:

##### (a) Equity investment in Joint Venture Companies (JVC)

- The Board of Directors of Ircon had approved formation of JVC viz. Bastar Railway Private Limited (BRPL) during 2015-16. However, the JVC was incorporated on 5<sup>th</sup> May 2016. The details have been disclosed under the heading 'Bastar Railway Private Limited' [under Para B (10) of Appendix – B]

##### (b) Loan to Subsidiaries:

- Loan extended for meeting capital expenditure on construction of multi-functional complexes (MFC). After part repayment, the outstanding loan as on 31<sup>st</sup> March 2016 is Rs. 27.50 crore.
- Loan extended for execution of Bikaner – Phalodi Highway project in the State of Rajasthan.
- Loan extended for execution of Shivpuri-Guna Highway project in the State of Madhya Pradesh.

##### (c) Loan to JVC:

- Loan has been extended for construction of Rail line project from Kharsia to Dharamjaigarh in the State of Chhattisgarh, corresponding to Ircon's stake of 26% in the JVC.
- Loan has been extended for payment of land compensation, consultancy fee, etc. before financial close by CEWRL pending decision on debt-equity structure and other aspects, corresponding to Ircon's stake of 26% in the JVC

##### (d) Loan to Un-incorporated Joint Venture (UJV):

- Loan has been extended for working capital requirement in connection with construction of 2<sup>nd</sup> Bhairab Railway Bridge project in Bangladesh. Loan reimbursed on 8<sup>th</sup> August 2015 and outstanding as on 31<sup>st</sup> March 2016 is NIL.

##### (e) Guarantee:

- Your Company has extended following financial assistance to its wholly owned subsidiary (WOS) companies and unincorporated joint ventures (UJV):
  - Allocation of Rs. 150 crore (revolving) of Ircon's non-funded credit limits sanctioned by any Bank (which has sanctioned credit limits to Ircon) to be utilized by the three WOS viz. IrconISL, IrconPBTL, and IrconSGTL for facilitating issue of bank guarantees(s) by the Banker in favour of their client as may be required by them to carry on their business.
  - Allocation of Rs. 90 crore (revolving) of Ircon's non-funded credit limits sanctioned by State Bank of India to be utilized by UJV viz. IRCON-AFCONS JV for facilitating issue of bank guarantees(s) by the Banker in favour of their client as may be required by them to carry on their business.

9. Details have been disclosed under the heading 'Ircan-Soma Tollway Private Limited' [under Para B (5) of Appendix – B] and also disclosed in note nos. 12 and 29 forming part of the Standalone Financial Statements.

**(f) Bonds:**

10. The BoD had been according (since 2013-14) approval every year in July for further investment, up to Rs. 150 crore in bonds of public sector undertakings, to be utilized on or before 31<sup>st</sup> July of next year. The cumulative details of investment are disclosed in note no. 12 forming part of the Standalone Financial Statements.

**(g) Equity Investment and loan in CCFB:**

11. Details have been disclosed under the heading 'CCFB' (under Para C (11) of Appendix - B) and also disclosed in note no. 20 and 33 forming part of the Standalone Financial Statements and shown as amount recoverable from government of Mozambique.

**After the close of the financial year,** your Company has committed / made further following investments and loan to its subsidiaries and proposed joint ventures companies against the commitments, up to 30<sup>th</sup> June 2016:

(Rs. in crore)

Sl. No.	Name of the Company	Committed	Actually invested
<b>Equity Investment:</b>			
a)	Joint Venture Companies		
	i) JCRL	--	0.013
	ii) CERL	--	43.41
<b>Loan:</b>			
b)	Joint Venture Companies		
	i) CEWRL	--	19.50
c)	Unincorporated Joint Ventures		
	i) IRCON-AFCONS JV	--	7.50
	<b>TOTAL (F)</b>	--	<b>70.423</b>
<b>GRAND TOTAL (G = E+ F)</b>		<b>2295.98</b>	<b>890.613</b>

**4. Related Party Transactions**

The related party transactions entered during the year has been in the ordinary course of business and on arm's length basis. Details of Transactions entered with related parties in Form AOC-2 in terms of the

Companies Act, 2013, is placed as **Appendix – H.**

**5. Significant and material orders passed by the Regulators/ Courts/ Tribunals impacting the going concern status and Company's operations in future**

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

**6. Internal Control System and Risk Management**

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

**PERSONNEL DEVELOPMENT**

Cordial and harmonious industrial relations prevailed in the Company during the year. The total manpower strength as on 31<sup>st</sup> March 2016 stood at 1499, which included 1238 regular employee, 81 deputationists, and 180 employees on contract (including service contract). 978 employees of the Company were technically and professionally qualified. The total number of women employees was 71. There were a total of 241 scheduled caste / scheduled tribe employees as on 31<sup>st</sup> March 2016.

Your Company has been continuously taking steps for building capacity of its human resource through training in functional and general management areas, information technology, as well as soft skills. External faculty is arranged wherever required and officials are nominated for workshops, seminars, etc. with reputed institutes. During the year 2015-16, a total 1275 man-days training was imparted to officials of Ircan through workshops, seminars, conferences, in-house trainings and training in external institutes, etc.

Your Company has various schemes for staff welfare like educational scholarships, one time educational grant for admission to professional degrees and diploma courses, educational awards, etc. to meritorious children of employees etc., educational assistance to the wards of deceased employees, assistance for marriage of daughters and dependent sisters of group 'C' and 'D' employees, etc. A new category of award was introduced for meritorious wards of Ircan employees who secured gold medal in professional courses. Apart from facility of homeopathy treatment at Corporate Office, other facilities like immediate financial assistance and guidance are being



provided to employees and their family members in case of any medical exigency, lumpsum ex-gratia payment to family members in case of death of serving employee. Gym facilities are also available in Corporate Office and Rae Bareilly Project office.

Your Company aims to provide congenial and safe working atmosphere to women employees. The Company has a complaints committee for prevention of sexual harassment at work place. Further, provision pertaining to prohibition of sexual harassment has also been incorporated in Ircon Conduct, Disciplinary, and Appeal Rules. No complaints relating to sexual harassment has been received by the Company during the year. The Company arranged two workshops exclusively for women employees covering self-defence and health awareness during the year. Workshop of self-defence was conducted by Delhi Police and health awareness topic on oncology and dietary counseling was covered by senior Doctors from Max Super Speciality Hospital. Three inter-project Quiz programmes were conducted for the employees of Ircon. Winning team and the runners up were awarded cash prize and certificate of commendation.

The 40<sup>th</sup> Annual Day was celebrated on 28<sup>th</sup> April 2016 with traditional fervor and gaiety. On this occasion, exemplary work done by employees in Indian as well as foreign projects and select projects was appreciated and rewarded. Educational awards to meritorious children of the employees were also given on this occasion.

## **QUALITY, ENVIRONMENT, AND HEALTH & SAFETY MANAGEMENT**

**Quality Management System (QMS)** has been successfully sustained and continually improved since 1996 when the Company as a whole was first certified for ISO-9002-1994 by TUV Suddeutschland Private Limited (TUV). Your Company continued the certification and sustained the system as per latest revised code ISO 9001:2008 (by periodical recertification audit after expiry of three years). Latest re-certification audit has been conducted in May 2014, whereby the Company has been re-certified by TUV for a period of another three years i.e. up to September 2017.

During the year, Quality Management Department has added to its knowledge sharing efforts by disseminating information on construction of bridges, bridge foundation and superstructure (Pre-stressed concrete) etc. It has

also prepared Guidelines on Foot over Bridges (FOB) fabrication and Railway steel bridges.

Your Company established an **Environment Management System (EMS)**, and was certified for ISO 14001:2004 in October 2011. The latest re-certification audit has been conducted in June 2014 whereby the Company has been re-certified for another three years i.e. up to October 2017.

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

Environmental friendly equipment such as solar heater/ solar lights are being installed at various offices / projects. Waste water is recycled through Sewage Treatment Plant (STP), and the same is used for horticulture work. Monitoring of water and waste water, ambient air quality and noise quality is also being carried out at various construction sites. The Company is emphasizing on providing clean environment by initiating indoor air quality monitoring in the Corporate Office building. Tree plantation is also undertaken by corporate office and project offices.

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

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

In addition, in-house trainings were imparted to 189 employees by a team of internal auditors of Quality management department at Indian Project sites on the topic 'Awareness Programme on QMS, EMS, OHSAS and Ircan's Manuals (CPM, CQM, and PPM)';

### **CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION**

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

As a measure to conserve energy, energy audit was carried out for the Corporate Office and recommendations of the same are being implemented.

**Technology absorption** has been undertaken through execution of Geographical Information System (GIS) based Overhead Equipment (OHE) Design for Railway Electrification work in the projects in the State of J&K.

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

### **RESEARCH & DEVELOPMENT (R&D)**

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

### **TECHNOLOGY UPGRADATION AND ABSORPTION**

Your Company has an "Engineering Control and Audit Cell" to constantly upgrade technology and construction techniques, and to look into the aspects of appropriate designing and value engineering. The cell reviews the design and drawings for various projects and provides engineering solution, including standardization of design data to help in marketing efforts and conceptualisation of

new projects with technical back up in alignment design, geo-technical analysis, etc. The Company is using modern technology and state of the art equipments in execution of infrastructure projects.

During the year, the Company prepared Modular design for Girders steel / PSC for ROB / RUB for various spans, design of various systems (fire safety, fire fighting, ventilation and security) for Railway Tunnels of various lengths, and Paper on innovative systems (eg. Modular shuttering / pre-cast elements etc.) for expeditious construction of high rise buildings

### **INFORMATION TECHNOLOGY AND DEVELOPMENT OF ERP**

SAP ECC 6.0 based Finance-Controlling and HCM module had been successfully implemented and rolled-out on all project offices and corporate office. Updated and current data related to finance and human resources domain can be accessed from anywhere by employees of the Company.

During the year, emphasis was to align Information Technology with business goals of the Company. In this direction, web based applications had been developed and deployed to increase productivity, accuracy for data collection and sharing. Data collected with these applications are being used for preparation of MIS report. The Company is preparing detailed plan for leveraging of information technology within all functional domains such as e-governance initiatives and implementation of ERP solution for project execution and monitoring related domains.

To reduce paper usage and transparent working, use of IT has been enhanced in all the functional domains. The Intranet and Internet sites of the Company have been improved to publish office orders, circulars, and notifications.

### **VIGILANCE ACTIVITIES**

Vigilance Department plays an advisory role to the top management in matters pertaining to vigilance. It is headed by a full time Chief Vigilance Officer (CVO) appointed by the Appointments Committee of the Cabinet (ACC) in consultation with Central Vigilance Commission (CVC). The tenure of the previous CVO ended on 5<sup>th</sup> June 2015, and pending appointment of a new CVO, the functions were being discharged by one of the Executive Director

of the Company. Mr. Satish Tandon, joined as CVO of the Company on 20<sup>th</sup> January 2016.

The Vigilance Department ensures implementation of laid down guidelines / procedures through preventive checks of tenders and contracts, execution of works, and other functions as well as carries out investigations into complaints. During the year, eight inspections were carried out on various projects / units. Complaints received from various authorities (like CVC, Railway Board, Vigilance), and other sources were investigated to their logical conclusion. Based on the outcome of investigation, circulars on improvements in the areas of tenders, contracts, finance, project management, etc. were issued to avoid recurrence of irregularities / procedural errors and to plug loopholes in system. Steps were also taken for closure of paras raised by the CTEO. Scrutiny of immovable property returns of employees; creating awareness on rules/procedures/ common irregularities in execution through workshops/trainings, debate competitions, etc. have been the prime activities of the Department.

As a step towards 'leveraging technology' for better transparency, your Company has enabled online submission of Immoveable Property Returns by officers; online Disciplinary and Vigilance Clearance through intranet portal of the Company; online complaint on Vigilance section/ portal at Ircon's website etc.; In addition, e-procurement has also been implemented in the Company in a comprehensive manner for achieving greater transparency.

Vigilance department strives to achieve its objective of promoting an impartial, fearless, and transparent environment in functioning of the organisation by taking steps to prevent unethical practices.

#### **INTEGRITY PACT**

The CVC has recommended adoption of Integrity Pact in respect of major procurements in the Government Organisations. Your Company has signed a Memorandum of Understanding with Transparency International India (TII) on 22<sup>nd</sup> April 2014 for adoption and implementation of Integrity Pact.

Accordingly, Integrity Pact has been implemented for tenders / contract for works and supply valuing of Rs. 5 crore and above on all Indian Projects. The Company has appointed one Independent External Monitor (IEM) to

monitor the activities in consultation with CVC.

#### **AWARDS**

Your Company has received following awards during the year 2015-16:

1. India Pride Awards 2014-15 instituted by Dainik Bhaskar for 'Excellence in Public Sector Undertaking – Central in Infrastructure Development'. The award was presented by Mr. Arun Jaitley, Hon'ble Union Minister for Finance and Corporate Affairs, to Mr. Mohan Tiwari, Chairman & Managing Director, Ircon, at a function held in New Delhi on 4<sup>th</sup> June 2015.
2. Dun and Bradstreet Top PSUs Awards 2015, in the category of 'Contract & Construction sector'. The award was received by Mr. Mohan Tiwari, Chairman & Managing Director, Ircon, at a function held in New Delhi on 23<sup>rd</sup> July 2015.
3. Dun and Bradstreet Infra Awards 2015, for two categories viz. Top Infrastructure Company under the category of "Construction and Infrastructure Development (Railways)" and "Best Construction project" for Rail cum Road Bridge on river Ganga at Patna. Both the awards were presented by Mr. Piyush Goyal, Hon'ble Minister of State with Independent Charge for Power, Coal and New & Renewable Energy to Mr. Mohan Tiwari, Chairman & Managing Director, Ircon, at a function held in New Delhi on 28<sup>th</sup> October 2015.
4. CIDC Vishwakarma Award 2016 from Construction Industry Development Council (CIDC) in the category of best construction project for "Rail-cum-Road Bridge across River Ganga, Patna". The award was received



D&B Infra Awards 2015 in Construction & Infrastructure Development (Railways)

by officials of Ircan [viz. Mr. Mohan Tiwari, Chairman & Managing Director; Mr. Hitesh Khanna, Director Works; and Mr. Anil Jain, Executive Director (Works)] at a function held in New Delhi on 7<sup>th</sup> March 2016.

5. India Pride Awards 2015-16 instituted by Dainik Bhaskar for 'Excellence CSR / Environment Protection and Conservation'. The award was presented by Mr. Venkaiah Naidu, Hon'ble Union Minister for Urban Development to Mr. Mohan Tiwari, Chairman & Managing Director, Ircan, at a function held in New Delhi on 4<sup>th</sup> April 2016.

## INTEGRAL REPORTS

"Report on CSR and Sustainability Activities", "Management Discussion and Analysis Report", "Corporate Governance



India Pride Awards for Excellence in CSR Environment Protection and Conservation

Report", "Secretarial Auditor Report", "Extract of Annual Return in Form MGT-9", "Details of transactions entered with related parties in Form AOC-2", and "Management replies to qualification contained in the Auditors' Report on Stand-alone and Consolidated Financial Statements", with relevant annexures form an integral part of this Directors' Report, and have been placed as **Appendix – C, D, E, F, G, H, I and J** respectively.

"Report on CSR and Sustainability Activities" provides a brief outline of the company's CSR and Sustainability policy, the composition of CSR & Sustainability Committee, average net profit of the Company for the last three financial years, prescribed CSR expenditure, and details of CSR spent on the activities / projects undertaken during the financial year etc. [**Appendix – C**].

The "**Management Discussion and Analysis Report**" provides an overview of the affairs of the Company, its legal status and autonomy, business environment, vision and mission, sectoral and segment-wise operational performance, strengths, opportunities, constraints, strategy and risks and concerns, as well as human resource and internal control systems [**Appendix – D**].

The "**Corporate Governance Report**" highlights the philosophy of Corporate Governance and Key Values of the Company, composition of Board of Directors and its Committees, their details including profile of directors who joined the Board during 2015-16 and thereafter, attendance and remuneration of directors etc., other relevant disclosures, CMD / DF Certification, and general information for shareholders, etc. [**Appendix – E**]. It is supplemented by following compliance certificates:

1. Certificate signed by the Chairman & Managing Director affirming receipt of compliance with the Code of Conduct and Key Values from all Board members and Senior Management personnel during the year 2015-16 (placed at **Annexure – E1**);
2. Certificate from Chairman & Managing Director and Director Finance with respect to the truth and fairness of the Financial Statements, due compliances, and financial reporting (placed at **Annexure – E2**); and
3. Certificate of compliance of Corporate Governance provisions signed by a practising company secretary (placed at **Annexure – E3**).

Pursuant to the provision of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Vishal Agarwal & Associates, Practising Company Secretary, to undertake the Secretarial Audit of the Company for the year 2015-16. The Secretarial Audit Report from the auditor is placed at **Appendix – F**.

The Secretarial Auditor as well as the practising company secretary who has given the corporate governance compliance certificate had observed that the Company had not appointed adequate number of Independent directors and Woman director on the Board. Your Directors state that your Company being a government

company, the appointment of all the directors on the Board is made by the Government of India (through Administrative Ministry i.e. Ministry of Railways). Accordingly, Ministry of Railways had been requested to appoint requisite number of Independent Directors and Woman Director on the Board of Ircon. **Further, Ministry of Railways has appointed three independent directors (including woman director) in April 2016.**

Pursuant to section 134(3)(a) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the **“Extract of Annual Return”** in Form MGT-9 is at **Appendix – G.**

The **“Disclosure of Related Party Transactions”** as required under Section 134(3) (h) of the Companies Act, 2013 and Rule 8 (2) of the Companies (Accounts) Rules, 2014 in Form AOC-2 is at **Appendix – H.**

The replies of the Management on the comments given by way of Emphasis of Matter / qualifications contained in the Auditors’ Report on stand-alone as well as consolidated financial statements are at **Appendices – I and J respectively.**

#### **DIRECTORS’ RESPONSIBILITY STATEMENT**

The Board of Directors of the Company confirms:

- i. that in the preparation of the financial statements, the applicable accounting standards had been followed except as otherwise stated in the annual financial statements and there has been no material departure;
- ii. that such accounting policies were selected and applied consistently and such judgments and estimates were made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company for the financial year ended on 31<sup>st</sup> March 2016 and of the profit of the Company for the financial year 2015-16;
- iii. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

- iv. that the financial statements have been prepared on a going concern basis; and
- v. that proper systems had been devised to ensure compliances with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **BOARD OF DIRECTORS**

During April 2015 to March 2016, nine meetings of the Board of Directors were held with one meeting in the quarter ended June 2015, three meetings each in the quarter ended on September 2015 and December 2015, and two meetings in the quarter ended on March 2016.

The details of the meetings are furnished in the Corporate Governance Report under heading ‘Board Procedure’ [Para 5].

1. As on 31<sup>st</sup> March 2016, the strength of Board of Directors was six comprising four whole-time directors and two government nominated directors. The details are as follows:

1	Mr. Mohan Tiwari Chairman & Managing Director [DIN 00191363]	w.e.f. 01.02.2009
2	Mr. K. K. Garg Director Finance [DIN 01495050]	w.e.f. 03.11.2009
3	Mr. Deepak Sabhlok Director Projects [DIN 03056457]	w.e.f. 16.04.2010
4	Mr. Hitesh Khanna Director Works [DIN 02789681]	w.e.f. 07.03.2011
5	Mr. Anjum Pervez Part-time (Official) Director [DIN 06682287]	w.e.f. 15.07.2013
6	Mr. H. K. Kala Part-time (Official) Director [DIN 07200108]	w.e.f. 02.06.2015

2. After the close of the year 2015-16:
  - (a) the following Directors have joined the Board of your Company:

1	Mr. S.K. Singh* Independent Director [DIN: 00003695]	w.e.f. 05.04.2016
2	Mr. Avineesh Matta* Independent Director [DIN: 00011749]	w.e.f. 08.04.2016
3	Prof (Ms.) Vasudha V. Kamat* Independent Director [DIN: 07500096]	w.e.f. 22.04.2016
4	Mr. M. K. Singh Director Finance [DIN: 06607392]	w.e.f. 01.05.2016

\*All the three Independent Directors of the Company have declared, at the first board meeting held after their appointment, that they meet the criteria of Independence in terms of Section 149(6) of the Companies Act, 2013.

(b) the following Directors ceased to hold office:

1	Mr. K.K. Garg Director Finance [DIN 01495050]	Ceased to be Director due to his superannuation on 30.04.2016 (AN).
2	Mr. H.K. Kala Part-time (official) Director [DIN 07200108]	Ceased to be Director due to his superannuation as Additional Member (Planning), Railway Board on 30.06.2016 (AN).

## AUDITORS

### A. Statutory and Branch Auditors

The Auditors of the Company appointed by the Comptroller & Auditor General of India for 2015-16 are:-

#### Statutory Auditors:

V.K. Dhingra & Co.	For Company as a whole
--------------------	------------------------

#### Branch Auditors for projects in India:

Jindal & Co., New Delhi	All projects under Northern Region and Kanpur Region
Pravesh Jain & Co., Jammu (Jammu & Kashmir)	All projects at Jammu & Kashmir (Designated as Srinagar Region)
J L Sengupta & Co., Kolkata (West Bengal)	All projects under Eastern Region
SVR & Associates, Bengaluru (Karnataka)	All projects under Southern Region

#### Branch Auditors for projects Abroad:

Sundar & Associates	Malaysia
Cabinet de Audit et CAC, Algeria	Algeria
Gajma & Co., Sri Lanka	Sri Lanka
Toha Khan Zaman & Co., Bangladesh	Bangladesh
S.N. Mukherji & Co.	Bhutan

### B. Cost Auditor

The Board of Directors have appointed M/s. Chandra Wadhwa & Co., Cost Accountants, as Cost Auditor of your Company for the financial year 2015-16 for conducting the audit of cost records maintained by the Company as per the applicable Rules / Guidance Note, etc.

### C. Secretarial Auditor

The Board of Directors have appointed M/s. Vishal Agarwal & Associates, Practising Company Secretary, to conduct Secretarial Audit of your Company for the financial year 2015-16.

### D. Internal Auditors

The Board of Directors have appointed following Internal Auditors for 2015-16:

#### Auditors for Indian Projects:

Brahmayya & Co., Gurgaon	Northern Region
Baweja & Kaul, Jammu (For the 2 <sup>nd</sup> half of the financial year 2015-16)	Jammu & Kashmir Region
Jain Chowdhary & Co., Kolkatta	Eastern Region
Patro & Co., Bangalore (For the 2 <sup>nd</sup> half of the financial year 2015-16)	Southern Region
Amit Ray & Co., Delhi	Corporate Office

Apart this, two officials of Ircan were nominated to conduct the internal audit (one each) of the audit circles of J&K and Southern Region for the 1<sup>st</sup> half of the financial year 2015-16, in terms of the decision of the Board of Directors.

Auditors for Projects Abroad:

KERBAL Athmam, Alger	Algeria
Jayasinghe & Co., Sri Lanka	Sri Lanka
Ahsan Zamir & Co., Bangladesh	Bangladesh
Ray & Co., Kolkata	Bhutan
Kishore & Kishore Associates, New Delhi	Malaysia

our esteemed clients both in India and abroad for their continued interest in and support to the Company.

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

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

**(Mohan Tiwari)**

Chairman & Managing Director  
(DIN: 00191363)

Place : New Delhi

Date : 2<sup>nd</sup> September 2016

**ACKNOWLEDGEMENT**

We record our appreciation and thanks to the Ministry of Railways, Ministry of External Affairs and other Ministries; various banks, Reserve Bank of India, EXIM Bank; Export Credit and Guarantee Corporation; Embassies; Protector of Immigration; Passport Authority; Doordarshan; and

## ON-GOING MAJOR PROJECTS IN INDIA

(Rs. in crore)

Sl. No.	Name of the Project	Project/ Revised Value
1.	Katra-Qazigund section including Dharam-Qazigund section, Km 33.09 to 39.00 and Km 61.00 to 91.00, including additional works, for Northern Railway.	9521
2.	Setting up of new Rail Coach Factory at Rae Bareli, including additional works, for Ministry of Railways.	2338
3.	Construction of Corridor-I of East Corridor between Kharsia to Dharamjaygarh and Spur Line in the State of Chhattisgarh, for Chhattisgarh East Railway Limited.	1424
4.	Sivok-Rangpo New Rail Line Project, for North Frontier Railway.	1339
5.	Construction of Road Over Bridges (RoBs) in Bihar (Phase – I & II) and Rajasthan, for Ministry of Railways and Government of Bihar and Rajasthan or its various department/ local bodies respectively.	1235 (Bihar),507 (Rajasthan)
6.	Implementation of PMGSY in Bihar State	1012
7.	RAPDRP – Part B Project under Jammu province (Cluster – I, Jammu left), (Cluster-II, Jammu Right), and (Cluster IV) (Akhnoor, Rajouri, Poonch, Udhampur, Doda, Kishtwar & Baderwah), for J&K Power Development Department.	682
8.	Widening and Strengthening of existing Bikaner-Phalodi section to Four-lane from Km. 4.200 to Km. 55.250 and Two-Lane with paved shoulder from Km. 55.250 to Km. 163.500 of NH-15 on BOT (Toll) basis in the State of Rajasthan, for Ircon PB Tollway Limited.	646
9.	Four-laning of Shivpuri to Guna from Km 236.00 to Km 332.100 (Package-I) in the State of Madhya Pradesh to be executed on BOT (Toll) on DBFOT pattern under NHDP Phase-IV), for Ircon Shivpuri Guna Tollway Limited.	642
10.	Construction / upgradation of Rural roads and bridges in 5 districts of Jharkhand – PMGSY Project, for Ministry of Rural Development, Government of India and State Government of Jharkhand.	525
11.	Construction of rail link between Jayanagar (India) – Bijalpura (Nepal) (Gauge conversion) with extension up to Bardibas on India-Nepal Border, for East Central Railway.	447
12.	Construction of Rail Link between Jogbani (Bihar) India to Biratnagar (Nepal), for North Frontier Railway.	354



A View of Rail Coach Factory, Rae Bareli





66 KV Yard at Mukundpur, Delhi



A view of work shop, Rail Coach Factory, Rae Bareilly

Sl. No.	Name of the Project	Project/ Revised Value
13.	The work of system improvement, strengthening and augmentation of distribution system to bring down AT&C losses and improve quality of consumer supply of Meerut town of Uttar Pradesh, to be carried out under RAPDRP Part-B scheme on turnkey basis including supply of material, for PVVNL.	329
14.	Design, supply, installation, testing & commissioning of receiving-cum-traction and auxiliary main sub-station including high voltage cabling from grid sub-station and augmentation works for existing receiving sub-station under CE-6, Lot-1, for DMRC, for Delhi MRTS project, Phase-III.	234
15.	Setting up of three electric loco sheds to home 200 three phase Locos at Bondamunda (for South Eastern Railway), Daund (for Central Railway), and Mughalsarai (for Northern Railway).	234
16.	Development of circulating area at Santragachi and essential passenger amenities and road connectivity to Kona Expressway, for South Eastern Railway.	210
17.	Development of coaching terminal at Shalimar by provision of essential passenger amenities, for South Eastern Railway.	205
18.	Contract CT-1-A – Supply, Installation, Testing and Commissioning of Ballastless Track of Standard Gauge, Part-1 Corridor of sections of Mukundpur – Lajpat Nagar (excluding) Line-7 in elevated and underground sections along with ballasted / ballastless tracks in Mukundpur Depot for Delhi MRTS Project of Phase-III), for DMRC.	199
19.	Contract KT-4: Design, Supply, Installation, Testing and Commissioning of Ballastless Track of Standard Gauge in elevated section of Aluva to Petta corridor and Contract KT-5R1-supply, installation, testing, and commissioning of standard gauge track work in Muttom Depot of Kochi Metro Rail Limited, for DMRC.	178

For and on behalf of the Board of Directors

(Mohan Tiwari)

Chairman & Managing Director

(DIN: 00191363)

Place : New Delhi

Date : 2<sup>nd</sup> September 2016

## SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

### A. Subsidiary Companies:

#### 1. **Ircon Infrastructure & Services Limited (IrconISL)**

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

During the year 2015-16, IrconISL executed consultancy project of Ministry of External Affairs (MEA) for preparation of feasibility report and Detailed Project Report (DPR) for Bridge Project in Myanmar, and secured two other consultancy projects, viz. (a) Project Management Consultancy for construction of Bridges along with Approach Road Projects in Myanmar and (b) preparation of DPR for road project in Rakhine state.

IrconISL has also provided Project Management Consultancy for construction of toilet blocks in govt. schools (4825 toilets) under Swachh Bharat Abhiyan for PSUs like Power Grid Corporation of India Limited, Power Finance Corporation Limited, Indian Renewable Energy Development Agency Limited, and South Eastern Coalfields Limited. Out of 24 MFCs undertaken by IrconISL, 20 MFCs have been sub-leased to operators. IrconISL is also undertaking work of 'Supply of Manpower' for Sri Lanka and Malaysia projects of Ircon.

#### Financials of IrconISL:

The authorized, subscribed, and paid-up share capital of IrconISL is Rs. 65 crore, as on 31<sup>st</sup> March 2016.

Shares corresponding to additional share capital of Rs. 25 crore subscribed by Ircon on 31<sup>st</sup> March 2015, have been allotted in May 2015.

During the year, IrconISL had achieved an operating income of Rs. 74.05 crore, and earned profit before tax of Rs. 22.61 crore and profit after tax of Rs. 14.22 crore.

#### 2. **Indian Railway Stations Development Corporation Limited (IRSDC)**

IRSDC, a subsidiary company of Ircon and JV Company with Rail Land Development Authority (RLDA), was incorporated on 12<sup>th</sup> April 2012 and obtained a Certificate of Commencement of Business on 9<sup>th</sup> May 2012. The main objects of IRSDC is to develop / re-develop the existing / new railway station(s) which will consist of upgrading the level of passenger amenities by new constructions/ renovations including re-development of the station buildings, platform surfaces, circulating area, etc., to better standards so as to serve the need of the passengers in India, and commercial development of land/ air space. The equity participation of Ircon and RLDA in IRSDC is in the ratio of 51:49 respectively.

IRSDC has been entrusted with development of 8 stations located at Chandigarh, Habibganj (Bhopal), Shivaji Nagar (Pune), Bijwasan (New Delhi), Anand Vihar (Delhi), Surat and Gandhinagar (Gujarat), and SAS Nagar (Mohali) Punjab for development/re-development. The status of re-development of railway station by IRSDC is as follows:

- (i) Chandigarh Railway Station - re-development plan is under revision for reducing the scope due to drastic reduction in permitted commercial development by local administration;
- (ii) Habibganj Railway Station - contract for re-development of this station has been awarded, wherein the station will be modernized through commercial development of land and maintained

through retail and advertising revenues;

- (iii) Shivajinagar Railway Station - development is under approval by Pune Municipal Corporation;
- (iv) Bijwasan and Anand Vihar Railway Station - bidding process is in advanced stage;
- (v) Surat Railway Station - planned to be re-developed as a Multi Modal Transportation Hub through a Joint Venture Company and pooling of land by the Central, State, and Local Government;



Signing of MOU MMTH Surat

- (vi) Gandhinagar Railway Station - planned to be re-developed on Viability Gap Funding Model by combining the operation and maintenance of the nearby Mahatma Mandir complex owned by State Government;
- (vii) SAS Nagar Mohali Railway Station - found to be unviable and has been proposed for de-entrustment.

#### Financials of IRSDC:

The authorised share capital of IRSDC is Rs. 100 crore. Its subscribed and paid-up share capital is Rs. 40 crore as on 31<sup>st</sup> March 2016.

During the year, IRSDC earned a profit before tax and profit after tax of Rs. 2.44 crore and Rs. 1.15 crore, respectively, mainly on account of interest income.

### **3. Ircon PB Tollway Limited (IrconPBTL)**

IrconPBTL, a wholly owned subsidiary of Ircon, was incorporated as a Special Purpose Vehicle on 30<sup>th</sup> September 2014, and has obtained approval for commencement of business on 14<sup>th</sup> November 2014. The main object of IrconPBTL is to carry on

the business of widening and strengthening of the existing Bikaner & Phalodi Section to four lane from 4.200 km to 55.250 km and Two Lane with paved shoulder from 55.250 km to 163.500 km of NH-15 on Build, Operate, and Transfer (BOT) (Toll) basis in the State of Rajasthan, in accordance with the terms of the Concession Agreement signed with National Highways Authority of India (NHAI) on 7<sup>th</sup> November 2014.

In terms of the concession agreement, IrconPBTL has attained financial close on 30<sup>th</sup> April 2015 i.e. the date of execution and signing of the loan agreement with Ircon for a value of Rs. 352 crore. Other conditions set forth in the Concession Agreement as conditions precedent to declaration of Appointed Date viz. signing of Substitution Agreement (between NHAI, IrconPBTL, and Ircon) and Escrow Agreement (between IrconPBTL, Ircon, Indian Overseas Bank, and NHAI) were executed on 16<sup>th</sup> July 2015 and 10<sup>th</sup> August 2015 respectively.

NHAI had declared 14<sup>th</sup> October 2015 as the appointed date for commencement of construction, with construction period of 910 days, for which Ircon has been appointed as EPC contractor. The Commercial Date of Operations would be notified after completion of construction (scheduled in April 2018) and issue of completion certificate by NHAI for operationalization of toll plaza and levy of toll fees.

#### Financials of IrconPBTL:

The authorised share capital of IrconPBTL is Rs. 175 crore. Its subscribed and paid-up share capital is Rs. 90 crore as on 31<sup>st</sup> March 2016.

IrconPBTL is in construction phase and yet to achieve any operating turnover. During the year, IrconPBTL earned a profit before tax of Rs. 5.61 crore and profit after tax of Rs. 3.73 crore, respectively, mainly on account of interest income.

### **4. Ircon Shivpuri Guna Tollway Limited (IrconSGTL)**

During the year 2015-16, your Company has formed another wholly-owned subsidiary company by the name 'Ircon Shivpuri Guna Tollway Limited' (IrconSGTL) on 12<sup>th</sup> May 2015, pursuant to conditions of award of Shivpuri-Guna Project in the State of

Madhya Pradesh by NHAI. IrconSGTL has obtained approval for commencement of business from the Registrar of Companies on 27<sup>th</sup> May 2015.

The main objects of IrconSGTL is to carry on the business of four laning of Shivpuri-Guna section of NH-3 from 236.00 km to 332.1 km on Build, Operate, and Transfer (BOT) (Toll) basis on Design, Build, Finance, Operate and Transfer 'DBFOT' pattern under NHDP Phase-IV in the State of Madhya Pradesh and other ancillary works relating thereto, in accordance with the terms of the Concession Agreement, signed with the NHAI on 15<sup>th</sup> June 2015.

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

NHAI has thereby declared 25<sup>th</sup> January 2016 as the appointed date for commencement of construction, with construction period of 910 days, for which Ircon has been appointed as EPC contractor. The Commercial Date of Operations would be notified after completion of construction (scheduled in July 2018) and issue of completion certificate by NHAI for operationalization of toll plaza and levy of toll fees.

#### Financials of IrconSGTL:

The authorised share capital of IrconSGTL is Rs. 150 crore. Its subscribed and paid-up share capital is Rs. 33 crore as on 31<sup>st</sup> March 2016. Shares corresponding to additional share capital of Rs. 37 crore subscribed by Ircon on 31<sup>st</sup> March 2016, have been allotted in May 2016.

IrconSGTL is in construction phase and yet to achieve any operating turnover. During the year, IrconSGTL incurred a loss of Rs. 76.61 lakh on account of pre-operating expenses.

#### **B. Joint Venture Companies (JVCs) -- In India:**

##### **5. Ircon-Soma Tollway Private Limited (ISTPL)**

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

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

#### Financials of ISTPL:

The authorized share capital of ISTPL is Rs. 130 crore and its subscribed and paid-up share capital is Rs. 127.74 crore as on 31<sup>st</sup> March 2016.

During the year, ISTPL has achieved operating turnover of Rs. 157.23 crore as compared to Rs. 155.34 crore achieved during the previous year, and earned profit after tax of Rs. 5.91 crore against loss of Rs. 15.67 crore incurred during the previous year.

Your Company had entered into a tripartite pledge agreement with ISTPL and PNB to pledge 30% of its shareholding in ISTPL, in favour of Punjab National Bank (PNB); a non-disposal undertaking with respect to 21% of its shareholding; and to make good 50% of any shortfall in dues, if any, to PNB in the event of the termination of the Concession Agreement. The said pledge agreement and non-disposal undertaking had been, executed as 50% equity partner in ISTPL, in connection with a loan of Rs. 521.53 crore availed by ISTPL in 2011-12. The outstanding balance of this loan as on 31<sup>st</sup> March 2016 is Rs. 227.16 crore. The details regarding this loan and related undertakings have also been disclosed in Note no. 12 forming part of the Standalone Financial Statements.

##### **6. Chhattisgarh East Railway Limited (CERL)**

A joint venture company called 'Chhattisgarh East Railway Limited' (CERL) was incorporated on 12<sup>th</sup> March 2013, with equity participation by South Eastern Coalfields Limited, Ircon, and Chhattisgarh State Industrial Development Corporation Limited

(nominee of Government of Chhattisgarh) in the ratio of 64:26:10 respectively, for development of coal connectivity corridor i.e. East Corridor (length 180 Km) in the State of Chhattisgarh. CERL had obtained Certificate for Commencement of Business on 7<sup>th</sup> May 2013.

CERL has signed concession agreement on 12<sup>th</sup> June 2015 with Ministry of Railways, for Chhattisgarh East Railway Corridor - Phase I in the State of Chhattisgarh (Total 104.157 km). Phase I of the project is being implemented for Build, Own, Operate, and Transfer (BOOT) model for PPP projects.

#### Financials of CERL:

The authorized share capital of CERL is Rs. 400 crore and its subscribed and paid-up share capital is Rs. 139.055 crore as on 31<sup>st</sup> March 2016. CERL is yet to start commercial operations.

### **7. Chhattisgarh East-West Railway Limited (CEWRL)**

A joint venture company called 'Chhattisgarh East-West Railway Limited' (CEWRL) was incorporated on 25<sup>th</sup> March 2013, with equity participation by South Eastern Coalfields Limited, Ircan, and Chhattisgarh State Industrial Development Corporation Limited (nominee of Government of Chhattisgarh) in the ratio of 64:26:10 respectively, for development of coal connectivity corridor i.e. East-West Corridor (length 122 Km) in the State of Chhattisgarh. CEWRL had obtained the Certificate for Commencement of Business on 7<sup>th</sup> May 2013.

Detailed Project Report (DPR) has been approved by the South Eastern Central Railway during July 2015. Land acquisition proceedings are in process.

#### Financials of CEWRL:

The authorized share capital of CEWRL is Rs. 5 crore and its subscribed and paid-up share capital is Rs. 4.055 crore as on 31<sup>st</sup> March 2016. CEWRL is yet to start commercial operations.

### **8. Mahanadi Coal Railway Limited (MCRL)**

During the year 2015-16, a joint venture company called 'Mahanadi Coal Railway Limited' (MCRL) was incorporated on 31<sup>st</sup> August 2015, with equity participation by Mahanadi Coalfields Limited, Ircan,

and Odisha Industrial Infrastructure Development Corporation (nominee of Govt. of Odisha) in the ratio of 64:26:10 respectively, with the main object to build, construct, operate, and maintain identified rail corridor projects that are critical for evacuation of coal from mines in the State of Odisha.

MCRL has signed project execution agreement with Ircan on 19<sup>th</sup> April 2016. Angul-Balram-Jharpada new rail corridor has been identified by the Company for implementation. Feasibility and Detailed Project Report is under preparation.

#### Financials of MCRL:

The authorized, subscribed, and paid-up share capital of MCRL is Rs. 5 lakhs as on 31<sup>st</sup> March 2016.

### **9. Jharkhand Central Railway Limited (JCRL)**

During the year 2015-16, a joint venture company called 'Jharkhand Central Railway Limited' (JCRL) was incorporated on 31<sup>st</sup> August 2015, with equity participation by Central Coalfields Limited, Ircan, and Govt. of Jharkhand in the ratio of 64:26:10 respectively, with the main object to build, construct, operate, and maintain identified rail corridor projects that are critical for evacuation of coal from mines, in the State of Jharkhand.

JCRL has signed project execution agreement with Ircan on 28<sup>th</sup> March 2016. Shivpur-Kathautia new rail line project has been identified by the Company for implementation. Feasibility and Detailed Project Report (DPR) are under preparation.

#### Financials of JCRL:

As on 31<sup>st</sup> March 2016, the authorized share capital of JCRL is Rs. 5 crore.

### **10. Bastar Railway Private Limited (BRPL)**

After the close of the year 2015-16, a joint venture company called 'Bastar Railway Private Limited' (BRPL) was incorporated on 5<sup>th</sup> May 2016, with equity participation by NMDC Limited, Ircan, Steel Authority of India Limited and Chhattisgarh Mineral Development Corporation (nominee of Government of Chhattisgarh) in the ratio of 43:26:21:10 respectively, with the main object to build, construct, operate and maintain Rowghat to Jagdalpur (via

Narayanpur, Kondagaon) new railway line, in the State of Chhattisgarh. The authorized share capital of BRPL is Rs. 5 crore.

Shareholders Agreement for BRPL has been signed on 20<sup>th</sup> January 2016. As per the Articles of Association of the Company, Ircon is the implementation agency for the project and it has already received advance of Rs. 9.78 crore from co-promoters viz. NMDC and SAIL. Feasibility and Detailed Project Report (DPR) are under preparation.

### **C. Joint Venture Companies (JVCs) – Outside India:**

#### **11. Companhia Dos Caminhos De Ferro Da Beira (CCFB)**

A joint venture company “Companhia Dos Caminhos De Ferro Da Beira (CCFB)” was incorporated in Mozambique during 2004 to execute Beira Rail Concession Project. Your Company has 25% equity stake in CCFB along with RITES having 26% and CFM, a railway undertaking of Mozambique, having 49% equity stake. Your Company’s equity stake of 25% in CCFB is represented by USD 1.25 million (Rs 5.53 crore). Further, CCFB had been granted loan of USD 5.083 million (Rs. 22.48 crore), Conditional shareholders loan 15.042 million (Rs. 66.53 crore), and Shareholders loan of USD 1.947 million (Rs. 12.83 crore)], all totaling to an amount of USD 22.171 million.

Although the project was complete, the Government of Mozambique has terminated the concession in November 2011 and taken over the project in December 2011. CCFB had initiated arbitration proceedings against Government of Mozambique under ICC Rules and filed request for Arbitration with International Court of Arbitration in May 2013.

Subsequently, a settlement agreement was signed with Government of Mozambique on 21<sup>st</sup> October 2015. As per the settlement agreement, Ircon will get in installments an amount of USD 40.31 Million (including USD 4 Million against IRCON’s claims as a contractor). First installment of USD 17.93 Million (equivalent to INR 121.71 crore) for Ircon’s share has been received in January 2016. Balance four installments of USD 5.595 Million each are due on 18<sup>th</sup> October 2016, 18<sup>th</sup> October 2017, 18<sup>th</sup> October 2018 and 18<sup>th</sup> October 2019. Government of Mozambique have opened the confirmed Letter of Credit against balance due payment after 31<sup>st</sup> March

2016 (Confirmation received on 31<sup>st</sup> May 2016). The aforesaid payments are towards equity contribution by the company, shareholder loans, interest accrued up to the date of settlement agreement, dues towards management and other services/charges. In addition to this, reimbursement of arbitration expenses will be made subject to actual as per agreement within overall ceiling of USD 5 million to strategic shareholders i.e. RITES Limited and Ircon International Limited.

In view of receipt of upfront payment and establishment of Letter of Credit after reporting date, dues towards fees, loans, interest, etc. have now become certain to be realized. Accordingly, Interest on shareholder loans up to the date of settlement agreement, unrecognized fee and exchange variation as per AS-11 have been recognized during the year and Provision for doubtful loans amounting to Rs. 25.65 crore and Provision for impairment of Equity amounting to Rs. 5.53 crore made in earlier years have been written back during the year. The entire balance amount of shareholders loan (after receipt of upfront payment) {USD 12.435 Mn (equivalent to INR 81.97 crore)} has been transferred from loan account to amount recoverable from Govt. of Mozambique. Company will also transfer its shareholding in CCFB to Government of Mozambique or their nominated agency. Accordingly, investment in equity is still shown as a part of investment in CCFB in the Company’s financial statements

### **D. Unincorporated Joint Ventures (UJVs) – For projects in operation:**

#### **12. IRCON-SPSCPL-**

This unincorporated joint venture with S.P. Singla Constructions Private Limited (SPSCPL), having participating interest of 50:50 by Ircon and SPSCPL respectively, is for design and construction of 592 m long cable stayed major permanent bridge over river Ravi in the State of Jammu & Kashmir. The project was awarded to the UJV on 27<sup>th</sup> August 2010 at a value of Rs. 145.43 crore.

The work got completed in December 2015.

#### Financials:

During the year, this UJV has achieved operating turnover of Rs. 39.05 crore (Ircon’s share Rs. 19.52 crore) and incurred loss of Rs. 1.04 crore.

### 13. IRCON-AFCONS JV

This unincorporated joint venture with Afcons Infrastructure Limited (Afcons), having participating interest of 53:47 by Ircon and Afcons respectively, is for Construction of 2<sup>nd</sup> Bhairab Railway Bridges with approach Rail Lines in Bangladesh. The agreement for the project was signed on 10<sup>th</sup> September 2013 at a value of BD Taka 567.17 crore.

The overall progress of the project is 73.51% as on 31<sup>st</sup> March 2016, and the work is likely to be completed in March 2017.

#### Financials:

During the year, this UJV has achieved operating turnover of Rs. 157.80 crore (Ircon's share Rs. 83.50 crore) and profit before tax of Rs. 16.23 crore.

### E. Unincorporated Joint Ventures (UJVs) – For completed projects:

#### 14. RICON

This unincorporated joint venture with Rites Limited (RITES) was for securing and executing contracts awarded by CCFB. The participating interest of RITES and Ircon in this UJV is 51% and 49% respectively.

The work assigned to the UJV was completed in 2011. However, the UJV had not been wound up on account of pending settlement with CCFB.

#### Financials:

During the year, RICON has achieved profit before tax of Rs. 0.73 crore (Ircon's share Rs. 0.36 crore).

#### 15. International Metro Civil Contractor (IMCC)

This unincorporated joint venture with four other companies viz. Dyckerhoff & Widmann Aktiengesellschaft (DYWIDAG) in Germany, Larsen & Toubro Limited (L&T), Samsung Corporation (Samsung), Ircon, and Shimizu Corporation (Shimizu), Japan, was entered in 2001 for securing and executing construction of Delhi Metro Corridor-Mass Rapid Transport System Phase I Tunnel Project Package

MC1B project of Delhi Metro Rail Corporation (DMRC). The participating interest of DYWIDAG, L&T, Samsung, Ircon, and Shimizu is 29%, 26%, 26%, 9.5%, and 9.5% respectively. The project was completed in 2005, however, on account of pending matters with tax authorities and other commercial issues, the UJV has not been wound up.

#### Financials:

During the year, IMCC has achieved profit before tax of Rs. 0.20 crore (Ircon's share Rs. 0.02 crore).

#### 16. Metro Tunnelling Group (MTG)

This unincorporated joint venture with four other companies DYWIDAG International GmbH (DYWIDAG) in Germany, Larsen & Toubro Limited (L&T), Samsung Corporation (Samsung), Ircon, and Shimizu Corporation (Shimizu), Japan, was entered in 2006 for securing and executing Design and Construction of Tunnel by shield TBM and Stations by Cut & Cover on Central Secretariat – Qutub Minar Corridor of Phase-II of Delhi MRTS Project Packages BC 16 and Package BC 18 of DMRC. The participating interest in DYWIDAG, L&T, Samsung, Ircon, and Shimizu is 29%, 26%, 26%, 9.5%, and 9.5% respectively. The project was completed in 2010, however, the UJV is yet to be wound up on account of pending matters with tax authorities.

#### Financials:

During the year, MTG has achieved profit before tax of Rs. 4.03 crore which mainly consists of interest income (Ircon's share Rs. 0.38 crore).

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

**(Mohan Tiwari)**

Chairman & Managing Director  
(DIN: 00191363)

Place : New Delhi

Date : 2<sup>nd</sup> September 2016

## REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) AND SUSTAINABILITY ACTIVITIES

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

Your Company is committed to its stakeholders to conduct its business in an economically, socially, and environmentally sustainable manner, that is transparent and ethical.

The Company is having a policy on CSR and Sustainability since 2011. The said CSR and Sustainability Policy has been revised in April 2014 and January 2015 with the approval of the Board of Directors in line with the requirements of the Companies Act, 2013, and DPE Guidelines, 2014, on the subject.

The object of the CSR and Sustainability Policy is to focus on activities having social, economic and environmental impact, rather than mere output or outcomes.

The policy also provides for selection of CSR projects generally in the vicinity project sites to provide an opportunity to connect with the people, environment and other stakeholders, who are affected by construction activities. The stakeholders directly impacted by business

operations of the Company can rightfully claim for attention before others. Proximity to project site enables easier mobilization of resources required for execution of CSR projects, and also offers an advantage of checking regular progress in implementation of planned activities.

During financial year 2015-16, IRCON has undertaken CSR and Sustainability activities in the field of health, education, skill development, rural infrastructure development, environment (solar energy), sanitation and cleanliness, and socio-economic development. In addition, the Company has taken up a special drive to help differently abled persons by providing various kinds of aids and assistive devices. 384 persons with physical disabilities in Jammu region in the State of Jammu & Kashmir have benefitted by such aids and assistive devices distributed in the medical camp held at Jammu.

The Company has continued its commitment to contribute to the objective of national movement like 'Clean India (Swachh Bharat)' and 'Clean Ganga', and has contributed an amount of Rs. 1.93 crore to 'Swachh Bharat Kosh' and Rs. 1.27 crore to 'Clean Ganga Fund'.

The CSR and Sustainability Policy of the Company, the



Distribution of MSIED Kits to Differently Abled Persons at Jammu under CSR



projects / activities approved by the Board of Directors and executed during 2015-16 along with activities being undertaken during 2016-17, is available at the **web-link** --<http://www.ircon.org/content.aspx?Title=178>.

## 2. Composition of CSR Committee:

Presently your Company has a Board level Committee for monitoring the CSR and Sustainability activities / projects as well as a Nodal officer and his team to assist the Committee.

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

A brief background on the constitution of Committee during the year 2015-16, its mandate, along with details of meetings held during 2015-16 are given in para 7.4 of the Corporate Governance Report. Presently, the Committee is headed by Prof. (Ms.) Vasudha V. Kamat, Independent Director; with Mr. Avineesh Matta, Independent Director; Mr. Deepak Sabhlok, Director (Projects); and Mr. Anjum Pervez, Part-time (Official) Director; as its members.

- b) Mr. A. K. Goyal, Executive Director (Projects), Nodal Officer and his team assists the Committee in selection and approval of the CSR and Sustainability activities / projects; facilitates coordination of CSR and Sustainability initiatives; and submits the progress report of implementation of the activities to the CSR and Sustainability Committee.

3. **The average net profit of the Company from Indian projects in the last three financial years is Rs. 301.48 crore.**

4. **The CSR Budget for the financial year 2015-16 has been Rs. 6.03 crore which is 2% of the average net profit of the Company from Indian projects in the last three financial years.**

5. **During the year 2015-16, the Company has spent Rs. 6.15 crore on CSR activities. Thus, the unspent amount for the year 2015-16 is 'NIL' and there is no carry forward to the next financial year 2016-17. In addition, there was no carry forward from previous year i.e. 2014-15.**

## Details of the projects undertaken during the year are as under:

(Amount in Rs. lakhs)

Sl. No.	CSR Project / Activity identified	Sector in which the Project is covered	Projects or Programs(1) Local area or other (2) State and District where projects or programs was undertaken	Amount outlay (Budget) Project or Programs wise		Amount Spent on the Projects or Programs during 2015-16		Total Expenditure for the year 2015-16	Cumulative expenditure up to 2015-16	Amount Spent(Direct or through implementing agency)
				Total	During 2015-16	(1) Direct expenditure on projects or programs	(2) Over-heads			
1	Running and maintenance cost of the 3 health units existing at Banihal, Lalganj, Sivok.	Health [S. No. (i) of Sch VII]	(1) Local(2) Jammu & Kashmir, Ramban; Uttar Pradesh, Raebareli; and West Bengal, Sivok	30.00	30.00	22.96	-	22.96	22.96	Direct
2	Eye & Health Check up camps	Health [S. No. (i) of Sch VII]	(1) Local(2) New Delhi	5.00	4.18	0.83	-	0.83	1.65	Through M/s Mahavir International (an NGO)
3	Drinking water supply scheme & pipe line for villagers at Sumber (J&K)	Health [S. No. (i) of Sch VII]	(1) Local(2) Jammu & Kashmir, Ramban	20.00	10.00	9.99	-	9.99	9.99	Direct
4	Contribution to Swachh Bharat Kosh	Health [S. No. (i) of Sch VII]	Swachh Bharat Kosh, Deptt. of Expenditure (Min. of Finance)	193.00	193.00	193.00	-	193.00	193.00	Direct
5	Contribution to Clean Ganga Fund	Health [S. No. (i) of Sch VII]	National Mission for Clean Ganga	127.00	127.00	127.00	-	127.00	127.00	Direct
6	Annual maintenance of the arsenic removal plant installed in WB	Health [S. No. (i) of Sch VII]	(1) Local(2) West Bengal, Nadia & North 24 Parganas	2.00	2.00	2.00	-	2.00	2.00	Through M/s SATHEE (an NGO of West Bengal)

Sl. No.	CSR Project / Activity identified	Sector in which the Project is covered	Projects or Programs(1) Local area or other (2) State and District where projects or programs was undertaken	Amount outlay (Budget) Project or Programs wise		Amount Spent on the Projects or Programs during 2015-16		Total Expenditure for the year 2015-16	Cumulative expenditure up to 2015-16	Amount Spent(Direct or through implementing agency)
				Total	During 2015-16	(1) Direct expenditure on projects or programs	(2) Over-heads			
7	Providing Toilets in Schools	Education [S. No. (ii) of Sch VII]	(1) Local(2) Bihar, Patna	20.00	20.00	20.33	-	20.33	20.33	Through Implementing Agency (IrconISL, a subsidiary of IRCON)
8	Vocational cum skill development training in the state of Rajasthan	Education [S. No. (ii) of Sch VII]	(1) Local(2) Rajasthan, Dhaulpur	20.00	12.94	0.25	-	0.25	7.31	Direct
9	Vocational training centers for women at Bankoot (Banihal) for tailoring and embroidery	Education [S. No. (ii) of Sch VII]	(1) Local(2) Jammu & Kashmir, Ramban	5.00	1.06	1.78	-	1.78	5.72	Direct
10	Provision of solar power panels at "MUSKAAN" school for differently abled adult children in Vasant Kunj, New Delhi	Education [S. No. (ii) of Sch VII]	(1) Local(2) New Delhi	18.00	18.00	17.57	-	17.57	17.57	Direct
11	Up gradation of school and other facilities in village Bhauri Gwalior (MP)	Education [S. No. (ii) of Sch VII]	(1) Local(2) Madhya Pradesh, Gwalior	20.00	1.23	2.28	-	2.28	21.05	Through MP Laghu Udyog Nigam Ltd.
12	Development works for Govt. School, Soomber (J&K).	Education [S. No. (ii) of Sch VII]	(1) Local(2) Jammu & Kashmir, Ramban	10.00	4.87	1.84	-	1.84	6.97	Direct
13	Providing school bags and stationery items to the students in Govt. schools.	Education [S. No. (ii) of Sch VII]	(1) Local(2) Madhya Pradesh, Gwalior	4.73	4.73	2.55	-	2.55	2.55	Direct
14	Infrastructure improvement in Govt. high school at Gurha Mundian, Tehsil - Hiranagar, Distt- Kathua, J&K	Education [S. No. (ii) of Sch VII]	(1) Local(2) Jammu & Kashmir, Kathua	20.00	10.00	10.00	-	10.00	10.00	Direct
15	Skill Entrepreneurship Development Programmes in the state of J&K through NITCON	Employment Enhancing Education[S. No. (ii) of Sch VII]	(1) Local(2) Jammu & Kashmir, Ramban	30.00	21.00	6.05	-	6.05	6.05	Through North India Technical Consultancy Organisation Ltd.
16	Supply of Artificial Limbs to differently abled persons through ALIMCO (govt. undertaking).	For Differently abled [S. No. (ii) of Sch VII]	(1) Local(2) Jammu & Kashmir, Jammu	30.00	30.00	22.50	-	22.50	22.50	Throguh Artificial Limbs Manufacturing Corporation of India
17	Provision of Mokshda cremation system two units location of Mokshda Green Cremation system of (Mokshda PEVSS) at Raebareli, UP	Environment[S. No. (iv) of Sch VII]	(1) Local(2) Uttar Pradesh, Raebareli	79.00	7.87	5.48	-	5.48	76.61	Through M/s MOKSHDA PEVSS (Paryavaran Evam Van Suraksha Samiti)

Sl. No.	CSR Project / Activity identified	Sector in which the Project is covered	Projects or Programs(1) Local area or other (2) State and District where projects or programs was undertaken	Amount outlay (Budget) Project or Programs wise		Amount Spent on the Projects or Programs during 2015-16		Total Expenditure for the year 2015-16	Cumulative expenditure up to 2015-16	Amount Spent(Direct or through implementing agency)
				Total	During 2015-16	(1) Direct expenditure on projects or programs	(2) Over-heads			
18	Construction of Concrete Pathway from Kaskoot Village (Eastern side) up to the West side boundary wall of Banihal Station yard in J&K	<b>Infrastructure Development</b> [S. No. (x) of Sch VII]	(1) Local(2) Jammu & Kashmir, Ramban	4.50	1.83	1.08	-	1.08	3.76	Direct
19	Providing infrastructure facilities in Dulhapur village near Benaras	<b>Infrastructure Development</b> [S. No. (x) of Sch VII]	(1) Other(2) Uttar Pradesh, Ghazipur	25.00	18.91	16.90	-	16.90	22.99	Direct
20	Up-gradation of school infrastructure and rural infrastructure at village Bhorl (Chinor) of Gwalior District	<b>Education</b> [S. No. (ii) of Sch VII]& <b>Infrastructure Development</b> [S. No. (x) of Sch VII]	(1) Local(2) Madhya Pradesh, Gwalior	4.77	4.77	4.54	-	4.54	4.54	Direct
21	Up-gradation of passenger amenities under CSR at stations Patna and Guwahati	<b>As per Sch. VII</b>	(1) Local(2) Bihar, Patna; Assam, Guwahati	400.00	203.00	144.81	-	144.81	144.81	Through respective railways i.e. EC Railway and NF Railway
22	Evaluation for CSR Works for FY 2014-15 and Survey, printing compendium etc.	<b>Health, Education, Rural Development, Environment</b>	(1) Local(2) Uttar Pradesh, Raebareilly; Delhi; West Bengal, Nadia & North 24 Parganas	2.00	2.00	-	1.53	1.53	1.53	Through Implementing Agency (IronISL, a subsidiary of IRCON)
<b>Total</b>				<b>1,070.00</b>	<b>728.39</b>	<b>613.73</b>	<b>1.53</b>	<b>615.25</b>	<b>730.87</b>	

6. The BoD, at its meeting held on 2nd September 2016, had approved CSR Budget, for the financial year 2016-17, of ₹ 6.83 crore which is 2% of the average net profit from Indian projects in the last three financial years.

7. The CSR and Sustainability Committee confirms that the implementation and monitoring of the CSR and Sustainability policy is in compliance with the CSR objectives and policy of the Company.

For and on behalf of the Board of Directors

**(Deepak Sabhlok)**  
Director Projects &  
Member, CSR and Sustainability  
Committee  
(DIN 03056457)

**(Prof. Vasudha V. Kamat)**  
Independent Director &  
Chairperson, CSR and Sustainability  
Committee  
(DIN 07500096)

**(Mohan Tiwari)**  
Chairman & Managing Director  
(DIN 00191363)

Place : New Delhi  
Date : 2<sup>nd</sup> September 2016

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### AN OVERVIEW

The Company has a long standing reputation as a sectoral leader in Transportation Infrastructure amongst the public sector construction companies in the Country with specialization in execution of Railway Projects on turnkey basis or otherwise. After commencing business as a railway construction company it diversified progressively since 1985 to roads, buildings, electrical sub-station and distribution, airport construction, commercial complexes, as well as to metro works. It has been one of the few construction companies in the public sector to have earned substantial foreign exchange for the Country and paid dividend without fail every year to the Government.

The Company has executed many landmark construction projects in the last 40 years both in India and abroad. In India, in particular, it has also been undertaking projects even in difficult terrains and disturbed regions. The Company has so far completed more than 119 projects in more than 22 countries across the globe, and 376 projects in India.

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

### LEGAL STATUS AND AUTONOMY

The Company, a legal entity separate from the Government, is legally, functionally, and financially autonomous, operates under the corporate laws as an independent commercial enterprise, does not receive any budgetary or financial support from the Government, nor is it a dependent agency of the Government. However, the Government of India through the Ministry of Railways and the Department of Public Enterprises under the Ministry of Heavy Industries and Public Enterprises, monitors its performance through a system of Memorandum of Understanding (MOU) as regards targets to be achieved every year as part of accountability to the Parliament in respect of all government companies. Government can issue and

does issue guidelines to regulate and bring about some uniform pattern in the functioning of the Company as a public sector company. However, no Government department has any supervisory authority to exercise control over the Company which is managed and run under the superintendence, control, and direction of its Board of Directors as per the Companies Act.

### BUSINESS ENVIRONMENT

The Indian Economy grew at 7.6 per cent in the financial year 2015-16 thus making it the fastest growing major economies in the world. The growth rate has been achieved despite global macroeconomics chartering a rough and uncertain terrain. To continue this momentum or to achieve and sustain higher economic growth, impetus to infrastructure is indispensable which the Government is undertaking through various initiatives. Some of these initiatives which may present business opportunities to your Company are given below:

#### Railways:

The key focus areas for Indian Railways presently are commissioning of track and broad gauge lines, railway electrification, dedicated freight corridor (DFC) with three new freight corridors expected to come up viz. North-South connecting Delhi to Chennai, East-West connecting Kharagpur to Mumbai and East Coast connecting Kharagpur to Vijaywada; north-eastern rail connectivity, port connectivity, loco factories and metro works, redevelopment of railway stations etc. A sizeable investment is expected on these activities.

Signalling & Telecommunication Projects are also included in the composite turnkey railway projects.

The preferred mode of project execution presently seems to be PPP, Joint Ventures, and Engineering Procurement and Consultancy (EPC) etc. To enable the States to decide priorities for development of backward regions in the spirit of cooperative federalism, the cabinet has allowed creation of joint ventures with State Government for undertaking rail based projects. These partnerships are expected to cover about 5300 km length at a value of Rs. 92,714 crore approximately as per the budget document.

Indian Railways is moving towards undertaking projects valuing above Rs. 300 crore through EPC mode only.

#### Roads:

The Government is proposing an umbrella scheme viz. Bharatmala programme at an estimated cost of Rs. 2,67,200 crore to be completed by 2022. The programme covers, Development of State Roads along Coastal areas / Border areas, including connectivity of non-major ports, about 7000 km at a value of Rs. 80,250 crore; Backward Areas, Religious, Tourist Places Connectivity programme, about 7000 km at a value of Rs. 85,250 crore; Setu Bharatam Pariyojana for construction of about 1500 major bridges and 200 ROBs / RUBs at a value of Rs. 30,000 crore; District Head Quarter Connectivity Scheme for development of about 9000 km newly declared National Highways at a value of Rs. 60,000 crore

In addition, the already continuing projects under PMGSY would have an allocation of Rs. 19000 crore during 2016-17. Further, Special Accelerated Road Development Programme for North-Eastern region (SARDP-NE) proposes improvement of 2933 km of National Highway and 1166 km of State roads and road and highways package for Arunachal Pradesh involving development of about 2319 km of road length (2205 Km of National Highways and 114 Km State Roads)

#### Electrical Projects:

In addition to railways electrification works and work for railway sidings etc., other works in the offing are strengthening sub-transmission and distribution network in urban areas under the 'Integrated Power Development Scheme' (IPDS) at a value of Rs. 5134 crore; Rural Electrification works under 'Deendayal Upadhyaya Gram Jyoti Yojana' (DDUGJY) Scheme at a value of Rs. 43,033 crore and Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) Scheme at a value of Rs. 39,275 crore.

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

#### Present Project Profile:

Your Company is executing construction of railway line in J&K, Sivok-Rangpo, Jayanagar (India) to Bijalpura (Nepal), Jogbani to Biratnagar, etc.; setting of new rail coach factory at Rae Bareilly; setting up of three electric loco sheds at Bondamunda, Daund and Mughalsarai; Road over Bridges in Jharkhand under Pradhan Mantri Gram

Sadak Yojna (PMGSY); Design and Construction of Civil, Building and Track Works of Vaitarna-Sachin section of DFC project; Construction of Railway Siding at Nagarnar, in Chhattisgarh and for Darlipali Super Thermal Power project; electrical works under RAPDRP-Part B Project in the State of Jammu & Kashmir and Uttar Pradesh; Design, Supply, Installation etc. of receiving-cum-traction and auxiliary main sub-station; Metro works for Delhi and Kochi metro, etc.

Additionally, the Company is a stakeholder in five Special Purpose Vehicle (SPV) companies to undertake rail connectivity projects for coal movement, viz. three in the State of Chhattisgarh i.e. 'Chhattisgarh East Railway Limited', 'Chhattisgarh East-West Railway Limited' and 'Bastar Railway Private Limited'; and one each in the State of Odisha and Jharkhand i.e. 'Mahanadi Coal Railway Limited' and 'Jharkhand Central Railway Limited' respectively.

The Company has also formed two wholly-owned subsidiary companies for execution of road projects of NHAI viz. Ircon PB Tollway Limited [for widening and strengthening of the existing Bikaner - Phalodi section of NH-15 on BOT (Toll) basis in the State of Rajasthan] and Ircon Shivpuri Guna Tollway Limited [for four laning of Shivpuri-Guna section of NH-3 on BOT (Toll) basis on DBFOT pattern under NHDP Phase-IV in the State of Madhya Pradesh].

**Your Company is having active presence** in Sri Lanka, Malaysia, Bangladesh, Algeria, Bhutan, and South Africa.

#### OUTLOOK

The Vision and Mission of the Company are as follows:

##### A. Vision

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

##### B. Mission

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

## FINANCIAL PERFORMANCE

The total income of the Company during 2015-16 stood at Rs. 2703 crore as compared to Rs. 3122 crore registered in 2014-15. About 89% of the total income i.e. Rs.2403 crore, has arisen from operations, out of which about 18% i.e. Rs.434 crore has been contributed by foreign projects. Operating income from foreign projects has decreased by 50.51% over the previous year. The main reason being completion of foreign projects in Sri Lanka. There had been a corresponding decrease of 32.82% in Profit before tax from Rs.844 crore in 2014-15 to Rs. 567 crore in 2015-16. Profit after Tax has also decreased by 34.54% from Rs. 579 crore in 2014-15 to Rs.379 crore in 2015-16. Net Worth has increased by 5.25% during the year, whereas earnings per share have decreased by 34.54% from Rs. 292.68 in 2014-15 to Rs. 191.59 in 2015-16.

Although turnover of the Company is showing declining trend, the Company has secured new projects whereby the order book stands increased to Rs. 17569 crore approx. Consequently, the Company is hopeful to reverse the trend and achieve turnover as per objectives.

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

## OPERATIONAL PERFORMANCE

### A. Sectoral Performance:

Railways continued to be the primary sector of interest contributing highest to the operating income, though its portion has reduced. Highways and Electrical have been the other two important sectors contributing 9.88% and 8.27% respectively to total operating income during 2015-16. A sector-wise comparative position for the last three years is given below:

(Rs. in crore)

Sectors	2013-14		2014-15		2015-16	
	Operating Income	%	Operating Income	%	Operating Income	%
Railways	3884	95.50	2688	91.12	1897	78.95
Highways	136	3.33	228	7.72	237	9.88
Electrical	21	0.54	13	0.45	199	8.27
Buildings	24	0.58	19	0.63	67	2.80
Others	2	0.05	2	0.08	2	0.10
<b>Total</b>	<b>4067</b>	<b>100</b>	<b>2950</b>	<b>100</b>	<b>2403</b>	<b>100</b>

### B. Segment-wise Performance:

Contribution of foreign projects to total income has decreased from 50% in 2013-14 to 15% in 2015-16. A comparative position for the last three years is given below:

(Rs. in crore)

Segments	2013-14		2014-15		2015-16	
	Total Income	%	Total Income	%	Total Income	%
Foreign	2146	50	868	28	407	15
Domestic	2161	50	2254	72	2296	85
<b>Total</b>	<b>4307</b>	<b>100</b>	<b>3122</b>	<b>100</b>	<b>2703</b>	<b>100</b>

## STRENGTHS

The Company has rich experience of timely execution of a large number of international projects, especially in developing countries. Its key strengths continue to be impressive financials (reflected in the consistent profitability and healthy balance sheet of the Company), established credentials, and competent manpower. The Company has a track record of quality performance in time to the satisfaction of customers. The Company has gained valuable experience in executing turnkey projects for DBFOT projects. On account of opportunities in the offing in the areas of EPC and DBFOT, an integrated team of railway and highways, design and execution engineers and business development managers have been mobilized to work on such opportunities.

Some of the large infrastructure companies are unable to mobilize additional resources to fund infrastructure projects owing to debt etc. However, Ircan can leverage its financial resources to secure DBFOT projects both in Highway and Railway sector. This may enable the Company to be most competitive on these projects.

## OPPORTUNITIES

A number of macro level and sectoral initiatives undertaken to improve economic growth coupled with revival of interest in the development of infrastructure sector in the last few years in India as well as Abroad,

particularly in Railway sector, has opened up several opportunities for securing more business. The Company's effort to leverage its financial resources to get recurring business has resulted in securing coal connectivity projects in the State of Chhattisgarh, Odisha, and Jharkhand. Efforts to develop maximum number of other related and remunerative projects in these States and other States may bring more business in the coming years

The Company has experience in undertaking ROB projects for Railway entities and State Governments. Iicon has also delivered large number siding projects for other PSUs and clients.

During the year, the Company secured one Railway contract through open competitive bid under Indian Lines of Credit in Bangladesh and is making efforts to secure further projects in the said country. The commitment of Government of India for new lines of credit amounting to USD 10 billion for Africa, would afford opportunities of securing works in countries like Ghana, Kenya, Ethiopia etc.

## CONSTRAINTS

Although every organization has to work within a certain legal framework, the Company as a public sector company faces more constraints (not applicable to private sector companies) which puts it at a disadvantage in a competitive market. The structural changes in the construction industry in the last few years whereby all construction and financial risks are being transferred to the Contractors from the employers poses fresh challenge to the Company. These higher risks are willingly taken up by private sector companies to capture a sizeable portion of the market.

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

## STRATEGY

The Company is focused towards strategic business development to sustain and improve its order book position by giving a thrust to its areas of core competence and international business. Core competence of the Company namely, Railways, Highways, Electric sub-stations, S&T, and Railway Electrification, is being further consolidated.

There is need to relook at Iicon's strategy in bidding for contracts in the infrastructure sector in view of the challenges being posed by the above constraints. The revised strategy should take into account the Company's strength in terms of its credentials to execute mega projects and financial resources and its weaknesses on account of being a government entity limiting its ability to take risk, to secure projects in a higher competitive environment.

The Company also needs to increase its efforts in Metro Railway to bag contracts through strategic tie ups with local companies in the Indian market and International companies in the foreign markets.

## RISKS AND CONCERNS

### A. Project Risk Management:

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

In India, a major concern in execution of projects is non-availability of encumbrance free land, and delayed approval of drawings and estimate due to which there is a risk of time and cost overruns which are seldom compensated by the client.

## B. Treasury Risk Management

Your company was assigned a 'CARE AAA' rating by Credit Analysis & Research Limited (CARE) for long-term non-fund based credit facilities and an 'A1+' rating for short-term non-fund based credit facilities in 2008-09 based on BASEL II norms of the Reserve Bank of India. These rating have been re-affirmed in an annual surveillance review by CARE in January 2016.

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

## INTERNAL CONTROL SYSTEM

The Company has adequate internal control mechanism and an Internal Audit System commensurate with its size and nature of business. A comprehensive internal audit manual, encompassing the detailed scope of Internal Audit covering various areas from tendering to statutory compliances had been issued to internal auditors to make the internal control system more effective and project specific. Projects are closely monitored through online/offline reporting formats and the key performance indices are monitored by the Management on monthly basis.

The Company has in place an organizational chart and a system of delegation of powers. This coupled with robust internal MIS systems, ensures appropriate information

flow to facilitate effective monitoring. Adherence to these processes is monitored through internal audits. The frequency of the Internal Audit, which varies from quarterly to half-yearly, is linked with the turnover and percentage of completion of the each project.

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

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

## HUMAN RESOURCE

The Company aims to achieve the right size and right mix of human resource/ employees for the organization. Since your Company is a project based company, there are fluctuations in the manpower requirements which are being taken care by recruiting employees on deputation, contract, and service contract. Recruitment strategies have been re-engineered to tune them with the overall strategy of the Company to keep cost of supervision and establishment at optimum level. Training programmes are designed so as to enhance both technical and managerial skills of employees.

The Company offers the post superannuation benefits of Contributory Provident Fund, Gratuity, and Post retirement Indoor Medical benefits through a



Medical Trust to all its employees. During the year, Defined Contribution Pension Scheme, based on the recommendation of 2<sup>nd</sup> Pay Revision Committee, was approved w.e.f. 1<sup>st</sup> April 2009 consequent upon approval of Group Gratuity Trust Fund by the Commissioner of Income Tax in terms of its order dated 31<sup>st</sup> August 2015.

The manpower strength as on 31<sup>st</sup> March 2016 was 1499 employees. The attrition rate during 2015-16 was 1.67%, with 25 employees leaving the organization.

With an aim to build competency based framework for managing human resources, training programmes are being designed to align the skills of organisation's human resources with that of the company's present and

future needs. Under succession planning policy of the Company, steps are being taken to identify a potential pool of likely leaders to take up critical roles in future. To groom this pool of potential leaders, organization aims to train them with regard to future job requirements by involving them in cross-functional activities and through mentorship and stretch assignments.

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

**(Mohan Tiwari)**

Chairman & Managing Director

(DIN: 00191363)

Place : New Delhi

Date : 2<sup>nd</sup> September 2016

## CORPORATE GOVERNANCE REPORT

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

1.1 The **Code of Corporate Governance** of the Company is "To Be Professional, Profitable, Transparent, and Accountable with excellence in every sphere of activity of the Company."

1.2 The **Key Values of the Company** formally adopted by the Board of Directors are:

- a) Constructive approach
- b) Working as a team
- c) Excellence in performance
- d) Probity in work and dealings
- e) Being responsible and accountable

### 2. BOARD OF DIRECTORS

#### 2.1 Composition of Board of Directors:

After the close of the financial year 2015-16, Ministry of Railways (Administrative Ministry) has appointed three independent directors on the Board of Ircon in April 2016. Further, one government nominee director superannuated on 30<sup>th</sup> June 2016. Accordingly, the present strength of the Board of Directors of Ircon is eight comprising four whole-time directors (Chairman & Managing Director, Director Finance, Director Projects, and Director Works), one government nominated [part-time (official)] director, and three independent directors (including one woman director).

#### 2.2 Board of Directors and their Memberships of BoD / Committees

(As on the date of this report)

Directors	Whole-time / Part-time (Official)/ Independent	Directorships held in Companies/ Body Corporates (excluding Ircon)	Committee Memberships held in Companies / Body Corporates (including Ircon)	
			As Chairman	As Member
Mohan Tiwari [DIN 00191363]	Chairman & Managing Director – Whole-time	1[IRSDC]	NIL	NIL

Directors	Whole-time / Part-time (Official)/ Independent	Directorships held in Companies/ Body Corporates (excluding Ircon)	Committee Memberships held in Companies / Body Corporates (including Ircon)	
			As Chairman	As Member
Deepak Sabhlok [DIN 03056457]	Director Projects – Whole-time	3[ISTPL, IrconPBTL, and IrconSGTL]	NIL	2
Hitesh Khanna [DIN 02789681]	Director Works – Whole-time	2[IrconISL and JCRL]	NIL	NIL
M. K. Singh [DIN 06607392][w.e.f. 01.05.2016]	Director Finance – Whole-time	1[IRSDC]	NIL	NIL
Anjum Pervez [DIN 06682287]	Part-time (Official)	1[RVNL]	NIL	5
S. K. Singh [DIN 00003695] [w.e.f. 05.04.2016]	Independent	9[See note (i)]	1	4
Avineesh Matta [DIN 00011749] [w.e.f. 08.04.2016]	Independent	3[see note (j)]	1	2
Vasudha V. Kamat [DIN 07500096] [w.e.f. 22.04.2016]	Independent	NIL	1	3

#### Directors who ceased to hold office (During 2015-16 and thereafter till the date of this report)

Directors	Whole-time / Part-time (Official)/ Independent	Directorships held in Companies/ Body Corporates (excluding Ircon)	Committee Memberships held in Companies / Body Corporates (including Ircon)	
			As Chairman	As Member
K.K. Garg [DIN 01495050] [Held Office from 03.11.2009 (FN) to 30.04.2016 (AN). Ceased to hold office on superannuation].	Director Finance – Whole-time	1 [CCFB]	1	1
H. K. Kala [DIN 07200108] [Held Office from 02.06.2015 (FN) to 30.06.2016 (AN). Ceased to hold office on superannuation from the post of Addl. Member (Planning), Railway Board].	Part-time (Official)	1 [MRVC]	NIL	2

**Notes:**

- a) The number of Directorships is within the maximum limit of 10 public companies (within the overall maximum limit of 20 Companies) in accordance with the Companies Act, 2013.
- b) The Committees covered under the last two columns are Audit Committee, Nomination and Remuneration Committee, Independent Directors Committee, CSR & Sustainability Committee, and Committee for Issue of Renewed / Duplicate Share Certificates.
- c) 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 has been counted for the said limit.
- d) The term 'whole-time director' used in this report refers to functional / executive directors.
- e) The term 'part-time director' used in this report refers to non-executive directors.
- f) The term 'official' indicates part-time Government nominated directors who hold office in the Government.
- g) The term 'non-official/ independent' indicates part-time directors who hold no office in the Government and are independent.
- h) Apart from the remuneration to directors as per the terms and conditions of their appointment and entitled sitting fee to part-time (non-official) directors, as detailed in para 4 of this Report, none of the directors has any material or pecuniary relationship with the Company which can affect their independence of judgment.
- i) Mr. S. K. Singh, Independent Director, is director on the Board of:
- i) Ganesh Realty and Mall Development Private Limited  
[CIN U45200WB2007PTC112423]
- ii) Likhami Commercial Company Limited  
[CIN U51109EWB1982PLC034623]
- iii) Distant Horizon Orchard Private Limited  
[CIN U74899WB1991PTC117430]
- iv) Vantage Vanijya Private Limited  
[CIN U51909WB2008PTC129280]
- v) Maddhurya Vanijya Private Limited  
[CIN U51109WB2008PTC125480]
- vi) Alishan Dealtrade Private Limited  
[CIN U52100WB2010PTC145109]
- vii) Fourfold Agents Private Limited  
[CIN U5190WB2009PTC133868]
- viii) Utkarsh Sfatik Limited  
[CIN U45100WB1992PLC195097]
- ix) Ashika Credit Capital Limited  
[CIN L67120WB1994PLC062159]
- j) Mr. Avineesh Matta, Independent Director, is director on the Board of:
- i) Explico Consulting Private Limited  
[CIN U9300DL2010PTC205167]
- ii) PIC Consultants Private Limited  
[CIN U74999DL2013PTC252126]
- iii) InQUANT Consulting Private Limited  
[CIN U74140DL2009PTC186611]
- k) Full name of companies referred:
- i) IrconISL – Ircon Infrastructure & Services Limited, a wholly owned subsidiary company of Ircon at New Delhi (India) [CIN U45400DL2009GOI194792]
- ii) IrconPBTL – Ircon PB Tollway Limited, a wholly owned subsidiary company of Ircon at New Delhi (India) [CIN U45400DL2014GOI272220]

- iii) IrconSGTL – Ircon Shivpuri Guna Tollway Limited, a wholly owned subsidiary company of Ircon at New Delhi (India) [CIN U45400DL2015GOI280017]
- iv) IRSDC – Indian Railway Stations Development Corporation Limited, a JV and a subsidiary company of Ircon (51% equity) at New Delhi (India) [CIN U45204DL2012GOI234292]
- v) ISTPL – Ircon-Soma Tollway Private Limited, a JV Company at New Delhi (India) in which Ircon has 50% equity participation [CIN U74999DL2005PTC135055]
- vi) JCRL – Jharkhand Central Railway Limited, a JV Company in Jharkhand (India) in which Ircon has 26% equity participation [CIN U45201JH2015GOI003139]
- vii) CCFB – Companhia Dos Caminhos De Ferro Da Beira, a JV Company in Mozambique in which Ircon has 25% equity participation
- viii) RVNL – Rail Vikas Nigam Limited [CIN U74999DL2003GOI118633]
- ix) MRVC – Mumbai Railway Vikas Corporation Limited [CIN U45203MH1999GOI120765]

### 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. Two nominee directors (part-time official) who are officials from the Ministry of Railways, and thus related to the promoter.

Since appointment of all the directors including part-time directors is done by the Government in the name of the President of India, it has not been possible to

have an item in the notice of AGM for appointment of directors as per section 152 of the Companies Act, 2013, which require determining not less than 2/3<sup>rd</sup> of the directors as persons whose period of office is liable to determination by retirement of directors by rotation at a general meeting. Further, Government appoints (not the Company) the part-time directors including independent directors with a fixed tenure due to which there is no scope for actually retiring any director by rotation every year and in the process it has not been possible to apply section 152 of the Companies Act, 2013.

The performance evaluation of functional directors as well as the Company is done through Memorandum of Understanding entered with Ministry of Railways and submitted to Department of Public Enterprises through the Administrative Ministry.

#### 3.1 Brief Resume of Directors who joined the Company

No new director joined the Company during the year 2015-16. However, after the close of the year, following four directors have joined the Board of Ircon:

- a) Mr. Sanjay Kumar Singh (S. K. Singh) (DIN 00003695), Practising Chartered Accountant, has joined the Board of Ircon as Independent [Part-time (Non-Official)] Director w.e.f. 5<sup>th</sup> April 2016 in terms of Presidential Order dated 1<sup>st</sup> April 2016 issued by the Ministry of Railways.

Born on 3<sup>rd</sup> November 1964, Mr. Singh's qualifications are B.Com (Hons.) and fellow member of the Institute of Chartered Accountants of India (ICAI).

He has 30 years of rich experience in finance, taxation, and business operation. He had worked for more than 26 years with Ambuja-Neotia Group (erstwhile owner & promoter of Ambuja Cements Limited). Before starting his own practice four years ago in 2012, he was holding the post of President (Corporate Affairs) in the said Ambuja Group.

Mr. Singh is also a council member of National Youth Development Fund under the aegis of

Ministry of Youth Affairs and Sports and examiner in ICAI for last more than 20 years.

- b) Mr. Avineesh Matta (DIN 00011749), Practising Chartered Accountant, has joined the Board of Ircan as Independent [Part-time (Non-Official)] Director w.e.f. 8<sup>th</sup> April 2016 in terms of Presidential Order dated 1<sup>st</sup> April 2016 issued by the Ministry of Railways.

Born on 28<sup>th</sup> April 1959, Mr. Matta's qualifications are B.Com (Hons.), LLB, Advanced Diploma in Management, Certificate in Environmental Economics, Certificate in Business Valuation, Diploma in Information Systems Audit, and fellow member of the Institute of Chartered Accountants of India (ICAI).

He has over 33 years of rich experience in finance, audit, taxation, etc. His professional exposure to multifarious industries and service segments has provided him extensive business knowledge and understanding of strategic and policy issues and processes. He has been giving consultation on merger & amalgamation, foreign exchange issues, due diligence, project financing, feasibility studies, investment banking, credit ratings, corporate restructuring, strategic & legal consulting, valuation of business & assets in addition to consultancy on Engineering-Procurement-Construction, Operate-Maintain-Transfer, Built-Operate-Transfer, and similar projects in road transport and highway sector.

He has been associated with monitoring, review, and evaluation of internationally aided projects in social sector and urban support programs. He has also been associated with various committees of ICAI, along with being an active member of various non-governmental organisation working in the field of health, education and skill development. He carries deep interest in business ethics and governance.

- c) Prof. (Ms.) Vasudha Vasant Kamat (DIN 07500096), has joined the Board of Ircan as Independent

[Part-time (Non-Official)] Director w.e.f. 22<sup>nd</sup> April 2016 in terms of Presidential Order dated 1<sup>st</sup> April 2016 issued by the Ministry of Railways.

Born on 26<sup>th</sup> June 1952, Ms. Kamat's qualifications are B.Sc (Chemistry), B.Ed., M.Ed., M.A. (Sociology), and Ph.D. (Education).

Prof. Kamat started her career as teacher in 1971. Prior to joining SNTD Women's University in 1983, she was lecturer for 4 years in College of Education. She held various posts in her career span of 29 years with SNTD University. At the time of her retirement from SNTD University in 2016, she has been holding the post of Vice-Chancellor for the last 5 years. She also had a brief tenure as Joint Director at CIET, NCERT from 2007 to 2011.

She has over 45 years of rich experience in the field of school education, higher education, teacher education, women's education, open and distance education. During her tenure at SNTD University, she introduced various new ideas/procedures like online admissions, Choice Based Credit System at master level, new strategies for evaluation, use of Information & Communication Technology (ICT) in teaching-learning Process, Faculty Development Programmes, Development of ICT infrastructure such as virtual classrooms, computer labs for students, training labs for teachers as well as Language labs on campuses.

A strong advocate of internationalization of higher education, she has linkages with various foreign universities in Canada, Mauritius, Malaysia, etc. She also has close association with Open Universities and National Institute of Open School.

As a social activist, she has been working for Society for Rural Reconstruction and Education (Narayan Ashram) since 1992. She is recipient of Best Teacher Award from Maharashtra State Government (2005-06), Fulbright Senior Research Fellowship (2005-06), and Rotary International Fellowship (2004-05).

- d) Mr. M. K. Singh (DIN 06607392), has joined the

Board of Ircan as Director Finance w.e.f. 1<sup>st</sup> May 2016 in terms of Presidential Order dated 26<sup>th</sup> April 2016 issued by the Ministry of Railways.

Born on 25<sup>th</sup> September 1961, Mr. Singh's qualifications are B.A. (Hons.), M.A. (Mathematics), M.Phil (Mathematics), and Post Graduate Diploma in Financial Management from IGNOU. He is an Indian Railway Accounts Service (IRAS) Officer of 1990 batch. Prior to joining Indian Railways, he worked as lecturer for 5 years in the University of Delhi.

He joined Indian Railways in 1991 and worked in various capacities for 25 years. He has gained rich experience in various branches of Railway Accounts and Finance including exposure of working in multi-departmental set up of Indian Railways. As Director Finance (Accounts) & Director Finance (PPP), Railway Board, he has worked in the area of financial scrutiny and appraisal of PPP projects in Indian Railways, compilation and preparation of accounts of Indian Railways, dealing with statutory audit (C&AG), etc. Further, he played a pivotal role in implementing a pan-railway online accounting package system and other Relational Database Management System (RDBMS) packages of Accounting and Finance in zonal headquarters and divisions in the railway system along with being a member of the team computerizing the Railway Finance and Accounts in two major divisions.

Prior to joining Ircan as Director Finance, he was working as General Manager/ Finance in Rail Vikas Nigam Limited (on deputation) for about 4 years where he was responsible for commercial accounting, financing along with handling financial matters of construction issues of rail infrastructure pertaining to SPVs, tender finalisation under

quality and cost based selection (QCBS) and other systems, and handling ERP project, etc.

He has undergone trainings on Public Private Partnership mode of project finance from IIM Ahmedabad, freight business marketing course from Railway Staff College, Management Development program in Canada from Rottman School of Management, University of Toronto, Canada. He had also received various awards like Minister of Railways Award (in 1998), General Manager Award (2004), Efficiency Shield to Finance Department of Bhopal division (2007-08) during his tenure.

#### 4. REMUNERATION OF DIRECTORS

Being a government company, the whole-time directors are appointed by the President of India through the Ministry of Railways and draw remuneration as per Industrial Dearness Allowance (IDA) pay scales pre-determined by the Government and as per the terms and conditions of their appointment issued by the Government.

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

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

#### 4.1 Disclosure on Remuneration package of Whole-time Directors during 2015-16:

(Rs. in crore)

Sl. No.	Name of the Directors*	Salary & Allowances	Other Benefits & Perks	Performance Linked Incentive	Retire-ments Benefits	Bonus/ Com-mi-ssion/ Ex-gratia	Stock Option during the year	Total
1	Mohan Tiwari,** Chairman & Managing Director (throughout 2015-16)	39,35,526	7,74,946	14,24,205	2,91,640	-	-	64,26,317
2	K.K. Garg,*** Director Finance (throughout 2015-16)	38,03,048	7,60,639	11,94,787	11,72,724	-	-	69,31,198 <sup>^</sup>
3	Deepak Sabhlok Director Projects (throughout 2015-16)	26,98,926	5,90,312	11,78,790	2,57,466	-	-	47,25,494
4	Hitesh Khanna Director Works (throughout 2015-16)	25,95,084	5,34,853	9,28,082	2,53,408	-	-	43,11,427

<sup>^</sup> Including employers contribution towards pension amounting to ₹ 911696/-.

\* All Directors were on the Board of the Company throughout 2015-16.

\*\* Mr. Mohan Tiwari, born on 1<sup>st</sup> October 1956, qualified as B.E. Civil (Hons.), M.Tech (Structures) and PGDIM, joined Ircon on 25<sup>th</sup> June 1998 on deputation from Ministry of Railways and got absorbed in 2002 as General Manager. He was Director (Projects) from 8<sup>th</sup> August 2003 to 31<sup>st</sup> January 2009. He assumed tenure post as Managing Director on 1<sup>st</sup> February 2009, based on Presidential appointment conveyed through Ministry of Railways, for a period of 5 years or up to the age of superannuation, whichever is earlier. He had been re-designated by the Ministry of Railways as Chairman & Managing Director w.e.f. 5<sup>th</sup> March 2013. His tenure of appointment has been extended beyond 31<sup>st</sup> January 2014 till 30<sup>th</sup> September 2016, i.e. the date of his superannuation, vide order dated 15<sup>th</sup> May 2014 by Ministry of Railways. He has over 37 years of experience in infrastructure sector.

\*\*\* Mr. K.K. Garg, born on 15<sup>th</sup> April 1956 qualified as B.Com and a fellow member of the Institute of Chartered Accountants of India, joined Ircon on 3<sup>rd</sup> November 2009 as Director Finance. His tenure of appointment has been extended beyond 3<sup>rd</sup> November 2014 till 30<sup>th</sup> April 2016, i.e. the date of his superannuation, vide order dated 22<sup>nd</sup> June 2016 by Ministry of Railways. Before joining Ircon, he was Director Finance of Satluj Jal Vidyut Nigam Limited (now called SJVN Limited) for about 2 years and six months. He has over 36 years of rich experience in various fields of finance viz. corporate taxation, corporate MIS

and budgetary control, commercial due-diligence, etc.

#### 4.2 Details of payments made to Independent Directors / Part-time (Non-official) Directors during 2015-16:

Not applicable, as there was no independent director on the Board of Ircon during 2015-16.

### 5. BOARD PROCEDURE

#### 5.1 BoD Charter:

- The Company has in place a BoD approved Formal Board Charter with Corporate Governance objectives & approach and Role & Responsibility of BoD (including Whole-time Directors, Independent Directors, Government Directors), and Management (Senior Management) since 2012 .
- This BoD Charter sets out essentially the composition & structure and role & responsibilities of the Board of Directors of the Company keeping the Corporate Governance objectives and approach in perspective.
- To facilitate the part-time directors to discharge their responsibilities, independent office room at the registered office of the Company has been earmarked for them.

#### 5.2 BoD Meetings and Attendance during 2015-16:

- The Board of Directors met 9 times during the financial year 2015-16 on:

30<sup>th</sup> April 2015, 28<sup>th</sup> July 2015, 14<sup>th</sup> August 2015, 27<sup>th</sup> August 2015, 16<sup>th</sup> October 2015, 5<sup>th</sup> November 2015

(adjourned and held on 6<sup>th</sup> November 2015), 24<sup>th</sup> November 2015, 19<sup>th</sup> February 2016, and 28<sup>th</sup> March 2016.

- b) Leave of absence was granted in terms of section 167(1)(b) of the Companies Act, 2013.
- c) Details of attendance of the Directors and Company Secretary during 2015-16:

Directors	No. of Board Meetings during 2015-16		Attended last Annual General Meeting
	Held (during their respective tenures)	Attended	
Mohan Tiwari	9	9	YES
K. K. Garg	9	9	YES
Deepak Sabhlok	9	9	YES
Hitesh Khanna	9	9	YES
H. K. Kala	8	8	YES
Anjum Pervez	9	7	YES

Ms. Sumita Sharma, Company Secretary, attended eight out of the nine Board meetings held during the year 2015-16.

#### 6. CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT OF THE COMPANY AND KEY VALUES FOR ENTIRE ORGANIZATION

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

The declaration signed by Chairman & Managing Director affirming receipt of compliance with the Code of Conduct and Key Values from Board of Directors

and Members of Senior Management team during 2015-16 is placed as **Annexure – E1**.

#### 7. COMMITTEES OF BOD

##### 7.1 Audit Committee:

##### 7.1.1 Terms of Reference:

The Board has approved terms of reference for Audit Committee, in April 2014, in line with the Companies Act, 2013; DPE CG Guidelines, 2010; and the then clause 49 of the Listing Agreement. The core areas in the said terms of reference for Audit Committee inter-alia includes the following:

- a) Recommending remuneration of statutory auditors including payment of fees for any other services rendered by the auditors except the services covered under section 144 of the Companies Act, 2013.
- b) Review and monitor the auditor's independence and performance, and effectiveness of audit process.
- c) Approval or any subsequent modification of transactions of the company with related parties and to review the statement of related party transactions submitted by management.
- d) Scrutiny of inter-corporate loans and investments.
- e) Evaluation of internal financial controls and risk management systems.
- f) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient, and credible.
- g) Reviewing, with the management, the annual financial statements and Auditors report thereon before submission to the Board for approval, with particular reference to:
  - i) Matters required to be included in the Director's Responsibility Statement to be included in the Board report in terms of clause (c) of section 134(3) of the Companies Act, 2013;
  - ii) Changes, if any, in accounting policies and practices and reasons for the same;
  - iii) Major accounting entries involving estimates based



on the exercise of judgment by management;

- iv) Significant adjustments made in the financial statements arising out of audit findings;
- v) Compliance with legal requirements relating to financial statements;
- vi) Disclosure of any related party transactions; and
- vii) Qualifications in the draft audit report.
- h) Reviewing, with the management, the quarterly financial statements and Auditors report thereon before submission to the Board for approval.
- i) Discussion with the auditors -- both internal and statutory auditors – to address significant issues and areas of concern.
- j) Reviewing with the Management, the performance of statutory and internal auditors, adequacy of internal control systems and functions including the structure and working of internal audit department, and internal audit reports.
- k) Considering such other item/ matters as may be decided by the Board / Audit Committee.

The Audit Committee had reviewed the matters as per the said Terms of Reference including the financial reporting process, the Financial Statements for 2015-16, the declaration of due compliance by Chairman & Managing Director and Director Finance, internal control systems, etc. before recommending the Financial Statements for 2015-16 for approval by the Board of Directors. The Audit Committee had also reviewed the consolidated financial statements of Ircan and its subsidiary / joint venture companies.

#### 7.1.2 Composition and Attendance:

The Audit Committee of the Board, consisting of four part-time non-official (independent) Directors of the Company, was originally set up on 28<sup>th</sup> April 2000 with the approval of Board of Directors pursuant to the then Clause 49 of the Listing Agreement and as per the conditions for a Mini Ratna public sector company.

This has been reconstituted as and when there has been a change in independent directors. Consequent upon the appointment of independent directors on the Board of Ircan after the close of the year, the Audit Committee was re-constituted in April 2016, as under:

Avineesh Matta, Independent Director	–	Chairman
Vasudha V. Kamat, Independent Director	–	Member
S. K. Singh, Independent Director	–	Member

The Audit Committee met 9 times during the financial year 2015-16 on:

30<sup>th</sup> April 2015, 27<sup>th</sup> July 2015, 14<sup>th</sup> August 2015, 29<sup>th</sup> September 2015, 16<sup>th</sup> October 2015, 5<sup>th</sup> November 2015, 24<sup>th</sup> November 2015, 19<sup>th</sup> February 2016, and 28<sup>th</sup> March 2016. The attendance details of meetings held during 2015-16 are:

Member	Status	Meetings held (during their respective tenures)	Meetings attended
Mohan Tiwari	Member (from 29.04.2015 to 14.06.2015)	1	1
H. K. Kala	Chairman (from 14.06.2015 to 22.04.2016)	8	8
Anjum Pervez	Chairman (from 29.04.2015 to 14.06.2015) Member (from 15.06.2015 to 22.04.2016)	9	7
Deepak Sabhlok	Member (from 14.06.2015 to 22.04.2016)	9	9

Ms. Sumita Sharma, Company Secretary, is the Secretary of this Committee and attended all the meetings held during 2015-16.

#### 7.2 Shareholders' / Investors' Grievance Committee

Board of Directors of Ircan, at its meeting held on 28<sup>th</sup> July 2015, had dissolved the Shareholders' / Investors' Grievance Committee in view of the provisions contained in section 178 of the Companies Act, 2013 (which provides that a Company consisting more than 1000 share holders / debentures holders/ any other security holders at any time during a financial year should constitute this Committee). After dissolution

of the said Committee, the power to consider and resolve grievance of security holders of the Company now vests with the Board of Directors.

No Committee meeting was held during the year 2015-16 before the dissolution of the said Committee.

### 7.3 Nomination and Remuneration Committee

Board of Directors of Ircan, at its meeting held on 28<sup>th</sup> July 2015 renamed its existing Remuneration Committee as Nomination and Remuneration Committee and widened its terms of reference so as to include areas specified by section 178 of the Companies Act, 2013, along with existing terms of reference under DPE OM-dated 26<sup>th</sup> November 2008. In brief, the scope / terms of reference of Nomination and Remuneration Committee are:

1. To continue with the existing scope of deciding the annual bonus/ variable pay pool and policy for its distribution across executives and non-unionized supervisors within the limits prescribed in the DPE OM dated 26<sup>th</sup> November 2008.
2. To review the policies for selection and removal of persons in senior management (one level below the Director) and other employees as per DPE and other Government Guidelines, and recommend the same for approval to the Board.
3. Any other work as may be included by Companies Act or DPE Guidelines from time to time.

This has been reconstituted as and when there has been a change in directors. Consequent upon the appointment of independent directors on the Board of Ircan after the close of the year, the Nomination and Remuneration Committee was re-constituted in April 2016, as under:

S. K. Singh, Independent Director	–	Chairman
Vasudha V. Kamat, Independent Director	–	Member
Anjum Pevez, Part-time (Official) Director	–	Member

The Committee met on 19<sup>th</sup> February 2016 during 2015-16

The attendance details of said meeting are:

Member	Status	Meetings held (during their respective tenures)	Meetings attended
H. K. Kala	Chairman (from 28.07.2015 to 22.04.2016)	1	1
Mohan Tiwari	Member (from 28.07.2015 to 22.04.2016)	1	1
Anjum Pervez	Member (from 28.07.2015 to 22.04.2016)	1	0

Ms. Sumita Sharma, Company Secretary, is the Secretary of this Committee and attended the meeting held during 2015-16.

### 7.4 CSR and Sustainability Committee

Board of Directors of Ircan, at its meeting held in November 2014 renamed its existing CSR Committee as 'CSR and Sustainability Committee' and widened its terms of reference so as to include areas as specified by section 135 of the Companies Act, 2013, and DPE Guidelines on CSR and Sustainability, 2014. In brief, the scope of the said Committee is to oversee the implementation of CSR and Sustainability Policy of the Company and to assist the BoD to formulate suitable policies and strategies to take the CSR and Sustainability agenda of the Company forward in the desired direction.

The Committee has been reconstituted as and when there has been a change in directors. Consequent upon the appointment of independent directors on the Board of Ircan after the close of the year, the CSR and Sustainability Committee was last re-constituted in April 2016, as under:

Vasudha V. Kamat, Independent Director	–	Chairman
Avineesh Matta, Independent Director	–	Member
Anjum Pervez, Part-time (Official) Director	–	Member
Deepak Sabhlok, Director Projects	–	Member

The Committee met 4 times during the financial year

2015-16 on: 27<sup>th</sup> July 2015, 14<sup>th</sup> August 2015, 5<sup>th</sup> November 2015, and 19<sup>th</sup> February 2016. The attendance details for 2015-16 are:

Member	Status	Meetings held (during their respective tenures)	Meetings attended
H. K. Kala	Chairman (from 14.06.2015 to 22.04.2016)	4	4
K.K. Garg	Member (up to 22.04.2016)	4	4
Deepak Sabhlok	Member	4	4
Hitesh Khanna	Member (up to 22.04.2016)	4	4

Ms. Sumita Sharma, Company Secretary, is the Secretary of this Committee and has attended all the meetings held during 2015-16.

#### 7.5 Independent Directors Committee

The Board of Directors, at its meeting held in October 2013 had constituted Independent Directors Committee (known as 'ID Committee') in terms of DPE-OM dated 28<sup>th</sup> December 2012 on 'Role & responsibilities of Non-official Directors', which provides that non-official directors of the Company shall hold one meeting in a year, without the attendance of functional and government directors and members of management to assess the quality, quantity, and timeliness of flow of information between the Company, management, and the Board, that is necessary for the Board to effectively and reasonably perform the duties. Further, similar provision is also mentioned in para VII of Schedule IV of the Companies Act, 2013.

After completion of tenure of two independent directors in September 2014, Ministry of Railways had nominated three independent directors (including one woman director) in April 2016. Thereafter, the ID Committee was re-constituted in September 2016 with all the three independent directors.

No meeting of the ID Committee could be held due to non-appointment of independent directors during 2015-16.

#### 7.6 Committee for Issue of Renewed/ Duplicate Share Certificates.

Board of Directors of Ircon, at its meeting held in January 2015 has constituted a Committee for Issue of Renewed/ Duplicate Share Certificates in terms of the Companies Act, 2013 read with Companies (Share Capital and Debentures) Rules, 2014, for issue of duplicate shares in replacement of those which are lost or destroyed, mutilated, torn or old, decrepit, worn out, or where the pages on the reverse for recording transfer have been utilized.

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

M. K. Singh, Director Finance	Chairman
Anjum Pervez, Part-time Official Director	Member
Deepak Sabhlok, Director Projects	Member

Ms. Sumita Sharma, Company Secretary, is the Secretary of this Committee. No meeting of the Committee was required to be held during 2015-16.

#### 8. COMPLIANCE OF PROVISIONS RELATING TO SUBSIDIARY (IES)

Presently, Ircon has following four subsidiaries:

- Ircon Infrastructure & Services Limited (IrconISL) is a 100% subsidiary company of Ircon.
- Indian Railway Stations Development Corporation Limited (IRSDC) is a subsidiary of Ircon and also a joint venture between Ircon and Rail Land Development Authority (RLDA) in which Ircon has 51% equity.
- Ircon PB Tollway Limited (IrconPBTL) is a 100% subsidiary company of Ircon.
- Ircon Shivpuri Guna Tollway Limited (IrconSGTL) is a 100% subsidiary company of Ircon (incorporated on 12<sup>th</sup> May 2015).

None of the aforesaid subsidiary companies are listed.

Turnover / Net Worth of IrconISL, IRSDC, IrconPBTL, and IrconSGTL did not exceed 20% of the turnover or net worth of Ircon (holding company) during 2015-16. Therefore, none of the above said subsidiary companies are 'material subsidiary' under the Listing Agreement or a 'subsidiary' as per the DPE CG Guidelines.

## 9. GENERAL BODY MEETINGS

### 9.1 The details of last three Annual General Meetings are as under:

Financial Year	Date of holding meeting	Time	Location/ Venue
2014-15	22 <sup>nd</sup> December 2015	5 P.M.	Company's Registered Office, Delhi
2013-14	25 <sup>th</sup> September 2014	5 P.M.	Company's Registered Office, Delhi
2012-13	3 <sup>rd</sup> September 2013	5 P.M.	Company's Registered Office, Delhi

### 9.2 Special Resolution(s):

- No special resolution was passed in the Annual General Meeting (AGM) for the year 2012-13.
- One special resolution was passed in the AGM (for the year 2013-14) held on 25<sup>th</sup> September 2014 for amendment in borrowing powers of the Company.
- Two special resolutions were passed in the AGM (for the year 2014-15) held on 22<sup>nd</sup> December 2015 for amendment in Memorandum and Articles of Association of the Company so as to increase the authorized share capital of the Company.
- No special resolution is proposed to be conducted through Postal Ballot in the ensuing AGM of Itron.

## 10. DISCLOSURES

- During the year, there was no transaction of material nature with the directors or their relative that had potential conflict with the interest of the Company.
- The Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India in the preparation of Financial Statements.
- During 2015-16, 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 Directors, which is as per Government approved pay and perks (Details given in para 4 of this report and also disclosed in Note no. 40 forming part of the Stand-alone Financial Statements).

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

Particulars	2015-16	2014-15	Remarks
Administrative expenses (₹ in crore)	<b>25.08</b>	30.60	Nil
Bank & Other Finance Charges (₹ in crore)	<b>8.77</b>	8.93	
Total Expenses (₹ in crore)	<b>2136.31</b>	2277.45	
Administration expenses/ Total expenses (in %)	<b>1.17%</b>	1.34%	
Bank & Financial Charges/ Total expenses (in %)	<b>0.41%</b>	0.39%	

- 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 Discussion and Analysis Report under the heading 'Risks and Concerns'.
- The Company has in place a BoD approved Fraud Prevention, Detection, and Control Policy so as to provide a system for detection and prevention of fraud, reporting of any fraud that is detected or suspected and fair dealing of matters pertaining to fraud.
- The Company has in place a BoD approved Whistle Blower Policy under which there is a mechanism for employees to report to the Management, concerns about unethical behaviour, actual or suspected fraud, or violation of the Company's Code of conduct. The Policy also provides for adequate safeguards against victimization of employees who avail the mechanism. It provides for direct access to the Chairman of the Audit Committee in exceptional cases.

Both these Policies are available on Ircon's website.

10.8 Question of denying access to any of the personnel to Audit Committee has not arisen so far.

10.9 The Company made no public issue of shares nor issued any prospectus or letter of offer during 2015-16.

10.10 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.

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

10.12 DPE has awarded 'Excellent' grading to Ircon for compliance of DPE Corporate Governance Guidelines during 2014-15.

10.13 Ircon has secured, based on self-evaluation, an annual score of '90.05' out of 100 which falls under 'Excellent' grade for compliance of DPE Corporate Governance Guidelines for the year 2015-16.

10.14 The Company informs/ reports to the Board about the compliances of laws in the areas -- Company and Related Laws; Tax Laws; Labour & Employee Welfare Laws; RTI; Contract Laws; Environmental Laws; and also compliance of various laws as applicable to projects (Indian and Foreign); etc. every six months.

## 11. CEO / CFO CERTIFICATION

The Chairman & Managing Director (CEO) and Director Finance (CFO) 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 – E2** to this Report).

## 12. GENERAL INFORMATION FOR SHAREHOLDERS

### 12.1 Means of communication

- a) Apart from the annual report, etc., being sent to the shareholders before the Annual General Meeting, periodical reports on the progress of projects of the Company including financial performance vis-a-vis the targets are being sent to the Administrative Ministry, Government of India.
- b) The Annual Report including the audited financial statements for the year 2015-16 of Ircon and its subsidiaries would be available on the website of the Company.
- c) The following have also been displayed on the Company's website:
  - i) Shareholding pattern of the Company.
  - ii) Important corporate governance policies like Fraud Prevention and Detection Policy; and Whistle Blower Policy along with confidential e-mail-ids of nodal officers/ CMD/ Chairman Audit Committee.
  - iii) CSR and Sustainability Policy; Sustainability Report; CSR Activities for last six years; etc.
  - iv) Code of Conduct for Board Members and Senior Management and Key Values of the Company.
- d) E - mail ID of the compliance officer exclusively for the purpose of registering complaints by investors has been displayed on the website under the head "Investor Corner".

### 12.2 Annual General Meeting of the Current Year

Date	: 28 <sup>th</sup> September 2016
Day	: Wednesday
Time	: 1700 Hours
Venue	: Board Room of the Company's Registered Office - C-4, District Centre, Saket, New Delhi – 110 017

### 12.3 Record Date for payment of Dividend

Dividend would be paid for the year 2015-16 to all such shareholders whose name appear in the Register of Members as on the date of Annual General Meeting i.e. 28<sup>th</sup> September 2016, the record date.

#### 12.4 Distribution of Shareholding (As on the date of this report)

Category	No. of shares held (₹10/- each)	Percentage of shareholding
Central Government in the name of the President of India and his ten nominees	1,97,42,400	99.729
Indian Railway Finance Corporation Limited	48,800	0.247
Bank of India	4,800	0.024
<b>Total</b>	<b>1,97,96,000</b>	<b>100</b>

Transfer of shares is normally technical in nature, from one Government nominee shareholder to another consequent upon change of officials, as the Government holds 99.729% of the shares. To effect this transfer, Company Secretary is the authorized officer, and no transfer is pending.

#### 12.5 Plant Locations/ Operating Units

The Company does not have plant locations, but is widespread with operating units/ offices in fifteen different States of the Country and in six foreign countries. A list of the operating units/ offices is available on the website of the Company.

#### 12.6 Address for correspondence with the Registered Office (Regarding Corporate Governance matters covered under this report)

Company Secretary, Ircon International Limited,  
C-4, District Centre, Saket, New Delhi - 110 017  
Telephone: 91-11-26530456;  
Fax: 91-11-26522000 / 26854000  
E-Mail: cosecy@ircon.org;  
Website : www.ircon.org

#### 13. TRAINING OF BOARD MEMBERS

13.1 The Company has a Board approved Training

Policy for Board Members. According to the Policy, the Company has a practice of imparting introductory training to new Board Members. They are also given documents about the Company which includes Memorandum and Articles of Association; Brochure; Annual Report; unaudited financial results; Corporate Plan, MoU targets and achievements; Board approved policies; DPE Guidelines on Corporate Governance and CSR & Sustainability; Terms of reference of all Committees of Board; Provisions on duties, responsibilities, disqualification, etc. of Directors under Companies Act, 2013, and DPE Guidelines; etc.

13.2 The Board members, based on their requirement attended various seminars, conferences, training programs from time to time. During 2015-16, Ircon's Directors were nominated/had attended training programs organized by Institute of Permanent Way Engineers, Fore school of Management, etc.

#### 14. COMPLIANCE ON CORPORATE GOVERNANCE

This Report duly complies with the legal requirements in respect of data that should be disclosed in a Corporate Governance Report for the year 2015-16.

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

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

**(Mohan Tiwari)**

Chairman & Managing Director  
(DIN : 00191363)

Place: New Delhi

Date: 2<sup>nd</sup> September 2016

## DECLARATION BY CHAIRMAN & MANAGING DIRECTOR REGARDING COMPLIANCE WITH THE CODE OF CONDUCT BY BOD MEMBERS AND SENIOR MANAGEMENT DURING THE FINANCIAL YEAR 2015-16.

I, Mohan Tiwari, Chairman & Managing Director, Ircan International Limited, do hereby declare that all the members of the Board of Directors and the Senior Management Team of the Company have affirmed their compliance of the Code of Conduct and Key Values of the Company during 2015-16.

**(Mohan Tiwari)**

Chairman & Managing Director  
(DIN : 00191363)

Place : New Delhi  
Date : 25<sup>th</sup> May 2016

## CHAIRMAN & MANAGING DIRECTOR AND FINANCE HEAD CERTIFICATION

We have reviewed the Financial Statements [i.e. the Balance Sheet, Statement of Profit & Loss and Notes thereto] and the Cash Flow Statement for the financial year 2015-16 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.

**(M. K. Singh)**

Director Finance  
(DIN: 06607392)

**(Mohan Tiwari)**

Chairman & Managing Director  
(DIN: 00191363)

Place: New Delhi  
Date: 1<sup>st</sup> September 2016

**M. Bangia & Associates**  
Company Secretaries

**Annexure – E3**  
B-152 Dayanand Colony, Lajpat Nagar-IV  
New Delhi-110 024  
Mobile: 9873426246  
E-mail: manojbangia.mb@gmail.com

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

To  
**THE MEMBERS OF  
IRCON INTERNATIONAL LIMITED  
NEW DELHI**

In respect of the compliance of the conditions of Corporate Governance for the year ended 31st March, 2016, by IRCON INTERNATIONAL 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 Corporate Governance Report 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, in conformity with the requirements of the Guidelines on Corporate Governance issued by the Department of Public Enterprises (DPE) in respect of corporate governance norms for a mini-ratna Public Sector Company, except appointment of requisite number of Independent Directors / a Woman Director (during the year under review) on the Board of the Company, which we understand is done by the Government. Further, the Government has appointed requisite number of Independent Directors (including a Woman Director) in April, 2016.

FOR M. BANGIA & ASSOCIATES COMPANY SECRETARIES  
**MANOJ BANGIA**  
Proprietor  
CP NO.3655

Place: NEW DELHI  
Dated: 02/09/2016



## ADDENDUM TO CORPORATE GOVERNANCE REPORT

The changes in the Corporate Governance Report under Para 12 ‘General Information for shareholders’ consequential to the change in the venue of the Annual General Meeting are given below:

**Existing Para:**

12.2 Annual General Meeting of the Current Year

.....

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

**Modified Para:**

12.2 Annual General Meeting of the Current Year

.....

Venue : **2<sup>nd</sup> Floor, Meeting Hall, Ministry of Railways,  
Railway Board, New Delhi – 110 001**

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

**(Mohan Tiwari)**

Chairman & Managing Director  
(DIN : 00191363)

Place : New Delhi  
Date : 28<sup>th</sup> September 2016

**CS Vishal Agarwal & Associates**  
Company Secretaries

39/2068, Naiwala, 315, Dakha Chambers  
Karol Bagh, New Delhi - 110 005  
Tel: 28755638, Mob: 9313835638  
E-mail: csvishal21@gmail.com

## **Form No. MR-3 Secretarial Audit Report**

(For the Financial year ended on 31<sup>st</sup> March 2016)

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

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

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

Based on our verification of the Company books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we do hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **IRCON INTERNATIONAL LIMITED** ("**The Company**") for the period ended on March 2016 according to the provisions of:

- (i) The Companies Act, 2013 (**the Act**) and the Rules made thereunder;
- (ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment and External Commercial Borrowings.
- (v) The following Regulations and Guidelines prescribed under the Securities Exchange Board of India, Act, 1992, ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 /Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (effective 28th October 2014);
  - (e) The Securities and Exchange Board of India (Issue and

Listing of Debt Securities) Regulations, 2008;

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

(vi) Following laws and rules made thereunder have been identified as specifically applicable to the company by the Management:

(a) Department of Public Enterprises Guidelines are issued by Ministry of Heavy Industries and public Enterprises dated 14th May 2010.

(b) Income Tax Act, 1961

(c) Wealth Tax Act, 1957

(d) Service Tax Law

(e) VAT/Central Sales Tax Act/WCT

(f) The Customs Act, 1962

(g) Central Excise Act, 1944

(h) Air Prevention and Control of Pollution Act, 1981

(i) Environment Protection Act, 1986

(j) Water Prevention & Control of Pollution Act, 1974

(k) Information Technology Act, 2000 and the rules made thereunder

(l) Indian Stamp Act, 1999

(m) Right to Information Act, 2005

(n) Negotiable Instrument Act 1881

(o) Other Labour Laws and rules made thereunder:

- Apprentice Act, 1961
- Child Labour Act, 1986
- Contract Labour (Regulation and Abolition) Act, 1970
- Workmen Compensation Act, 1923

- Employees Provident Fund and Miscellaneous Provisions Act, 1952
- Construction Workers (Regulation of Employment and condition of Service) Act, 1996
- Equal Remuneration Act, 1976
- Factory Act, 1948
- Electricity Act, 2003
- Maternity Benefits Act, 1961
- Minimum Wages Act, 1948
- Employee State Insurance Act, 1948
- Payment of Wages Act, 1936
- Payment of Gratuity Act, 1972
- Payment of Bonus Act, 1965
- Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
- Commercial Shops and Establishment Act

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

(i) The Secretarial Standards issued by the Institute of Company Secretaries of India.

We further report that no observation in respect of compliances by the Company with the following is required:

(ai) The Listing Agreement entered into by the Company with the stock exchange(s) as the company is not listed with any stock exchange;

We further report that during the period under review the company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above without any material non-compliances and subject to the following observations:

1. The Acts, Rules, Regulations, Agreements and Guidelines mention in clause(s) (ii), and (v) above do not require any observation as the company is an unlisted entity and hence these are not applicable.
2. The Acts, Rules and Regulations mention in clause (iii) and (iv) above does not require any observation as no such event has occurred during the period under consideration.

3. In respect of other laws specifically applicable to the company mentioned in clause (vi) above we observed that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines.

We further report that:

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

Further, the Government has appointed requisite number of independent directors (including a woman director) in April 2016.

The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

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

**For Vishal Agarwal & Associates Company Secretaries**

**(CS Vishal Agarwal)**

Place: New Delhi

FCS No.: 7242

Date: 2<sup>nd</sup> September 2016

C P No. : 7710

This report is to be read with our letter of even date which is annexed as "**Annexure- A**" and forms an integral part of this report

**CS Vishal Agarwal & Associates**  
Company Secretaries

Annexure-A

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

Our report of even date is to be read along with this letter.

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

**For Vishal Agarwal & Associates Company Secretaries**

Place: New Delhi  
Date: 2<sup>nd</sup> September 2016

**(CS Vishal Agarwal)**  
FCS No.: 7242  
C P No. : 7710

**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
**[As on 31.03.2016]**

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

**I. REGISTRATION AND OTHER DETAILS**

1	Corporate Identity Number (CIN)	:	<b>U45203DL1976GOI008171</b>
2	Registration Date	:	<b>28th April 1976</b>
3	Name of the Company	:	<b>Ircan International Limited</b>
4a)	Category of the Company	:	<b>Public Company</b>
4b)	Sub-category of the Company	:	<b>Government Company, Limited by Shares, and Company having share capital.</b>
5	Address of the Registered office & contact details	:	<b>Plot No. C-4, District Centre, Saket, New Delhi - 110017</b> <b>Ph. No.: 011-26530456</b> <b>Fax No. : 011-26522000</b> <b>Email id: cosecy@ircan.org</b>
6	Whether Listed Company (Yes/ No)	:	<b>No [Delisted since March 2012]</b>
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	:	<b>Not Applicable</b>

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

Sl. No.	Name and Description of Main Products / Services	NIC Code of the Product/service	% to total turnover of the Company
1	Railways	4210	69.87%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

[No. of Companies for which information is being filled - 15 Companies]

Sl. No.	Name and Address of the Company	CIN/ GLN	Holding/ subsidiary/ Associate	% of shares held	Applicable section
1	Ircan Infrastructure & Services Limited Plot No. C-4, District Centre, Saket, New Delhi -110017.	U45400DL2009GOI194792	Wholly owned subsidiary	100%	2(87)
2	Ircan PB Tollway Limited C-4, District Centre, Saket, New Delhi -110017	U45400DL2014GOI272220	Wholly owned subsidiary	100%	2(87)
3	Ircan Shivpuri Guna Tollway Limited C-4, District Centre, Saket, New Delhi -110017	U45400DL2015GOI280017	Wholly owned subsidiary	100%	2(87)

Sl. No.	Name and Address of the Company	CIN/ GLN	Holding/ subsidiary/ Associate	% of shares held	Applicable section
4	Indian Railway Stations Development Corporation Limited 4th Floor, Palika Bhawan, Sector-XIII, R. K. Puram, New Delhi- 110066.	U45204DL2012GOI234292	Subsidiary	51%	2(87)
5	Ircon-Soma Tollway Private Limited C-4, District Centre, Saket, New Delhi-110017.	U74999DL2005PTC135055	Associate	50%	2(6)
6	Chhattisgarh East Railway Limited Mahadev Ghat Road, Raipura Chowk, Raipur-492013, Chhattisgarh.	U45203CT2013GOI000729	Associate	26%	2(6)
7	Chhattisgarh East-West Railway Limited Mahadev Ghat Road, Raipura Chowk, Raipur-492013, Chhattisgarh.	U45203CT2013GOI000768	Associate	26%	2(6)
8	Mahanadi Coal Railway Limited Corporate Office, MCL HQ, MDF Room, Jagriti Vihar, Burla, Sambalpur - 768020 (Odisha)	U60100OR2015GOI019349	Associate	26%	2(6)
9	Jharkhand Central Railway Limited CCL, Darbhanga House, Ranchi – 834029 (Jharkhand)	U45201JH2015GOI003139	Associate	26%	2(6)
10	Companhia Dos Caminhos De Ferro Da Beira, SARL, Largo do CFM, edificio da Estacao Central, Beira, Mozambique	Foreign Company	Associate	25%	2(6)
11	IRCON-SPSCPL JV 47, Sector - 9 , Panchkula, 134113, Haryana	Unincorporated Joint Venture	Associate	50%	2(6)
12	IRCON-AFCONS JV Second Floor, C-4, District Centre, Saket, New Delhi-110017.	Unincorporated Joint Venture	Associate	53%	2(6)
13	RICON Rites Bhawan, 1, Sector - 29, Gurgaon - 122001, Haryana	Unincorporated Joint Venture	Associate	49%	2(6)
14	International Metro Civil Contractor 8, Jantar Mantar Road, Connaught Place, New Delhi - 110001	Unincorporated Joint Venture	Associate	9.50%	2(6)
15	Metro Tunnelling Group 8, Jantar Mantar Road, Connaught Place, New Delhi - 110001	Unincorporated Joint Venture	Associate	9.50%	2(6)

#### IV. SHARE HOLDING PATTERN:

(Equity Share Capital Breakup as percentage of Total Equity)

##### i) Category-wise Share Holding

Category of Shareholders		No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A.</b>	<b>Promoters</b>									
(1)	<b>Indian</b>									
a)	Individual/ HUF		-	-		-	-			
b)	Central Government		1,97,42,400	1,97,42,400	99.729	1,97,42,400	1,97,42,400	99.729	Nil	
c)	State Government(s)		-	-		-	-			
d)	Bodies Corporate		-	-		-	-			
e)	Banks / Financial Institution(s) [FI(s)]		-	-		-	-			
f)	Any Other		-	-		-	-			
	<b>Sub-total (A) (1)</b>		1,97,42,400	1,97,42,400	99.729	1,97,42,400	1,97,42,400	99.729	Nil	
(2)	<b>Foreign</b>	Not Applicable								
a)	NRIs - Individuals		-	-		-	-			
b)	Other- Individuals		-	-		-	-			
c)	Bodies Corporate		-	-		-	-			
d)	Banks / FI(s)		-	-		-	-			
e)	Any Other		-	-		-	-			
	<b>Sub-total (A) (2)</b>		-	-		-	-			
	<b>Total Shareholding of Promoter (A) = (A) (1)+(A)(2)</b>		1,97,42,400	1,97,42,400	99.729	1,97,42,400	1,97,42,400	99.729	Nil	
<b>B.</b>	<b>Public Shareholding</b>									
(1)	<b>Institutions</b>									
a)	Mutual Funds		-	-		-	-			
b)	Banks/ FI(s) --									
	Bank - Bank of India		4,800	4,800	0.024	4,800	4,800	0.024	Nil	
	FI(s) - Indian Railway Finance Corporation Limited		48,800	48,800	0.247	48,800	48,800	0.247	Nil	
c)	Central Government		-	-		-	-			
d)	State Government		-	-		-	-			
e)	Venture Capital Funds		-	-		-	-			
f)	Insurance Companies		-	-		-	-			
g)	FIs		-	-		-	-			
h)	Foreign Venture Capital Funds	Not Applicable	-	-		-	-			
i)	Others (specify)		-	-		-	-			
	<b>Sub-total (B)(1):</b>		53,600	53,600	0.271	53,600	53,600	0.271	Nil	
(2)	<b>Non- Institutions</b>									
a)	Bodies Corporate:									
i)	Indian		-	-		-	-			
ii)	Overseas		-	-		-	-			
b)	Individuals		-	-		-	-			
i)	Individual shareholders holding nominal share capital up to Rs. 1 lakh		-	-		-	-			



Category of Shareholders		No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii)	Individual shareholders holding nominal share capital in excess of Rs 1 lakh.	Not Applicable	-	-	0.271	Not Applicable	-	-	Nil	
c)	Others (specify)		-	-						
<b>Sub-total (B)(2):</b>			-	-						
<b>Total Public Shareholding (B) = (B) (1) + (B)(2)</b>			53,600	53,600						
C.	Shares held by Custodian for GDRs & ADRs	Not Applicable				Not Applicable				
<b>Grand Total (A + B + C)</b>		Not Applicable	1,97,96,000	1,97,96,000	100	Not Applicable	1,97,96,000	1,97,96,000	100	NIL

**Note:**

- Shares of the Company are not dematerialized as 99.729% shares are held in the names of President of India and his ten nominees.
- 1,97,38,400 equity shares of ₹ 10/- each are held in the name of President of India, and 400 shares of ₹ 10/- each are held by each of the ten nominees (who are Government Officials) of the President of India.

**ii) Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	President of India and his nominees*	1,97,42,400	99.729	Nil	1,97,42,400	99.729	Nil	Nil
	<b>Total</b>	<b>1,97,42,400</b>	<b>99.729</b>		<b>1,97,42,400</b>	<b>99.729</b>		

\* List of shareholdings by President of India and his nominees, as on 31st March 2016, are attached as **Annexure G1**.

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

Sl. No.	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
1	At the beginning of the year	1,97,42,400	99.729	1,97,42,400	99.729
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Nil		Nil	
3	At the End of the year	1,97,42,400	99.729	1,97,42,400	99.729

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

Sl. No.	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
	<b>For each of the top 10 Shareholders</b>				
<b>1</b>	<b>Indian Railway Finance Corporation Limited</b>				
a)	At the beginning of the year	48,800	0.247	48,800	0.247
b)	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Nil		Nil	
c)	At the End of the year	48,800	0.247	48,800	0.247
<b>2</b>	<b>Bank of India</b>				
a)	At the beginning of the year	4,800	0.024	4,800	0.024
b)	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Nil		Nil	
c)	At the End of the year	4,800	0.024	4,800	0.024

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

Sl. No.	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
	<b>For each of the Directors and KMP</b>				
1	At the beginning of the year				
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Not Applicable		Not Applicable	
3	At the End of the year				

**Note:**

3. All the shares of Ircan are held by Central Government in the name of the President of India and his 10 nominees (99.729%), Indian Railway Finance Corporation Limited (0.247%), and Bank of India (0.024%).

## V. INDEBTEDNESS

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

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

NIL

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors, and / or Manager:

Sl. No.	Particulars of Remuneration	Name of Whole-time Director (throughout 2015-16)				Total Amount
		Mohan Tiwari, CMD	K.K. Garg, Director Finance	Deepak Sabhlok Director Projects	Hitesh Khanna, Director Works	
1	Gross salary					
a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,752,502	3,759,333	2,608,289	2,566,728	12,686,852
b)	Value of perquisites u/s 17(2) of the Income-tax Act, 1961	957,970	804,354	680,949	563,209	3,006,482
c)	Profits in lieu of salary under section 17(3) of the Income- tax Act, 1961	-	-	-	-	-
2	Stock option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission	-	-	-	-	-
5	Others, please specify:					
	- Performance Linked Incentive	1,424,205	1,194,787	1,178,790	928,082	4,725,864
	- Retirement Benefits	291,640	1,172,724	257,466	253,408	1,975,238
	<b>Total</b>	<b>6,426,317</b>	<b>6,931,198</b>	<b>4,725,494</b>	<b>4,311,427</b>	<b>22,394,436</b>
					<b>Total (A)</b>	<b>22,394,436</b>
	<b>Ceiling as per the Act (See Note No. 4)</b>					

**B. Remuneration to other directors:**

Sl. No.	Particulars of Remuneration	Name of Directors	Total Amount
<b>1</b>	<b>Independent Directors</b>	Not Applicable (See Para 4 of Corporate Governance Report placed at Appendix - D)	
a)	Fee for attending board/ committee meetings		
b)	Commission		
c)	Others (please specify)		
	<b>Total (B1)</b>		
<b>2</b>	<b>Other Non-executive Directors</b>		
a)	Fee for attending board/ committee meetings		
b)	Commission		
c)	Others (please specify)		
	<b>Total (B2)</b>		
		<b>Total [B= B1 + B2]</b>	<b>0</b>
		<b>Total Managerial Remuneration [A + B]</b>	<b>22,394,436</b>
	<b>Overall ceiling as per the Act (See Note No. 4)</b>		

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO*	Sumita Sharma Company Secretary (throughout 2015-16)	CFO*	Total Amount
1	Gross salary				
a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		1,132,629		1,132,629
b)	Value of perquisites u/s 17(2) of the Income-tax Act, 1961		28,022		28,022
c)	Profits in lieu of salary under section 17(3) of the Income- tax Act, 1961		-		
2	Stock option		-		
3	Sweat Equity		-		
4	Commission		-		
5	Others, please specify:				
	- Performance Linked Incentive		-		
	- Retirement Benefits**		204,631		204,631
	<b>Total (C)</b>		<b>1,365,282</b>		<b>1,365,282</b>
	<b>Ceiling as per the Act (See Note No. 4)</b>				

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

\*\* Including employer contribution towards pension amounting to ₹ 105096/-.

**Note:**

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

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

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

**Annexure - G1**
**List of Shareholding by President of India and his ten nominees  
(As on 31st March 2016)**
**Name of the Company: IRCON INTERNATIONAL LIMITED**

Sl. No.	Holders Name	No. of Shares Held	% of Shareholding
1	President of India	1,97,38,400	99.709
2	Mr. A. K. Mital* Chairman, Railway Board	400	0.002
3	Mr. S. Mookerjee* Financial Commissioner (Railways), Railway Board	400	0.002
4	Mr. V.K. Gupta* Member Engineering, Railway Board	400	0.002
5	Mr. Mohd. Jamshed* Member Traffic, Railway Board	400	0.002
6	Mr. Navin Tandon* Member Electrical, Railway Board	400	0.002
7	Mr. Hemant Kumar* Member Mechanical, Railway Board	400	0.002
8	Mr. Pradeep Kumar* Member Staff, Railway Board	400	0.002
9	Mr. H.K. Kala* Addl. Member (Planning), Railway Board	400	0.002
10	Mr. S. Subramanyan* Addl. Member (Budget), Railway Board	400	0.002
11	Mr. A. P. Dwivedi* Executive Director (PSU & HS), Railway Board	400	0.002
	<b>TOTAL</b>	<b>1,97,42,400</b>	<b>99.729</b>

\* 400 shares each are held by President's 10 (ten) nominees who are Government officials from the Ministry of Railways.

## FORM NO. AOC-2

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

**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 2015-16.**

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

2 Details of material contracts or arrangements or transactions at arm's length basis :

Sl. No.	Name of the related party and nature of relationship*	Nature of contracts / arrangements / transactions	Duration of contracts / arrangements / transactions	Salient terms of contracts / arrangements / transactions, including the value, if any	Date of approval by the BoD, if any	Amount received as advances by Ircan, if any
1	<b>Ircan Shivpuri Guna Tollway Limited (IrcanSGTL)</b> A Wholly owned subsidiary company	Execution of Engineering Procurement Construction (EPC) contract of Shivpuri Guna Tollway Project for IrcanSGTL.	EPC Agreement dated 30th November 2015. Duration: EPC Work is 30 months from the appointed date intimated by NHAI or handing over of land by IrcanSGTL.	The Contract has been awarded in line with the price quoted to National Highways Authority of India (NHAI) for securing the contract on competitive basis. The project will be executed in terms of the Concession Agreement signed by IrcanSGTL with NHAI.	Not Applicable	Nil
2	<b>Mahanadi Coal Railway Limited (MCRL)</b> A Joint Venture Company	Work for preparation of Feasibility Report (FR), Detailed Project Report (DPR), Design, and Construction of identified project lines and Sidings	Project Execution Agreement dated 19.04.2016. Duration: Up to Commissioning of all identified project	Ircan would be paid a percentage of cost of project for FR & DPR and actual cost of work plus specified percentage of contract addition towards overheads and profit for construction.	Not Applicable	₹ 2 crore.
3	<b>Jharkhand Central Railway Limited (JCRL)</b> A Joint Venture Company	Work for preparation of Feasibility Report (FR), Detailed Project Report (DPR), Design, and Construction of identified project lines and Sidings.	Project Execution Agreement dated 28.03.2016. Duration: Up to Commissioning of all identified project.	Ircan would be paid a percentage of cost of project for FR & DPR and actual cost of work plus specified percentage of contract addition towards overheads and profit for construction	Not Applicable	Yet to be received. Demand of ₹5 crore has been raised.
4	<b>Indian Railway Stations Development Corporation Limited (IRSDC)</b> A Subsidiary and Joint Venture Company.	Sub-Leasing of office premises at Palika Bhawan, Sector- XIII, R.K. Puram, New Delhi – 110066.	Lease Agreement dated 24.02.2016. Duration: 11 months from 01.02.2016	Arrangement is on reimbursement of actual expenditure basis.	Not Applicable	NIL

**Note:**

1. Apart from above said transactions, other transactions, etc. entered with related parties are as follows:
  - (i) The Company has also deputed its employees to wholly owned subsidiary company (viz. IrconSGTL), joint venture companies [viz. MCRL, JCRL, CERL, and CEWRL]. Deputation of employees is on actual cost (CTC) basis.
  - (ii) Miscellaneous expenses such as advertisement cost, travelling cost, etc. incurred on behalf of subsidiaries [viz. IrconPBT and IrconSGTL] and joint venture companies [viz. MCRL, JCRL, CERL, CEWRL, and ISTPL] are reimbursed on actual basis.
2. Further, an MoU dated 9th May 2015 has been signed between Ircon, NMDC, SAIL, Government of Chhattisgarh for development of Rowghat to Jagdalpur rail line in the State of Chhattisgarh through special purpose vehicle (SPV). As per the said MoU, Ircon would prepare feasibility report and detailed project report (DPR) . After the formation of proposed JVC, Ircon would have a role of Project Management and implementation Agency. The SPV 'Bastar Railway Private Limited' has been incorporated on 5th May 2016. However, Project Execution Agreement is yet to be entered. Further, an advance amounting to ₹ 9.78 crore has been received from other co-promoters [i.e. NMDC - ₹ 6.5 crore and SAIL - ₹ 3.28 crore].
3. All the above said transactions have been approved by the Audit Committee of Ircon.
4. Details of shareholding of JV companies are given at Appendix - B of Directors Report.

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

**(Mohan Tiwari)**

Chairman & Managing Director  
(DIN : 00191363)

Date : 2<sup>nd</sup> September 2016

Place : New Delhi

## ANNEXURE TO DIRECTORS' REPORT

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

### Auditors' Report

(under Emphasis of Matter):

Para	Management Replies
5 (i)	The position is explained in note no.32 to the Standalone Financial Statements.
5 (ii)	The position is explained in note no.49 to the Standalone Financial Statements.

### Annexure B to Auditors' Report

(under Internal Financial Controls over Financial Reporting):

Para	Management Replies
(i)	Noted for compliance to have integrated ERP system in the Company in phases as per requirement.
(ii)	Noted for compliance. The mechanism to review the internal audit report shall be strengthened.

For and on behalf of the Board of Directors

(Mohan Tiwari)

Chairman and Managing Director  
(DIN : 00191363)

Place: New Delhi

Date: 2<sup>nd</sup> September, 2016

## ANNEXURE TO DIRECTORS' REPORT

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

### Auditors' Report

(under Emphasis of Matter):

Para	Management Replies
5 (i)	The position is explained in note no. 35 to the Consolidated Financial Statements.
5 (ii)	The position is explained in note no. 52 to the Consolidated Financial Statements.

### Annexure B to Auditors' Report

(under Internal Financial Controls over Financial Reporting):

Para	Management Replies
(i)	Noted for compliance to have integrated ERP system in the Company in phases as per requirement.
(ii)	Noted for compliance. The mechanism to review the internal audit report shall be strengthened.

For and on behalf of the Board of Directors

(Mohan Tiwari)

Chairman and Managing Director  
(DIN : 00191363)

Place: New Delhi

Date: 2<sup>nd</sup> September 2016



## AWARDS AND CERTIFICATES

Awarding Authority	Nature of Award		Years
Ministry of Commerce Government of India Ministry of Programme Implementation, Department of Public Enterprises	i)	National Export Award *(Received from the President of India)	1983, 1984, 1991 & 1993*
	ii)	“Award for Excellence” in performance as leading international Railway and Road construction company	1988
EEPC India previously known as Engineering Export Promotion Council (EEPC) (26 Awards in all since inception)	i)	All India Top Exporters Shield for Export Excellence	1986 to 1993, 1995 & 1996
	ii)	Regional Top Exporters shield-civil engg. Contractors	1994, 1997
	iii)	All India Special Shield in the field of export	1997
	iv)	All India Trophy for Highest Exports (Turnkey Industrial Project Exporters NON-SSI)	1998
	v)	All India Trophy for Top Exporters in the category of “Merchant Exporters”	1999 to 2002, 2004 & 2007
	vi)	All India Shield for Star performer as Large Enterprise in the field of Project Exports	2005
	vii)	Silver Trophy for Top Exporters as Medium Enterprises	2006
	viii)	Gold Trophy for Top Exporters in the category of “Top Exporters as Merchant Exporters”	2008
	ix)	All India Export Award	2009
	x)	Silver Trophy in the category of Top Merchant Exporter for 2010-11 and 2011-12	2011 & 2013
	xi)	Gold Trophy for Export Excellence in the category of Top Merchant Exporter for 2012-13	2014
Project Export Promotion Council of India (PEPC) {previously known as Overseas Construction Council of India (OCCI)} ( 45 Awards in all since inception)	i)	Maximum foreign exchange earned and repatriated to India	1985, 1989 to 1993, 1995, 1997, 2000 to 2004
	ii)	Second Best Performance in maximum foreign exchange earned and repatriated in India	1994, 2001, 2003 & 2005 to 2007
	iii)	Maximum turnover in overseas construction projects	1985 to 1989, 1992 to 1994, 1996, 1999, 2001 & 2002
	iv)	Second Best performance in turnover from overseas projects	1990, 1991, 1995 & 2000
	v)	Maximum foreign works secured in new areas in construction contracts	1995, 1996, 2000 & 2001
	vi)	Maximum foreign business attempted	1995 to 1998, 2002 & 2004
Construction World	One of India’s most admired construction companies		2009
Essar Steel & E-18 and CNBC TV- 18	Infrastructure Excellence Award in Railway category		2009

Awarding Authority	Nature of Award		Years
'India Pride Awards' by Dainik Bhaskar and Daily News & Analysis (DNA)	i)	Silver Trophy for Excellence in Central PSUs in Transport	2010
	ii)	Gold Trophy for excellence in Central PSUs in Infrastructure Development	2011
	iii)	Excellence in Central PSUs in India Image Enhancement	2013
	iv)	Excellence in Public Sector Undertaking-Central in Infrastructure Development	2015
	v)	Excellence CSR / Environment Protection and Conservation	2016
Construction Industry Development Council (CIDC)	CIDC Vishwakarma Award in the categories of:		2012, 2014, & 2015
	i)	Best professionally managed company with a turnover of over Rs. 1000 crore	
Dun & Bradstreet	ii)	Best Construction Project for: a) Pir Panjal Railway Tunnel, J&K b) Rail-cum road Bridge across river Ganga, Patna	2014 2016
	i)	India's Top PSU Award: a) Engineering & Construction b) Contract & Construction sector	2012 2015
	ii)	Silver Trophy for Top Infrastructure Company under the category Construction - Infrastructure Development - Mid	2013
	iii)	Best Project under the category 'Railway' for Qazigund -Banihal section of J&K rail link Project	2013
	iv)	Infra Awards, in the category of 'Construction and Infrastructure Development (Railways)	2014 & 2015
	v)	Best Infrastructure Project for Rail cum Road Bridge across river Ganga at Patna	2015
Institute of Public Enterprises	i)	"Global HR Excellence" Award for "CEO with HR Orientation presented to Mr. Mohan Tiwari, CMD, Irecon	2013
	ii)	"Asia Pacific HRM Congress Award 2013" for "CEO with HR Orientation" presented to Mr. Mohan Tiwari, CMD, Irecon	2013
	iii)	Asia Pacific HRM Congress Awards for Organisation with innovative HR practices	2014
SCOPE Meritorious Award	Corporate Social Responsibility & Responsiveness for the year 2012-13		2014
Institute of Cost Accountants of India (ICAI)	Excellence in Cost Management 2013 - Public Service Sector (large)		2014

# FINANCIAL HIGHLIGHTS 2015-16

(Rs. in crore)

Sl. No.	Particulars	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07
1	<b>Operating Income</b>	<b>2,403</b>	<b>2,950</b>	<b>4,067</b>	<b>4,232</b>	<b>3,601</b>	<b>3,182</b>	<b>3,153</b>	<b>2,654</b>	<b>1,968</b>	<b>1,475</b>
2	Company Share of Turnover in Integrated JVs	104	89	(9)	(13)	(23)	(7)	(13)	(27)	(65)	(11)
3	Company Share of Profit/(Loss) in Integrated JVs	7	2	(1)	1	2	7	2	7	(7)	1
4	<b>Net Operating Income</b>	<b>2,306</b>	<b>2,864</b>	<b>4,057</b>	<b>4,220</b>	<b>3,580</b>	<b>3,182</b>	<b>3,142</b>	<b>2,634</b>	<b>1,896</b>	<b>1,465</b>
5	Other Income	397	258	250	251	181	72	64	85	81	68
6	<b>Total Income</b>	<b>2,703</b>	<b>3,122</b>	<b>4,307</b>	<b>4,471</b>	<b>3,761</b>	<b>3,254</b>	<b>3,206</b>	<b>2,719</b>	<b>1,977</b>	<b>1,533</b>
7	Expenditure (Incl. increase/decrease in stock)	2,102	2,267	3,024	3,412	3,102	2,816	2,901	2,487	1,776	1,398
8	Operating Margin (PBDIT)	601	854	1,283	1,059	659	438	305	232	201	135
9	Interest Expenses	8	-	-	-	-	-	-	-	-	-
10	Depreciation	26	10	34	44	57	37	41	44	41	24
11	<b>Profit Before Tax</b>	<b>567</b>	<b>844</b>	<b>1,249</b>	<b>1,015</b>	<b>602</b>	<b>401</b>	<b>264</b>	<b>188</b>	<b>160</b>	<b>111</b>
12	<b>Profit After Tax</b>	<b>379</b>	<b>579</b>	<b>907</b>	<b>730</b>	<b>470</b>	<b>241</b>	<b>182</b>	<b>140</b>	<b>114</b>	<b>76</b>
13	Dividend	168	182	182	148	94	49	37	30	30	26
14	General Reserves	3,510	3,334	2,971	2,277	1,733	1,372	1,181	1,012	903	824
15	Foreign Project Reserve	-	-	-	-	-	-	3	28	30	33
16	Other Reserves	-	-	2	3	-	-	5	25	6	7
17	<b>Total Reserves &amp; Surplus</b>	<b>3,510</b>	<b>3,334</b>	<b>2,973</b>	<b>2,280</b>	<b>1,733</b>	<b>1,372</b>	<b>1,189</b>	<b>1,065</b>	<b>939</b>	<b>864</b>
18	Net Fixed Assets	158	163	170	180	196	244	236	260	279	260
19	Inventories	141	114	119	125	135	165	373	430	159	89
20	Foreign Exchange Earnings (net)	120	418	1,042	822	444	428	264	96	37	51
21	Share Capital	19,796	19,796	19,796	19,796	9,898	9,898	9,898	9,898	9,898	9,898
22	Capital Employed	3,530	3,354	2,993	2,300	1,743	1,382	1,205	1,078	951	876
23	Government Investments	-	-	-	-	-	-	-	-	-	-
24	<b>Net Worth</b>	<b>3,530</b>	<b>3,354</b>	<b>2,993</b>	<b>2,300</b>	<b>1,743</b>	<b>1,382</b>	<b>1,199</b>	<b>1,075</b>	<b>949</b>	<b>874</b>
25	Profit Before Tax to Capital Employed (%)	16	25	42	44	35	29	22	17	17	13
26	Operating Margin to Capital Employed (%)	17	26	43	46	38	32	25	22	21	15
27	Profit After Tax to Share Capital (%)	1,895	2,924	4,578	3,687	4,747	2,429	1,841	1,416	1,150	765
28	Expenditure to Income (%)	78	73	70	76	82	87	90	91	90	91
29	Number of Employees	1,499	1,472	1,579	1,704	1,703	1,678	1,751	1,964	1,978	1,830
30	Income per Employee	1.8	2.12	2.73	2.62	2.21	1.94	1.83	1.39	1.00	0.84
31	Foreign Exchange Earning per Employee	0.08	0.28	0.66	0.48	0.26	0.25	0.15	0.05	0.02	0.03
32	Current Ratio	1.8	1.72	1.81	1.61	1.47	1.53	1.31	1.24	1.21	1.25
33	Debt/Equity Ratio	-	-	-	-	-	-	-	-	-	-
34	Investments	1,043	737	494	295	208	185	130	234	246	234

## Notes

\*25 to 28 are in percentage

\*\*29,32 & 33 are not in crore rupees





# Standalone

## Financial Statements

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**V. K. Dhingra & Co.**

Chartered Accountants  
1-E/15, Jhandewalan Extn., New Delhi-110 055

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED

**1. Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of IRCON INTERNATIONAL LIMITED ("the Company") which comprise the Balance Sheet as at 31<sup>st</sup> March, 2016, the Statement of Profit and Loss, the Cash Flow Statement and a summary of significant accounting policies and other explanatory information for the year then ended, in which are incorporated the Returns for the year ended on that date audited by branch auditors of the Company's branches at Northern Region, Eastern Region, Southern Region, J & K Region, Algeria, Bangladesh, Sri-Lanka, Malaysia and Bhutan.

**2. Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 judgements 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.

**3. Auditors' Responsibility**

Our responsibility is to express an opinion on these standalone 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. 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 standalone financial statements.

#### 4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 31<sup>st</sup> March, 2016, and its profit and its cash flows for the year ended on that date.

#### 5. Emphasis of Matters

- i) We draw attention to Note No.32 to the standalone financial statements regarding Income Tax provision made in the financial statements for disallowance of deduction claimed under Section – 80IA of Income Tax Act, 1961 and taxability of income earned by its permanent establishments in foreign countries in India. Both the matters are contested by the Company with the concerned Authorities.
- ii) We drawn attention to Note No. 49 to the standalone financial statements regarding non provision of Rs.2.04 crore towards foreign agency commission/ consultancy charges in respect of projects in three foreign countries pending assessment of the performance.

Our opinion is not qualified in respect of these matters.

#### 6. Other Matters

- (i) We did not audit the financial statements/information of nine branches included in the standalone financial statement of the Company whose financial statements/financial information reflect total assets of 4,651.54 crore as at 31<sup>st</sup> March, 2016, total revenues of Rs. 2,032.34 crore for the year ended on that date, as considered in the standalone financial statements. The financial statements/information of these branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these branches, is based solely on the reports of such branch auditors.
- (ii) The financial statements include the Company's share in Profit/Loss of unincorporated Joint Venture (JVs) accounts out of which four JVs accounts have been

certified by other firms of Chartered Accountants and one JV (IRCON-SPSCPL) has been certified by the management.

Our opinion is not qualified in respect of these matters.

#### 7. Report on Other Legal and Regulatory Requirements

- I. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure-A", a statement on the matters specified in paragraph 3 of the Order, to the extent applicable.
- II. As required by Section 143(3) of the Act, we report that :
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purpose for our audit have been received from the branches not visited by us.
  - c) The reports on the accounts of the branch offices of the Company audited under Section 143(8) of the Act by branch auditors have been sent to us and have been properly dealt with by us in preparing this report.
  - d) The Balance Sheet, the Statement of Profit & Loss, and the Cash Flow Statement dealt with by this report are in agreement with the books of account and with the returns received from the branches not visited by us.
  - e) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - f) Being a Government Company, provisions of Section 164(2) of the Act are not applicable pursuant to the notification No.G.S.R.463(E) dated 5<sup>th</sup> June, 2015, issued by the Central Government of India.
  - g) With respect to the adequacy of internal financial controls over financial reporting of the Company and operating effectiveness of such controls, refer to our separate report in "Annexure-B".

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanation given to us:

(i) The Company has disclosed the impact of pending litigations, wherever quantifiable, on its financial position in its financial statements - Refer Note No. 29, 33 and 34 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 – Refer 'foreseeable Losses' in Note No. 27(B) to the financial statements. The Company did not have any derivative contracts for which there were any material foreseeable losses.

(iii) There were no amounts which were required to be transferred to the Investor Education and protection Fund by the Company.

III. Directions indicating the areas to be examined by the Statutory Auditors during the course of audit of annual accounts of the Company (Standalone) for the year 2015-16 issued by the Comptroller & Auditor General of India under Section 143(5) of the Companies Act, 2013.

Based on the information and explanations given to us, we report that :

Sr. No.	Areas Examined	Observation/Finding
1	Whether the company has clear title/lease deeds for freehold and leasehold respectively? If not please state the area of freehold and leasehold land for which title/ lease deeds are not available.	Yes, the Company has clear title/lease deed for freehold and leasehold land respectively.
2	Please report whether there are any cases of waiver/write off of debts/loans/ interest etc. if, yes, the reason therefore and the amount involved.	The Company has written-off bad debts of Rs. 0.33 crore on account of final settlement of old dues, advances of Rs. 0.59 crore on account of non-recovery and assets of Rs. 0.03 crore during the FY 2015-16 after taking required approvals from competent authority.
3	Whether proper record are maintained for inventories lying with third parties & assets received as gift from Govt. Or other authorities.	Yes, proper records are being maintained for the inventories lying with third parties. No assets have been received as gift from Govt. Or other authorities during the FY 2015-16.

**For V.K. DHINGRA & CO.**  
**CHARTERED ACCOUNTANTS**  
**FRN 000250N**

**(VIPUL GIROTRA)**  
**PARTNER**  
**M.NO.084312**

Place : New Delhi

Date : 2<sup>nd</sup> September 2016



## ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in our Independent Auditors' Report of even date to the members of IRCON INTRNATIONAL LIMITED on the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2016)

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that :

- a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) The fixed assets were physically verified by the management during the year. There is a regular programme of verification, which in our opinion, is reasonable having regard to the size of the Company and nature of its business. No material discrepancies were noticed on such verifications.
- c) The title deed of the immovable properties recorded in the books of the Company are held in the name of the Company.
- d) The inventory has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on comparison of physical verification results with the book records were not material and have been properly dealt with in the books of accounts.
- e) According to the information and explanation given to us by the management and records produced, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, paragraph 3(iii) of the Order is not applicable to the Company.
- f) In our opinion and according to the information and explanations given to us, in respect of loans, investments, guarantees and security; the provisions of Section 185 and 186 of the Companies Act, 2013 have been complied with.
- g) According to the information and explanations given

to us, and as per our examination of records, the Company has not accepted any deposits from public and therefore, the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provision of the Companies Act, 2013, and rules framed there under, are not applicable.

- h) The Company has maintained cost records as required under Section 148(1) of the Companies Act, 2013. However, we are neither required to carry out, nor have carried out any detailed examination of such accounts and records.
  - i) 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, employee's state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, wherever applicable, have generally been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employee's state insurance, income tax, sales tax, service tax duty of customs, duty of excise, value added tax, cess or other material statutory dues were in arrears as at 31 March, 2016 for a period of more than six months from the date they became payable.

b. According to the information and explanations given to us, there are no dues of Income tax, Sale tax, service tax, duty of customs, duty of excises, value added tax which have not been deposited with the appropriate authorities on account of any dispute except for the following dues :

Name of the statute	Nature of disputed Dues	Amount outstanding (in Rs. Crore)	Period to which the amount relates	Forum where dispute is pending
Customs Act, 1962	Custom Duty levied for work executed in 1A-Hanger, Bombay	5.81	1989-90	Dy. Commissioner (Custom), Mumbai
Income Tax Act, 1961	Penalty against disallowance of expenses	169.37	2010-11	Commissioner of Income Tax (Appeals), New Delhi
Income Tax Act, 1961	Disallowance of deduction u/s 80-1A, taxing of Foreign Income and other allowances	0.10	2011-12	Commissioner of Income Tax (Appeals), New Delhi
Maharashtra Value Added Tax Act, 2002	Disallowance of expenses	1.99	1995-96	Bombay High Court
Maharashtra Value Added Tax Act, 2002	Disallowance of expenses	1.52	1996-97	Bombay High Court
Gujarat Value Added Tax Act, 2003	Entry tax on construction equipment	2.65	2003-04	Dy. Commissioner Sales Tax Authority, Vadodara
Gujarat Value Added Tax Act, 2003	Entry tax on construction equipment	0.80	2004-05	Dy. Commissioner Sales Tax Authority, Vadodara
Gujarat Value Added Tax Act, 2003	Sales tax 2005-06, Godhra	1.90	2005-06	Dy. Commissioner Sales Tax Authority, Vadodara
Goa Value Added Tax Act, 2005	Disallowance of Input Tax Credit and issues regarding valuation of taxable amount	0.05	2010-11	Asst. Commercial Tax Officer, Margao
Uttar Pradesh Vat Act, 2008	Sales tax-AGRP	0.56	2007-08	Commissioner, Trade Tax, Ghaziabad
Uttar Pradesh Vat Act, 2008	Sales tax-AGRP	1.63	2007-08	Commissioner, Trade Tax, Ghaziabad
Uttar Pradesh Vat Act, 2008	Sales tax-AGRP	0.76	2008-09	Commissioner, Trade Tax, Ghaziabad
Uttar Pradesh Vat Act, 2008	Sales tax-AGRP	0.11	2009-10	Commissioner, Trade Tax, Ghaziabad
Uttar Pradesh Vat Act, 2008	Sales tax-AGRP	1.00	2010-11	Commissioner, Trade Tax, Ghaziabad
Uttar Pradesh Vat Act, 2008	Sales tax-AGRP	0.21	2011-12	Commissioner, Trade Tax, Ghaziabad
Uttar Pradesh Tax on Entry of Goods into Local Area Act, 2007 & Uttar Pradesh Vat Act, 2008	Demand raised for Entry Tax/ Sales Tax	4.80	2004-05 to 2009-10	Jt. Commissioner Appeal, Bareilly
Sales Tax	Sales tax-AGRP	0.21	2012-13	Commissioner, Trade Tax, Ghaziabad
Sales Tax	Sales tax-BE-08	1.15	2008-09	Commissioner, Sales Tax, Noida
Sales Tax	Sales tax-BE-08	0.54	2009-10	Commissioner, Sales Tax, Noida

Name of the statute	Nature of disputed Dues	Amount outstanding (in Rs. Crore)	Period to which the amount relates	Forum where dispute is pending
Sales Tax	Entry tax-UP-05	0.22	2008-09	Jt. Commissioner Appeal, Jhansi
Uttar Pradesh VAT Act, 2008	Demand Raised for Sales Tax	0.08	1982-83 & 1989-90	Appellate Authority, Jhansi
Uttar Pradesh Tax on Entry of Goods into Local Area Act, 2007	Demand Raised for Entry Tax	0.03	2010-11	Dy. Commissioner Sales Tax, Lucknow
Uttar Pradesh Trade Tax Act, 1948	Demand raised by UPTT	0.01	2005-06	High Court, Allahabad
Uttar Pradesh Tax on Entry of Goods into Local Area Act, 2007	Demand raised for Entry Tax	0.15	2006-07	Jt. Commissioner Appeals, Jhansi
Uttar Pradesh Trade Tax Act, 1948	Demand raised by UPTT	0.43	2006-07	Jt. Commissioner Appeal, Jhansi
Uttar Pradesh Tax on Entry of Goods into Local Area Act, 2007	Demand raised for Entry Tax	0.06	2007-08	Jt. Commissioner Appeals, Jhansi
Uttar Pradesh Tax on Entry of Goods into Local Area Act, 2007	Demand raised for Entry Tax	0.26	2009-10	Jt. Commissioner Appeals, Jhansi
Uttar Pradesh Vat Act, 2008	Demand raised for VAT	0.60	2007-08	Jt. Commissioner Appeal, Jhansi
Uttar Pradesh Vat Act, 2008	Demand raised for VAT	1.30	2008-09	Jt. Commissioner Appeal, Jhansi
Uttar Pradesh Vat Act, 2008	Demand raised for VAT	1.38	2009-10	Jt. Commissioner Appeal, Jhansi
Uttar Pradesh Vat Act, 2008	VAT	1.23	2010-11	Dy. Commissioner Commercial taxes, Raibareilly
Uttar Pradesh Vat Act, 2008	VAT	8.96	2011-12	Dy. Commissioner Commercial taxes, Raibareilly
Uttar Pradesh Vat Act, 2008	VAT	18.64	2012-13	Dy. Commissioner Commercial taxes, Raibareilly
Orissa Value Added Tax Act, 2004	Demand raised for Sales Tax	0.99	2002-03	Commissioner Sales Tax, Orissa
West Bengal Value Added Tax Act, 2003	Demand Raised for Sales Tax	0.28	1998-1999	Sr. Jt. Commissioner (Appeal) Sales Tax, Behala
West Bengal Value Added Tax Act, 2003	Disallowance of Input Tax Credit	0.71	2004-05	Asst Commissioner, Sales Tax, Behala
West Bengal Value Added Tax Act, 2003	Demand Raised for Sales Tax	1.75	1987-88 to 1994-95	Bihar Sales Tax Tribunal-Kahalgao
Bihar Value Added Tax Act, 2005	Disallowance of expenses	5.98*	2005-06 & 2006-07	Commissioner Sales Tax, Bihar
West Bengal Value Added Tax Act, 2003	Disallowance of Input Tax Credit	0.31	2009-10	Dy. Commissioner Sales Tax Behala
West Bengal Value Added Tax Act, 2003	Disallowance of Input Tax Credit	0.26	2008-09	Dy. Commissioner, Sales Tax, Behala
State Sales Tax/Vat Act	Vat	0.07	2010-11	Snr. JCCT, Dharamtala Charge, Kolkata
State Sales Tax/Vat Act	Vat	0.55	2011-12	Deputy Commissioner of Sales Tax-West Bengal-College Street Charge

Name of the statute	Nature of disputed Dues	Amount outstanding (in Rs. Crore)	Period to which the amount relates	Forum where dispute is pending
State Sales Tax/Vat Act	Vat	0.07	2010-11	Joint Commissioner, Commercial Tax-Patna, Bihar
Jammu and Kashmir GST Act, 1962	Sales tax	19.33	1999-00 to 2010-11	J&K High Court, Jammu and Deputy Commissioner Commercial Taxes (Appeals) Srinagar
Karnataka Vat	Dispute in Adoption of gross profit and levy of penalty	0.85	2006-07	Karnataka Appellate Tribunal
Karnataka Vat	Difference in rate of tax and levy of interest thereon	0.50	2009-10	Deputy Commissioner – (Appeals), Trivandrum
Income Tax Dept., Bangladesh	Income Tax Demand	1.06	A/y 2012-13	CIT(A)
Service Tax	Service Tax	5.60	2009-10 To 2013-14	Commissioner Central Excise & Service for PMGSY-Bihar
Service Tax	Service Tax	3.92	2010-11 to 2014-15	Commissioner (Audit) Central Excise & S. Tax for PMGSY- Bihar
Service Tax	Service Tax	0.14	2010-11 to 2014-15	Commissioner (Audit) Central Excise & S. Tax for Manpur-Gaya
Service Tax	Service Tax	1.75	2010-11 to 2014-15	Commissioner (Audit) Central Excise & S. Tax for ROB-I
Service Tax	Service Tax	2.47	2010-11 to 2014-15	Commissioner (Audit) Central Excise & S. Tax for ROB-II
Service Tax	Service Tax	4.63	2010-11 to 2014-15	Commissioner (Audit) Central Excise & S. Tax for RSVY
Service Tax	Int on Service Tax	0.80	2013-14, 2014-15 & 2015-16	Commissioner Central Excise & Service for PMGSY- Ranchi
Finance Act, 1994	Service Tax	19.95	2001-02 to 2006-07	CESTAT, New Delhi

\* The company has deposited Rs. 2.00 crore 'under protest' against the demand of Rs.5.98 crore.

- j) The Company has not defaulted in the repayment of loans or borrowings to any financial institution, banks, Government or dues to debenture holders during the year. Accordingly, the clause 3(viii) of the Order is not applicable to the Company.
- k) The Company has neither made any public offer (including debt instruments) during the year nor has taken any term loan during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- l) Based on audit procedures applied and according to the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the course of our audit for the year ended on 31<sup>st</sup> March, 2016.

- m) In view of the Government notification No. GSR 463 (E) dated 5<sup>th</sup> June, 2015, government companies are exempt from the applicability of Section 197 of the Companies Act, 2013. Accordingly clause 3 (xi) of the Order is not applicable to the Company.
- n) In our opinion and according to the information and explanations given to us, the company is not a Nidhi company. Hence, Clause 3 (xii) of the Order is not applicable to the Company.
- o) In our opinion and as per the information and explanation given to us, all transactions entered into with related parties are in compliance with Section 177 and 188 of the Companies Act, 2013. Also the required details have been disclosed in the financial statements as required by the applicable accounting standards.
- p) Based on the information and explanation given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review requiring compliance with Section 42 of the Companies Act, 2013. Hence, Clause 3 (xiv) of the Order is not applicable to the Company.
- q) Based on the information and explanation given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him. Hence, clause 3 (xv) of the Order is not applicable to the Company.
- r) In our opinion and according to the information and explanations given to us, Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Hence, Clause 3 (xvi) of the Order is not applicable to the Company.

**For V.K. DHINGRA & CO.  
CHARTERED ACCOUNTANTS  
FRN 000250N**

**(VIPUL GIROTRA)  
PARTNER  
M.NO.084312**

Place : New Delhi

Date : 2<sup>nd</sup> September 2016

## **ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT**

**(Referred to in paragraph (g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of IRCON INTERNATIONAL LIMITED on the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2016)**

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

We have audited the internal financial controls over financial reporting of IRCON INTERNATIONAL LIMITED ("the Company") as of 31<sup>st</sup> March, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

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

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal finance controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute

of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal Financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that :

- (1) pertain to the maintenance of records that, in reasonable details, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or

disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

### **Qualified Opinion**

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at March 31, 2016:

- (i) The company did not have an integrated ERP system. Different software packages used by the company are interfaced through software links or manual intervention leaving gaps between them. This could potentially result into impaired financial reporting.
- (ii) The company did not have effective internal audit structure and system so as to ensure coverage of all major areas with extensive scope. Also the mechanism to review the internal audit reports is weak. This could potentially result into weak checks and balances and unreported financial irregularities ultimately resulting into distorted financial reporting.

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

In our opinion, except for the effects/possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over

financial reporting were operating effectively as of March, 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2016 financial statements of the Company,

and these material weaknesses do not affect our opinion on the financial statements of the Company.

**For V.K. DHINGRA & CO.  
CHARTERED ACCOUNTANTS  
FRN 000250N**

**(VIPUL GIROTRA)**  
PARTNER  
M.NO.084312

Place : New Delhi

Date : 2<sup>nd</sup> September 2016



IRCON INTERNATIONAL LIMITED (CIN U45203DL1976GOI008171)

## BALANCE SHEET

as at 31st March 2016

(Rs. in crore)

Particulars		Note No.	As at 31st March 2016		As at 31st March 2015	
I.	<b>EQUITY AND LIABILITIES</b>					
1	<b>Shareholders' funds</b>					
	(a) Share capital	2	19.80		19.80	
	(b) Reserves and surplus	3	3,510.46	3,530.26	3,333.71	3,353.51
2	<b>Non-current liabilities</b>					
	(a) Long term liabilities	4	1,078.74		178.08	
	(b) Long term provisions	5	155.53	1,234.27	351.03	529.11
3	<b>Current liabilities</b>					
	(a) Trade payables	6	406.62		450.85	
	(b) Other current liabilities	7	2,401.57		1,586.75	
	(c) Short-term provisions	8	748.20	3,556.39	828.42	2,866.02
	<b>Total</b>			<b>8,320.92</b>		<b>6,748.64</b>
II.	<b>ASSETS</b>					
1	<b>Non-current assets</b>					
	(a) Fixed assets					
	(i) Tangible assets	9	142.45		157.24	
	(ii) Intangible assets	9	0.10		0.03	
	(iii) Intangible assets under development	10	1.01		1.01	
	(iv) Capital work-in-progress	11	14.15		5.20	
	(b) Non-current investments	12	905.29		671.15	
	(c) Deferred tax assets (Net)	13	222.02		274.31	
	(d) Long-term loans and advances	14	586.09		640.78	
	(e) Other non-current assets	15	30.53	1,901.64	66.78	1,816.50
2	<b>Current assets</b>					
	(a) Current investments	16	137.52		66.06	
	(b) Inventories	17	140.63		114.29	
	(c) Trade receivables	18	700.66		571.50	
	(d) Cash and Bank balances	19	4,534.73		3,202.83	
	(e) Short-term loans and advances	20	463.17		342.87	
	(f) Other current assets	21	442.57	6,419.28	634.59	4,932.14
	<b>Total</b>			<b>8,320.92</b>		<b>6,748.64</b>
III.	Summary of Significant Accounting Policies	1				
IV.	Notes forming part of Financial Statements	2-50				

As per our Report of even date attached

For and on behalf of the Board of Directors

For V.K. Dhingra & Co.  
Chartered Accountants  
FRN 000250N

M. K. Singh  
Director Finance  
DIN - 06607392

Mohan Tiwari  
Chairman & Managing Director  
DIN - 00191363

Vipul Girotra  
Partner  
M. No. 084312

Sumita Sharma  
Company Secretary

Place : New Delhi

Date : 2<sup>nd</sup> September 2016



IRCON INTERNATIONAL LIMITED (CIN U45203DL1976GOI008171)

## STATEMENT OF PROFIT AND LOSS

For Year ended 31st March 2016

(Rs. in crore)

Particulars		Note No.	For the year ended 31st March 2016	For the year ended 31st March 2015
I.	<b>Revenue :</b>			
	Revenue from operations	22	2,403.02	2,950.22
	Less :- Company share of turnover in Integrated Joint Ventures		103.93	88.62
	Add:- Company share of profit / (loss) in Integrated Joint Ventures		6.68	2.39
	Other income	23	397.70	257.75
	<b>Total Revenue</b>		<b>2,703.47</b>	<b>3,121.74</b>
II.	<b>Expenses:</b>			
	Operating and administrative expenses :	24		
	- Operating Expenses		1,894.23	2,039.50
	- Administrative Expenses		25.08	30.60
	Employee benefits expenses	25	174.30	188.36
	Finance costs	26	16.52	8.93
	Depreciation, amortization and impairment	9	26.18	10.06
	<b>Total Expenses</b>		<b>2,136.31</b>	<b>2,277.45</b>
III.	<b>Profit Before Tax (I - II)</b>		<b>567.16</b>	<b>844.29</b>
IV.	Tax expense:			
	(1) Current tax			
	- For the year		130.62	196.95
	- For earlier years (net)		4.98	40.89
	(2) Deferred tax (net)	13	52.29	27.06
	Total Tax Expense		187.89	264.90
V.	<b>Profit for the year (III - IV)</b>		<b>379.27</b>	<b>579.39</b>
VI.	Earnings per equity share - Basic and Diluted ( in Rs. )	47	191.59	292.68
VII.	Significant Accounting Policies	1		
VIII.	Prior period adjustments	28		
IX.	Notes forming part of Financial Statements	2-50		

As per our Report of even date attached

For and on behalf of the Board of Directors

**For V.K. Dhingra & Co.**  
Chartered Accountants  
FRN 000250N

**M. K. Singh**  
Director Finance  
DIN - 06607392

**Mohan Tiwari**  
Chairman & Managing Director  
DIN - 00191363

**Vipul Girotra**  
Partner  
M. No. 084312

**Sumita Sharma**  
Company Secretary

Place : New Delhi

Date : 2<sup>nd</sup> September 2016



IRCON INTERNATIONAL LIMITED (CIN U45203DL1976GOI008171)

# CASH FLOW STATEMENT

For the year ended on 31st March 2016

(Rs. in crore)

Particulars	Note No.	2015-16	2014-15
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net Profit before taxation & extraordinary items		567.16	844.29
<b>Adjustment for :</b>			
Depreciation, amortization and impairment		26.18	10.06
Amortisation of premium on investment		0.01	0.01
Loss / (Profit) on sale of assets(net)		(0.88)	1.41
Interest Income		(231.12)	(217.81)
Dividend Income		(5.05)	(3.21)
Provisions - (Additions - Write back) (Net)		32.32	(26.44)
Deferred Tax		52.29	27.06
Effect of Exchange differences on translation of Foreign Currency Cash & Cash Equivalents		(88.61)	(19.90)
<b>Operating Profit before working capital changes</b>	<b>(1)</b>	<b>352.30</b>	<b>615.47</b>
<b>Adjustment for :</b>			
Decrease / (Increase) in Trade Receivables / Loans & Advances		(143.34)	221.78
Decrease / (Increase) in Inventories		(26.34)	4.51
Decrease / (Increase) in Other Assets		252.99	(177.03)
(Decrease) / Increase in Trade Payables		(44.23)	(143.65)
(Decrease) / Increase in Other Liabilities & Provisions		1,236.23	107.61
	<b>(2)</b>	<b>1,275.31</b>	<b>13.22</b>
<b>Cash generated from operation</b>	<b>(1+2)</b>	<b>1,627.61</b>	<b>628.69</b>
Income Tax Paid		(107.54)	(145.43)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>(A)</b>	<b>1,520.07</b>	<b>483.26</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of Fixed Assets including Capital WIP		(20.92)	(7.48)
Purchase of Investment Property		0.00	(15.85)
Sale of Fixed Assets		1.44	2.32
Loan to Subsidiaries & Joint Ventures		(28.50)	(43.62)
Repayment of Loan from Subsidiaries & Joint Ventures		84.61	23.15
Interest Received		206.40	236.08
Dividend Received		5.05	3.21
Investment in Equity and Bonds		(234.20)	(117.32)
(Investment) / Maturity of Bank Deposits (having maturity of more than 3 months)		(63.90)	(863.64)
(Purchase) / Sale of Current Investment (Net)		(71.46)	134.96
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>(B)</b>	<b>(121.48)</b>	<b>(648.19)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Dividend (including Dividend Distribution Tax) paid		(219.20)	(190.73)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>(C)</b>	<b>(219.20)</b>	<b>(190.73)</b>
Effect of Exchange differences on translation of Foreign Currency Cash & Cash Equivalents	<b>(D)</b>	<b>88.61</b>	<b>19.90</b>
<b>NET DECREASE IN CASH &amp; CASH EQUIVALENT</b>	<b>(A+B+C+D)</b>	<b>1,268.00</b>	<b>(335.76)</b>
<b>CASH AND CASH EQUIVALENT (OPENING)</b>	<b>(E)</b>	<b>1,189.05</b>	<b>1,524.81</b>
<b>CASH AND CASH EQUIVALENT (CLOSING)</b>	<b>(F)</b>	<b>2,457.05</b>	<b>1,189.05</b>
<b>NET DECREASE IN CASH &amp; CASH EQUIVALENT</b>	<b>(F - E)</b>	<b>1,268.00</b>	<b>(335.76)</b>

- Note:
- Cash Flow Statement has been prepared under indirect method as set out in Accounting Standard -3 (Cash Flow Statements)
  - Cash and cash equivalents consist of cash in hand and balances with banks.
  - Figures in brackets represent outflow of cash.
  - Figures of the previous year have been regrouped/recast wherever necessary.
  - Cash & Cash Equivalent (closing) Includes FDR Rs. 1275.18 crore (Rs. 624.86 crore) against advances from clients on which interest is passed on to them.

As per our Report of even date attached

**For V.K. Dhingra & Co.**  
Chartered Accountants  
FRN 000250N

**Vipul Girotra**  
Partner  
M. No. 084312

For and on behalf of the Board of Directors

**M. K. Singh**  
Director Finance  
DIN - 06607392

**Sumita Sharma**  
Company Secretary

**Mohan Tiwari**  
Chairman & Managing Director  
DIN - 00191363

Place : New Delhi  
Date : 2<sup>nd</sup> September 2016

# 1. Significant Accounting Policies

## (i) Corporate Information

Ircon International Limited is a public sector construction company with specialization in execution of Railway projects on turnkey basis and otherwise. After commencing business as a railway construction company it diversified progressively to roads, buildings, electrical substation and distribution, airport construction, commercial complexes, as well as metro works. The Company caters to both domestic and international markets. The Company is an ISO certified Company for Quality, Environment and Occupational Health and Safety Management systems; a Schedule 'A' public sector company and a Mini Ratna-Category I.

## (ii) Basis of Preparation

- (a) These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy.
- (b) The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of the financial statements and reported amounts of revenues and expenses for the year. Actual results could differ from these estimates. Future results could differ due to changes in these estimates and the difference between the actual result and the estimates are recognized in the period in which the results are known/materialize.
- (c) The financial statements are reported in Indian rupees and all values are rounded to the nearest crore rupees with two decimal points except where otherwise stated.

## (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 rate prevalent on the date of transaction.
- ii) Fixed assets and non-monetary items are translated at the 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 at the rate prevalent on the date of transaction.
  - ii) Fixed assets and non-monetary items are translated at the rate on 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.
- (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 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**

##### **Tangible Assets**

- (a) Tangible assets are stated at historical cost less accumulated depreciation and impairment loss, if any.
- (b) The machinery spares which can be used only in connection with an item of Tangible asset and whose use is expected to be irregular are capitalized & depreciated/amortized over the balance life of such Tangible assets.
- (c) Incidental expenditure during construction period incurred up to the date of commissioning is capitalized.

##### **Intangible Assets**

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

#### **(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 assessed at the end of each financial year. This

shall, however, be subject to a minimum of Rs. 50 lakhs and maximum of the amount of Design guarantee specified in Contract Agreement with the Client.

**(b) Provision for 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) Revenue Recognition**

**(a) 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-

- (i) In cost plus contracts, revenue is worked out by including eligible items of expenditure in the bills raised on the clients and charging specified margin thereon.
- (ii) In fixed price contracts, revenue is recognized

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 up to the reporting date to the total estimated cost of the contract.

Full provision is made for any loss in the period in which it is foreseen.

- (iii) Claims/Arbitration Awards (including interest thereon) which are granted in favour of the Company, being in the nature of additional compensation under the terms of the contract are accounted as contract revenue when they are granted and where it is certain to realize the collection of such claims/awards.

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

**(b) Other Revenue Recognition**

- (i) Dividend income is recognized when the right to receive payment is established.
- (ii) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

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

- (i) Jointly controlled operations under work sharing arrangements are accounted as independent contracts;
- (ii) In respect of contracts executed by a jointly controlled entity,
  - (a) Unincorporated joint ventures:
    - Company's share in profits or losses is accounted on determination of the profits or losses by the joint ventures.
    - Investments are carried at cost net of Company's share in recognised profits or losses and net investment is reflected as investments, loans & advances or current liabilities as the case may be.
  - (b) Incorporated jointly controlled entities:
    - Income on investments is recognised when the right to receive the same is established.

- Investment in such joint ventures is carried at cost after providing for any diminution in value which is other than temporary in nature.

#### **(xi) Leases**

- 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.
- 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**

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

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are charged to the Statement of Profit and Loss unless a product's technological feasibility has been established, in which case such expenditure is capitalised.

#### **(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**

- 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.

- In case of leasehold land (other than perpetual lease) and leasehold property, depreciation is provided proportionately over the period of lease.
- Tangible Assets acquired during the year, individually costing up to Rs. 5000/- are fully depreciated, by keeping Re. 1 as token value for identification.

##### **Intangible Assets**

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

##### **(xvi) Impairment of Assets**

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value and impairment loss is charged to the Statement of Profit & Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount and such losses either no longer exists or has decreased. Reversal of impaired loss is recognized in the Statement of Profit & Loss.

##### **(xvii) Borrowing Cost**

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

##### **(xviii) Employee Benefits**

###### **a. Short Term Employee Benefits**

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

**b. Post-employment benefits & other long term Employee Benefits**

- (i) Retirement benefit in the form of Provident Fund and Pension Fund is a defined contribution scheme. The contributions to the Provident Fund Trust and Pension Trust are charged to the Statement of the Profit & loss for the year when the contributions are due.
- (ii) The Company has created a Gratuity Trust. The contribution to the gratuity trust based on the actuarial valuation is charged to the Statement of Profit & Loss for the year when the contribution is due.
- (iii) Provision for long term Leave Encashment, Post Retirement Medical Benefits & Other Retirement benefits is made based on actuarial valuation at the year end.

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

- (i) Income/expenditure relating to prior period and prepaid expenses not exceeding Rs. 1,00,000/- in each case are treated as income/expenditure of the current year.
- (ii) Voluntary Retirement Scheme expenses are charged off in the year of incidence of expense.

**(xx) Taxes**

- (i) 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.
- (ii) Deferred tax assets are recognized only to the extent that there is a reasonable certainty that sufficient future income will be available except that deferred tax assets, in case there are unabsorbed depreciation or losses, are recognized if there is virtual certainty that sufficient future taxable income will be available to realize the same.
- (iii) 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.

**(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 business of construction and leasing of assets & its operation (Leasing & Operation).

**(xxii) Earnings Per Share**

In determining basic earnings per share, the company considers the net profit attributable to equity shareholders. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period. In determining diluted earnings per share, the net profit attributable to equity shareholders and weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

**(xxiii) Contingent Liabilities and Contingent Assets**

- (a) Contingent Liabilities are disclosed in either of the following cases:
  - i) A present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation; or
  - ii) A reliable estimate of the present obligation cannot be made; or
  - iii) A possible obligation, unless the probability of outflow of resource is remote.
- (b) Contingent Assets 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.

## 2. Share capital

(Rs. in crore)

Particulars	As at 31st March 2016	As at 31st March 2015
<b>Authorized</b> 10,00,00,000 Equity shares of Rs.10 each (2,50,00,000 Equity shares of Rs.10 each) (v)	<b>100.00</b>	25.00
<b>Issued, Subscribed &amp; Paid-up</b> 1,97,96,000 Equity shares of Rs.10 each-fully paid (1,97,96,000 Equity shares of Rs.10 each-fully paid )	<b>19.80</b>	19.80
<b>Total</b>	<b>19.80</b>	<b>19.80</b>

### i) Distribution of number of shares held:

Particulars	As at 31st March 2016		As at 31st March 2015	
	No. of Shares	% age	No. of Shares	% age
Government of India in the name of the President of India and Government nominees	<b>19,742,400</b>	<b>99.729%</b>	19,742,400	99.729%
Indian Railway Finance Corporation Limited	<b>48,800</b>	<b>0.247%</b>	48,800	0.247%
Bank of India	<b>4,800</b>	<b>0.024%</b>	4,800	0.024%
<b>Total</b>	<b>19,796,000</b>	<b>100%</b>	<b>19,796,000</b>	<b>100%</b>

### ii) Shares issued other than cash

Bonus share issued during last five years:	98,98,000 Equity shares of Rs. 10 each have been issued as fully paid up Bonus shares in F.Y. 2012-13 in the ratio of 1:1
--	---

### iii) Terms/rights attached to equity shares:

#### (a) Voting

The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity share is entitled to one vote per share.

#### (b) Dividends

The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting, except in case of Interim dividend.

#### (c) Liquidation

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



iv. Reconciliation of the number of equity shares and share capital:

Particulars	As at 31st March 2016		As at 31st March 2015	
	No. of Shares	Rs. Crore	No. of Shares	Rs. Crore
Issued, subscribed and fully paid up equity shares outstanding at the beginning of the year	19,796,000	19.80	19,796,000	19.80
Add: Shares issued during the year	-	-	-	-
Issued, subscribed and fully paid up equity shares outstanding at the end of the year	19,796,000	19.80	19,796,000	19.80

- v. Increase in Authorised Capital was approved in Annual General meeting held on 22.12.2015 & approval from Ministry of Railways received vide letter dated 13.04.2016.

### 3. Reserves and surplus

(Rs. in crore)

Particulars	As at 31st March 2016		As at 31st March 2015	
<b>a. CSR Activities Reserve</b>				
Opening Balance	-		1.71	
Less :- Transfer to Statement of Profit & Loss	-	-	1.71	-
<b>b. General Reserve</b>				
Opening Balance	3,333.71		2,971.52	
Add: Transfer from surplus in statement of profit and loss (Refer (c) below)	176.75	3,510.46	362.19	3,333.71
<b>c. Surplus in Statement of Profit and Loss</b>				
Net Profit for the current year	379.27		579.39	
Appropriations				
Add :-				
- Transfer from CSR Activities Reserve	-		1.71	
Less :-				
- Interim Dividends [(Dividend per share Rs. 40 /- ( Rs. 40/-)]	79.18		79.18	
- Proposed Dividends [(Dividend per share Rs. 45 /- ( Rs. 52/-)]	89.08		102.94	
- Tax on Interim Dividend	16.12		15.83	
- Tax on Proposed Dividend	18.14		20.96	
- Transfer to General Reserve	176.75	-	362.19	-
<b>Total</b>		<b>3,510.46</b>		<b>3,333.71</b>

## 4. Long term liabilities

(Rs. in crore)

Particulars	Foot Note	As at 31st March 2016	As at 31st March 2015
(a) Trade Payables			
- Micro, Small & Medium Enterprises (Refer Note 45)		-	-
- Others		5.82	8.38
(b) Other Liabilities			
- Advance from clients	(i)	936.22	69.24
- Retention Money /Security Deposit		136.70	100.46
<b>Total</b>		<b>1,078.74</b>	<b>178.08</b>

Foot Notes:-

i) (a) Includes Interest payable on advances from clients **Rs. Nil** ( Rs. 12.40 Crore)

(b) Includes **Rs. 19.15 crore** (Rs. Nil) from Ircan Shivpuri Guna Tollway Limited, a wholly owned subsidiary.

## 5. Long term provisions

(Rs. in crore)

Particulars	As at 31st March 2016	As at 31st March 2015
<b>(A) Provisions for employee benefits:</b> (Refer Note 27 & 43)		
i) Gratuity	-	61.79
ii) Leave Salary	73.15	75.85
iii) Settlement Allowance on Retirement	1.21	1.20
iv) Post Retirement Medical Benefits	0.82	1.36
v) Leave Travel Concession	0.20	0.12
<b>(B) Other Provisions :</b> (Refer Note 27)		
i) Demobilisation	0.54	7.89
ii) Maintenance	19.44	96.87
iii) Design Guarantee	60.17	105.36
iv) Other Expenses	-	0.59
<b>Total</b>	<b>155.53</b>	<b>351.03</b>

## 6. Trade payables

(Rs. in crore)

Particulars	Foot Note	As at 31st March 2016	As at 31st March 2015
<b>Trade Payables</b>			
- Micro, Small & Medium Enterprises (Refer Note 45)		-	-
- Others			
(a) Contractors & Suppliers		387.71	434.65
(b) Related Parties		18.91	16.20
<b>Total</b>		<b>406.62</b>	<b>450.85</b>

## 7. Other current liabilities

(Rs. in crore)

Particulars	Foot Note	As at 31st March 2016	As at 31st March 2015
(a) Advance Contract Receipts		79.59	24.63
(b) Advances from Client	(i)	1,796.43	1,030.37
(c) Deposits & Retention Money		463.63	490.50
(d) Statutory Dues		237.17	209.81
Less :- Deposited under Protest		(203.45)	(184.31)
(e) Book Overdraft		0.02	0.10
(f) Staff		7.24	0.98
(g) Others	(ii)	20.94	14.67
<b>Total</b>		<b>2,401.57</b>	<b>1,586.75</b>

Foot Notes:-

- i) (a) Includes Interest payable on advances from clients **Rs. 79.71 Crore** ( Rs. 69.47 Crore)  
 (b) Includes **Rs. 11.02 crore** (Rs. Nil) from Ircon Shivpuri Guna Tollway Limited, a wholly owned subsidiary.  
 (c) Includes **Rs. 18.48 crore** (Rs. Nil) from Chattisgarh East Railway Limited , a Joint Venture Company.  
 (d) Includes **Rs. 0.57 crore** (Rs. 2.40 crore) from Chattisgarh East West Railway Limited , a Joint Venture Company.
- ii) Includes Outstanding and Other Liabilities.

## 8. Short-term provisions

(Rs. in crore)

Particulars	As at 31st March 2016	As at 31st March 2015
<b>(A) Provisions for employee benefits:</b> (Refer Note 27 & 43)		
i) Gratuity	-	4.52
ii) Leave Salary	9.90	6.95
iii) Settlement Allowance on Retirement	0.13	0.08
iv) Post Retirement Medical Benefits	3.38	5.97
v) Pension	-	26.18
vi) Performance Related Pay	12.31	18.82
vii) Leave Travel Concession	0.03	0.01
	<b>25.75</b>	<b>62.53</b>
<b>(B) Other Provisions :</b> (Refer Note 27)		
i) Demobilisation	23.12	40.59
ii) Maintenance	69.69	37.01
iii) Foreseeable Loss	22.17	12.55
iv) Design Guarantee	45.79	52.72
v) Legal Cases	78.76	72.05
vi) Other Expenses	96.41	49.68
vii) Income tax	943.43	901.96
Less: Advance Tax (including TDS)	(664.14)	(524.57)
viii) Dividend (Proposed)	89.08	102.94
ix) Tax on Dividend (Proposed)	18.14	20.96
	<b>722.45</b>	<b>765.89</b>
<b>Total</b>	<b>748.20</b>	<b>828.42</b>

## 9. Fixed assets

(Rs. in crore)

Fixed Assets	Foot Note	Gross Block				Accumulated Depreciation				Impairment	Net Block	
		As at 01.04.2015	Additions	Sales/ Adjustments	As at 31.03.2016	Upto 31.03.2015	For the year	Sales/ Adjustments	Upto 31.03.2016		As at 31.03.2016	As at 31.03.2016
<b>A Tangible Assets</b>												
Freehold Land		2.30	-	-	2.30	-	-	-	-	-	2.30	2.30
Lease hold Land	(v)	36.39	-	-	36.39	0.19	0.01	-	0.20	-	36.19	36.20
Lease hold Buildings	(iv)	42.44	0.48	-	42.92	6.56	0.88	-	7.44	-	35.48	35.88
Freehold Buildings /Flats- Residential	(i)	8.73	-	-	8.73	2.09	2.45	-	5.14	-	3.59	6.04
Freehold Buildings/Flats- Non-Residential		7.12	0.12	-	7.24	1.14	1.51	-	2.65	-	4.59	5.98
Plant and Machinery	(i & ii)	351.87	2.06	(1.17)	352.76	284.21	19.39	(0.76)	302.84	0.87	49.05	66.79
Survey Instruments		3.34	0.82	(0.33)	3.83	3.10	0.07	(0.33)	2.84	-	0.99	0.24
Computers		8.40	0.75	(0.56)	8.59	7.62	0.47	(0.55)	7.54	-	1.05	0.78
Mobile Handset		0.21	0.03	(0.07)	0.17	0.18	0.01	(0.07)	0.12	-	0.05	0.03
Office Equipments		6.98	0.92	(1.37)	6.53	6.04	0.34	(1.32)	5.06	-	1.47	0.94
Furniture, Fixtures, Furnishings		7.99	0.58	(0.54)	8.03	7.28	0.24	(0.54)	6.98	-	1.05	0.71
Caravans, Camps and Temporary Sheds		4.70	6.10	(0.41)	10.39	4.59	0.55	(0.40)	4.74	-	5.65	0.11
Vehicles	(i)	13.94	-	(1.78)	12.16	12.70	0.17	(1.70)	11.17	-	0.99	1.24
<b>Current Year Total</b>		<b>494.41</b>	<b>11.86</b>	<b>(6.23)</b>	<b>500.04</b>	<b>336.30</b>	<b>26.09</b>	<b>(5.67)</b>	<b>356.72</b>	<b>0.87</b>	<b>142.45</b>	<b>157.24</b>
Previous Year		490.83	17.70	(14.12)	494.41	337.74	8.95	(10.39)	336.30	0.87	157.24	153.09
<b>B Intangible Assets</b>												
Softwares		1.98	0.11	-	2.09	1.95	0.04	-	1.99	-	0.10	0.03
<b>Current Year Total</b>		<b>1.98</b>	<b>0.11</b>	<b>-</b>	<b>2.09</b>	<b>1.95</b>	<b>0.04</b>	<b>-</b>	<b>1.99</b>	<b>-</b>	<b>0.10</b>	<b>0.03</b>
Previous Year		1.76	0.22	-	1.98	1.75	0.20	-	1.95	-	0.03	0.01
<b>GRAND TOTAL CURRENT YEAR</b>		<b>496.39</b>	<b>11.97</b>	<b>(6.23)</b>	<b>502.13</b>	<b>338.25</b>	<b>26.13</b>	<b>(5.67)</b>	<b>358.71</b>	<b>0.87</b>	<b>142.55</b>	<b>157.27</b>
PREVIOUS YEAR		492.59	17.92	(14.12)	496.39	339.49	9.15	(10.39)	338.25	0.87	157.27	153.10

### FOOT NOTES:-

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

(Rs. in crore)

Block of assets	As at March 2016		As at March 2015	
	Gross Block	Net Block	Gross Block	Net Block
Freehold Buiding - Residential	-	-	0.38	0.28
<b>Total</b>	<b>-</b>	<b>-</b>	<b>0.38</b>	<b>0.28</b>

- ii) Includes Locomotives provided on short term operating lease till 31.12.2015 and standby. (Refer Note 36 II)  
 iii) Depreciation, amortization and impairment for the year debited to Statement of Profit and Loss are as follows:-

(Rs. in crore)

Description	2015-16	2014-15
Depreciation on Tangible & Intangible Assets	<b>26.13</b>	9.15
Impairment Loss	-	0.87
Depreciation on Investment Property	<b>0.05</b>	0.04
<b>Total</b>	<b>26.18</b>	<b>10.06</b>

- iv) Includes lease hold building on Railways land for 30 years lease (Gross value Rs. 5.30 crore) for which agreement is yet to be finalised.
- v) Lease hold land includes land at Greater Noida Industrial Development Authority (GNIDA) for construction of proposed Central Inspection Cell (CIC) by the Company (Gross value Rs.0.82 crore). The request for time extension for construction of Building has been submitted to the appropriate authority.
- vi) During the year, the Company has changed its accounting policy relating to charging of depreciation by adopting different life for significant part of assets, based on technical evaluation as per requirement of Schedule II of the Companies Act, 2013. Due to this change, depreciation for the year is higher by Rs. 16.01 crore & PBT is lower by Rs. 16.01 crore.
- vii) During the year, company has changed its accounting policy of amortization of intangible assets based on its useful life to comply with the requirements of Accounting Principles. Due to this change, depreciation for the year is lower by Rs.0.10 crore and PBT is higher by Rs.0.10 crore.

## 10. Intangible asset under development

(Rs. in crore)

Particulars	As at 31st March 2016	As at 31st March 2015
Implementation of SAP Opening Balance	1.01	1.01
<b>Total</b>	<b>1.01</b>	<b>1.01</b>

## 11. Capital work-in-progress\*

(Rs. in crore)

Particulars	As at 31st March 2016	As at 31st March 2015
Opening Balance	5.20	-
Additions during the year:		
- Work Expenses	7.54	0.43
- Consultancy Charges	0.42	0.31
- Salary & Wages	0.01	
- Rates & Taxes	0.19	4.40
- Vehicle Operation and Maintenance	0.04	0.04
- Power, Electricity and Water charges	-	0.01
- Advertisement & Publicity	0.02	0.01
- Misc Operating Exp.	0.85	-
	<b>9.07</b>	<b>5.20</b>
Less:- Capitalised during the year	<b>0.12</b>	
<b>Total</b>	<b>14.15</b>	<b>5.20</b>

*Break-up of Capital Work in progress		
1. Office Buiding at CCM, Gurgaon	12.20	4.82
2. Commercial Complex, Noida Sector - 01	0.04	-
3. Commercial Complex, Noida Sector - 48	0.07	-
4. Commercial Complex, Noida Sector - 125	0.03	-
5. Retail Mall, Noida Sector - 43	0.31	-
6. Work of Fire Fighting & Civil Constrction at CIC Noida	-	0.12
7. Camps & carvans at Shivpuri Guna	0.84	-
8. Office Building at Kolkata	0.66	0.26
	<b>14.15</b>	<b>5.20</b>

## 12. Non current investments

(Rs. in crore)

Particulars	Foot Note	As at 31st March 2016		As at 31st March 2015	
		Nos.	Amount (Rs. in Crore)	Nos.	Amount (Rs. in Crore)
<b>A Investment Property</b>					
SRO Building at Old Airport Road, Bangalore			3.04	3.04	
Less: - Accumulated depreciation on investment Property			0.09	0.04	3.00
Leasehold Land at Noida			260.36	260.36	
<b>Total (A)</b>			<b>263.31</b>		<b>263.36</b>
<b>B Trade Investments (At Cost)</b>					
<b>Un- Quoted</b>					
<b>Investment in Fully Paid up Equity Shares:</b>					
<b>In Subsidiaries</b>					
Ircon Infrastructure & Services Limited 6,50,00,000 equity shares of Rs. 10 each		65,000,000	65.00	65,000,000	65.00
Indian Railway Stations Development Corporation Limited 2,04,00,000 equity shares of Rs.10 each		20,400,000	20.40	20,400,000	20.40
Ircon PB Tollway Limited 9,00,00,000 equity shares of Rs.10 each		90,000,000	90.00	90,000,000	90.00
Ircon Shivpuri Guna Tollway Limited 3,30,00,000 equity shares of Rs. 10 each		33,000,000	33.00	-	-
Ircon Shivpuri Guna Tollway Limited - Share Application Money pending Allotment for 3,70,00,000 equity shares of Rs. 10 each		37,000,000	37.00	-	-
<b>In Incorporated Joint Venture/s</b>	(ii)				
CCFB, Mozambique 12,50,000 equity shares of meticals 24000 (Equivalent to Rs. 44.27) each fully paid			-	12,50,000	5.53
Less : Provision for diminution in value			-	5.53	-
Ircon-Soma Tollway Private Limited (ISTPL) 6,38,70,000 equity shares of Rs. 10 each fully paid.	(i a & b)	6,38,70,000	63.87	6,38,70,000	63.87
Mahanadi Coal Railway Limited 13,000 equity shares of Rs. 10 each		13,000	0.01	-	-
Chhattisgarh East Railway Limited 401,70,000 equity shares of Rs. 10 each fully paid.		40,170,000	40.17	1,170,000	1.17
Chhattisgarh East-West Railway Limited 11,70,000 equity shares of Rs. 10 each fully paid.		1,170,000	1.17	1,170,000	1.17
<b>Total (B)</b>			<b>350.62</b>		<b>241.61</b>
<b>C Other Investments (At Cost)</b>					
<b>Quoted</b>					
<b>Investment in Bonds</b>					
8.00% Tax Free Indian Railway Finance Company Limited (IRFC) Bonds of Rs.1,000 each		163,131	16.31	163131	16.31

Particulars	Foot Note	As at 31st March 2016		As at 31st March 2015	
		Nos.	Amount (Rs. in Crore)	Nos.	Amount (Rs. in Crore)
7.21% Tax Free Indian Railway Finance Company Limited (IRFC) Bonds of Rs.10,00,000 each		500	49.96	500	49.96
Less : Amortisation of Premium			0.01	-	49.96
8.23% Tax Free Indian Railway Finance Company Limited (IRFC) Bonds of Rs.1,000 each		500,000	50.00	500,000	50.00
8.35% Tax Free Indian Railway Finance Company Limited (IRFC) Bonds of Rs. 10,00,000 each		500	49.91	500	49.92
Less : Amortisation of Premium			-	0.01	49.91
7.15% Tax Free Indian Railway Finance Company Limited (IRFC) Bonds of Rs. 10,00,000 each		250	24.98	-	-
7.07% Tax Free Indian Railway Finance Company Limited (IRFC) Bonds of Rs.1,000 each		302,000	30.20	-	-
7.14% NHAI Tax Free Bonds of Rs. 1,000 each		199,989	20.00	-	-
7.02% NHAI Tax Free Bonds of Rs. 10,00,000 each		500	50.01	-	-
<b>Total (C)</b>			<b>291.36</b>		<b>166.18</b>
<b>Total</b>			<b>905.29</b>		<b>671.15</b>

Disclosure regarding Quoted/Unquoted Investments:	Rs. in Crore	Rs. in Crore
Aggregate of Unquoted investments - Book value	350.62	241.61
Aggregate of Quoted investments - Book value	291.36	166.18
- Market value	292.98	175.61

**Foot Notes:-**

- i) (a) Out of 6,38,70,000 equity shares of ISTPL held by the company, 30 % shares (1,91,61,000 no.) are pledged with Punjab National Bank against the loan drawn by ISTPL outstanding as on 31.03.2016 is Rs. 227.16 crores. Further, an undertaking has been given by the company to Punjab National Bank for non disposal of its 21% (1,34,12,700 no. of shares) of the present holding (over and above the pledged over 30% of shareholding) .
- (b) As per Articles of Association (Article V) of ISTPL, shareholders can transfer their shareholding subject to Concession Agreement dated 28th September 2005 signed with NHAI which provides for equity holding of not less than 51% by Consortium members in ISTPL during the construction period and three years following Commercial Operation Date, which was achieved on 19.04.2010. Thereafter, the aforesaid shareholding can be diluted to 26% subject to the pre-emption right of the other shareholders.
- ii) Rs. 37.00 crore of equity shares were pending for allotment on the reporting date which were subsequently allotted on 06.05.2016.

## 13. Deferred tax assets (Net)

(Rs. in crore)

Particulars	As at 1st April 2015	Addition (Deletion) during the year	As at 31st March 2016
	Total	Total	Total
<b>Asset</b>			
Provision for :			
- Maintenance and demobilisation	50.22	(11.18)	<b>39.04</b>
- Foreseeable Loss	4.35	3.32	<b>7.67</b>
- Doubtful debts and advances	41.58	(9.34)	<b>32.24</b>
- Gratuity	22.95	(22.95)	-
- Leave Travel Concession	0.04	0.04	<b>0.08</b>
- Legal cases	24.93	2.33	<b>27.26</b>
- Design Guarantee	54.71	(18.04)	<b>36.67</b>
- Other Expenses	19.04	14.32	<b>33.36</b>
Expenses :			
- Allowed for tax purpose when paid	47.06	(12.14)	<b>34.92</b>
- Depreciation	9.43	1.35	<b>10.78</b>
	274.31	(52.29)	<b>222.02</b>
<b>Liability</b>	-	-	-
	-	-	-
<b>Net Deferred Tax Asset / (Liability)</b>	<b>274.31</b>	<b>(52.29)</b>	<b>222.02</b>
Previous Year	301.37	(27.06)	<b>274.31</b>

Deferred Tax Assets/ Liability has been recognised in books as per AS -22 (Accounting for Taxes on Income) issued by The Institute of Chartered Accountants of India.

## 14. Long term loans and advances

(Rs. in crore)

Particulars	Foot Note	As at 31st March 2016	As at 31st March 2015
<b>A. Secured, considered good</b>			
Staff Loans and Advances		1.48	1.60
Advances to Contractors against material and machinery		<u>28.07</u>	<u>25.29</u>
		29.55	26.89
<b>B. Unsecured, considered good</b>			
<u>Loans and Advances to Related Parties:</u>			
Joint Ventures	(i)		
- Companhia Dos Caminhos De Ferro Da Beira Sarl (Refer note 33)		-	70.48
- Chattisgarh East West Railway Ltd.		19.50	-
- Chattisgarh East Railway Ltd.		39.00	30.00
Subsidiaries	(i)		



Particulars	Foot Note	As at 31st March 2016		As at 31st March 2015	
- Iicon Infrastructure & Services Limited		25.21	83.71	31.50	131.98
<u>Others Loans and Advances:</u>					
Security Deposits					
- Government Departments		0.50		0.32	
- Others		0.44	0.94	0.51	0.83
<u>Tax Authorities:</u>					
- Deposit with Income Tax Department					
- Advance Tax / TDS		690.31		544.64	
- Less:- Provision for Tax		(664.14)	26.17	(524.57)	20.07
- Deposit with Income Tax Department against demand		210.85	237.02	253.77	273.84
Recoverable from Govt. of Mozambique		32.25		-	
Staff Loans & Advances		0.54		0.73	
Deposits with Government Departments		0.02		0.10	
Advances to Contractors and Suppliers		199.87		205.41	
Prepaid Expenses		1.33		0.03	
Others		0.86	234.87	0.97	207.24
<b>C. Considered Doubtful</b>					
Loan to Related Parties					
Joint Venture					
- Companhia Dos Caminhos De Ferro Da Beira Sarl (Refer note 33)		-		25.46	
Advances to Contractors and Suppliers		-		8.71	
		-		34.17	
Less :- Provision for doubtful advances		-	-	34.17	-
<b>Total</b>			<b>586.09</b>		<b>640.78</b>

**Foot Notes:-**

- (i) Loans are interest bearing and for capital expenditure/ meeting arbitration expenses and are repayable over a period of 2 to 10 years.
- (ii) Debts due by directors, other officers of the company, firms in which any director is a partner or private company in which any director is a member except joint ventures and Subsidiaries are Nil (Rs. Nil)

## 15. Other non current assets

(Rs. in crore)

Particulars	As at 31st March 2016		As at 31st March 2015	
<b>A. Long Term Trade Receivables</b>				
Unsecured, considered good				
- Retention Money with client	<b>0.37</b>		27.48	
- Money Withheld by Client	<b>2.44</b>	<b>2.81</b>	<u>22.62</u>	50.10
<b>B. Others</b>				
i) Secured, considered good				
Interest Accrued on :				
- Advances to staff		<b>0.87</b>		0.85
ii) Unsecured, considered good				
Fixed Deposits more than 12 months {(refer foot note (i))}		<b>0.41</b>		0.41
Interest Accrued on :				
- Advances to staff	<b>0.25</b>		0.32	
- Advances to Contractors, Suppliers & others	<b>20.77</b>		14.50	
Joint Venture				
- Chattisgarh East Railway Limited	<b>5.03</b>		0.60	
- Chattisgarh East West Railway Limited	<b>0.39</b>	<b>26.44</b>		15.42
iii) Considered Doubtful				
Interest Accrued on :				
Joint Venture				
- Companhia Dos Caminhos De Ferro Da Beira Sarl (Refer note 33)	-		0.19	
Advances to Contractors, Suppliers & Others	-		0.40	
	-		0.59	
Less: Provision for doubtful	-	-	0.59	-
<b>Total</b>		<b>30.53</b>		<b>66.78</b>

### Foot Notes:-

- (i) Includes FDRs under Lien for **Rs. 0.41 crore** (Rs. 0.41 crore)
- (ii) Debts due by directors, other officers of the company, firms in which any director is a partner or private company in which any director is a member except joint ventures and Subsidiaries are Nil (Rs. Nil)

## 16. Current investments

Particulars	As at 31st March 2016		As at 31st March 2015	
	Nos.	Amount (Rs. in Crore)	Nos.	Amount (Rs. in Crore)
<b>A Non Trade Investments</b>				
<b>Quoted</b>				
<b>Investment in Mutual Fund</b>				
UTI Mutual Fund - Daily Dividend Plan	<b>36,454</b>	<b>3.72</b>	106,836	10.89
SBI Premier Liquid Fund - Daily Dividend Plan	<b>1,283,478</b>	<b>128.27</b>	300,718	30.17

Particulars	As at 31st March 2016		As at 31st March 2015	
	Nos.	Amount (Rs. in Crore)	Nos.	Amount (Rs. in Crore)
<b>B</b> SBI Debt Fund Series - A -14		- 131.99	25,000,000	25.00 66.06
<b>Trade Investments (At Cost)</b>				
<b>Un- Quoted</b>				
<b>In Incorporated Joint Venture/s</b>				
CCFB, Mozambique (i)				
12,50,000 equity shares of meticals 24000 (Equivalent to Rs. 44.27) each fully paid	<b>12,50,000</b>	<b>5.53</b>	-	-
<b>Total</b>		<b>137.52</b>		<b>66.06</b>

Disclosure regarding Quoted Investments:	Rs. in Crore	Rs. in Crore
Aggregate of Quoted investments - Book value	131.99	66.06
- Market value	132.48	68.39

## 17. Inventories

(Rs. in crore)

Particulars	As at 31st March 2016	As at 31st March 2015
a. Material and stores		
- In Hand	<b>87.98</b>	32.49
- With Third Parties	<b>1.78</b>	25.81
- In Transit	-	0.11
	<b>89.76</b>	58.41
b. Construction work-in-progress at cost	<b>50.87</b>	55.88
<b>Total</b>	<b>140.63</b>	<b>114.29</b>

## 18. Trade receivables

(Rs. in crore)

Particulars	As at 31st March 2016	As at 31st March 2015
<b>Unsecured :</b>		
<b>Outstanding for a period exceeding six months from the date they were due for payment</b>		
- Considered good (ii)	<b>39.27</b>	67.90
- Considered doubtful & provided for	<b>16.08</b>	16.24
	<b>55.35</b>	84.14
<b>Outstanding for a period not exceeding six months from the date they were due for payment</b>		
<b>- Trade receivables</b>		
- Considered good (ii)	<b>485.88</b>	395.37
- Considered doubtful & provided for	-	-
	<b>485.88</b>	395.37
<b>- Retention Money with client</b>		
- Considered good	<b>56.69</b>	60.09
- Considered doubtful & provided for	<b>8.07</b>	9.89
	<b>64.76</b>	69.98
<b>- Money Withheld by client</b>		
- Considered good	<b>118.82</b>	48.14
- Considered doubtful & provided for	<b>5.99</b>	4.50
	<b>124.81</b>	52.64
	<b>730.80</b>	602.13
Less: Provision for doubtful debts	<b>30.14</b>	30.63
<b>Total</b>	<b>700.66</b>	<b>571.50</b>

**Foot Notes:-**

- (i) Debts due by directors, other officers of the company, firms in which any director is a partner or private company in which any director is a member except joint ventures and Subsidiaries are Rs. Nil (Rs. Nil)
- (ii) Includes amount due from Related Parties :

(Rs. in crore)

Particulars	Balance at the end of year	
	31.03.2016	31.03.2015
i) Outstanding for a period exceeding six months from the date they were due for payment	-	-
ii) Other Trade receivables		
Ircon ISL	0.03	0.96
Ircon Shivpuri Guna Tollway limited	18.78	-
Chhattisgarh East Railway Limited	65.87	4.43
Chhattisgarh East West Railway Limited	3.88	0.41
<b>Total</b>	<b>88.56</b>	<b>5.80</b>

## 19. Cash & Bank balances

(Rs. in crore)

Particulars	Foot Note	As at 31st March 2016		As at 31st March 2015	
<b>Cash and cash equivalents</b>					
a) Cash In hand	(i)	0.23		0.21	
b) Cheques / drafts in hand		4.96		0.17	
c) Balances with banks :					
- In Current accounts		54.85		123.95	
- In Flexi accounts	(ii)	201.87		171.36	
- In Fixed deposits (with a maturity period of less than 3 months)	(ii)	2,195.14	2,451.86	893.36	1188.67
<b>Other bank balances</b>					
- In Fixed deposits (with a maturity period of more than 3 months and upto 12 months)	(ii)	2,077.68		2013.78	
<b>Total</b>		<b>4,534.73</b>		<b>3,202.83</b>	

**Foot Notes :-**

- i) Cash in hand includes cash imprest Rs. 0.01 crore ( Rs. 0.01 crore)
- ii) Includes Clients Fund on which interest is passed on to them:

(Rs. in crore)

Particulars	Balance at the end of year	
	31.03.2016	31.03.2015
In Flexi accounts	166.19	100.44
In Fixed deposits (with a maturity period of less than 3 months)	1,275.18	624.86
In Fixed deposits (with a maturity period of more than 3 months and upto 12 months)	56.18	54.82
<b>Total</b>	<b>1,497.55</b>	<b>780.12</b>

## 20. Short term loans and advances

(Rs. in crore)

Particulars	Foot Note	As at 31st March 2016		As at 31st March 2015	
<b>A. Secured, considered good</b>					
Staff Loans and Advances		0.60		0.62	
Advances to Contractors against material and machinery		21.95	22.55	9.15	9.77
<b>B. Unsecured, considered good</b>					
Loans and Advances to Related Parties:					
Loans					
Joint Ventures (Refer note 39)	(i)				
- Ircon - Afcon JV Subsidiary		-		18.11	
- Ircon Infrastructure & Services Limited		2.29		-	
Other Recoverables					
Joint Ventures (Refer note 39)	(ii)	34.27		29.84	
Subsidiaries (Refer note 39)	(iii)	2.79	39.35	2.53	50.48
Others Loans and Advances:					
Security Deposits					
- Government Departments		11.82		6.22	
- Others		1.36	13.18	1.30	7.52
Tax Authorities :					
- Sales Tax (including TDS)		221.88		200.98	
Less :- Deposited under protest		(203.45)	18.43	(184.31)	16.67
- Value Added Tax		143.57		114.26	
- Service Tax input credit		0.21	162.21	0.02	130.95
Recoverable from Govt. of Mozambique		49.71		-	
Staff Loans and Advances		1.17		1.78	
Advances to Contractors and Suppliers		156.80		125.94	
Earnest Money Deposit		0.35		0.41	
Prepaid Expenses		3.86		3.54	
Others		13.99	225.88	12.48	144.15
<b>C. Considered Doubtful</b>					
Staff Loans & Advances		0.01		-	
Advances to Contractors and Suppliers		9.73		9.87	
Deposits with Government Departments		1.73		2.38	
Sales Tax (including TDS)		34.97		35.31	
Value Added Tax		7.18		7.18	
Others		9.39		0.01	
		63.01		54.75	
Less:- Provision for doubtful advances		63.01	-	54.75	-
<b>Total</b>			<b>463.17</b>		<b>342.87</b>

(i) Loan is interest bearing and is for working capital requirements.

(ii) Includes Amount recoverable from Joint Ventures: -

Particulars	As at 31st March 2016	As at 31st March 2015
(a) CCFB	-	0.79
(b) RICON	9.93	9.67
(c) IRCON - AFCON JV	7.76	2.44
(d) IMCC	2.83	3.53
(e) MTG	5.64	5.42
(f) ISTPL	7.22	7.15
(g) RICON - CETA SARL	0.89	0.84
<b>Total</b>	<b>34.27</b>	<b>29.84</b>

(iii) Includes Amount recoverable from Subsidiaries: -

Particulars	As at 31st March 2016	As at 31st March 2015
(a) Ircon Shivpuri Guna Tollway Limited	0.26	-
(b) Ircon ISL	1.96	2.26
(c) IRSDC	0.36	0.27
(d) Ircon PB Tollway limited	0.21	-
<b>Total</b>	<b>2.79</b>	<b>2.53</b>

(iv) Debts due by officers of the company, firms in which any director is a partner or private company in which any director is a member except joint ventures and Subsidiaries are Rs. Nil (Rs. Nil)

(v) Details of amount due from Directors:

Particulars	As at 31st March 2016	As at 31st March 2015
Amount due from directors included in staff loans and advances	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

## 21. Other Current Assets

(Rs. in crore)

Particulars	Foot Note	As at 31st March 2016	As at 31st March 2015
<b>A) Interest Accrued on:</b>			
Staff loans and advances (secured)		0.13	0.12
Bonds		12.65	14.21
Staff loans and advances (unsecured)		0.14	0.12
Loan to			
- Indian Railway Welfare Organisation		-	0.20
- Ircon Infrastructure & Services Limited		0.20	5.04
- Chattisgarh East Railway Limited		-	-
- IRCON AFCON JV		-	0.25
Deposits & Advances with:			
- Contractors, Suppliers & Others		29.01	17.44
- Deposit with banks		89.16	80.23
<b>B) Construction Work in Progress (At realisable value)</b>		<b>28.62</b>	<b>109.93</b>
<b>C) Billable Revenue / Receivables Not Due</b>		<b>281.20</b>	<b>405.32</b>
<b>D) Assets held for disposal</b>	(i)	<b>1.46</b>	<b>1.73</b>
	(ii)		
<b>Total</b>		<b>442.57</b>	<b>634.59</b>

Foot Notes :-

- (i) (a) Includes Value of work amounting to **Rs. 12.49 crore** (Rs. 196.08 crore) certified by client, but not billed by reporting date.  
 (b) Includes **Rs. 6.95 crore** (Rs. 12.22 crore) from Chattisgarh East Railway Limited , a Joint Venture Company.  
 (c) Includes **Rs. 25.47 crore** (Rs. 36.76 crore) from Chattisgarh East West Railway Limited , a Joint Venture Company.
- (ii) Fixed assets beyond economic repair and/or held for disposal (at lower of the realizable value and book value): -

(Rs. in crore)

Block of assets	As at 31st March 2016		As at 31st March 2015	
	Gross Block	Net Block	Gross Block	Net Block
Plant and Machinery	<b>12.40</b>	<b>1.18</b>	17.16	1.45
Freehold Buidling - Residential	<b>0.38</b>	<b>0.28</b>	0.38	0.28
<b>Total</b>	<b>12.78</b>	<b>1.46</b>	<b>17.54</b>	<b>1.73</b>

- (iii) Debts due by officers of the company, firms in which any director is a partner or private company in which any director is a member except JVs and Subsidiaries are Rs. Nil (Rs. Nil).

Details of amount due from Directors: (Rs. in Crore)

(Rs. in crore)

Particulars	As at 31st March 2016	As at 31st March 2015
Amount due from directors included in interest accrued on staff loans and advances	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

## 22. Revenue from operations

(Rs. in crore)

Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
Contract Revenue	<b>2,243.26</b>	2,809.67
Company share of turnover in Integrated Joint Ventures	<b>103.93</b>	88.62
Loco lease	<b>34.19</b>	42.77
Machinery hire charges	<b>7.90</b>	1.31
Other Operating Receipts	<b>15.50</b>	17.09
Prior Period Contract Revenue (Refer Note 28)	<b>(1.76)</b>	(9.24)
<b>Total</b>	<b>2,403.02</b>	<b>2,950.22</b>

## 23. Other Income

(Rs. in crore)

Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
Interest on Tax Free Bonds	15.63	16.02
Bank Interest Gross	235.26	214.13
Less:- Interest passed to clients	60.83	36.23
Interest on refund of income-tax	2.67	3.40
Interest on staff advances	0.27	0.33
Interest on loan to Related Parties		
- CCFB	25.26	-
- Ircon ISL	3.91	5.61
- CERL	4.92	0.67
- CEWRL	0.43	-
- IRCON AFCON JV	0.78	0.27
Interest on other advances	2.76	6.80
Interest on Fixed Maturity Plan	0.06	6.81
Exchange Fluctuation Gain	123.26	43.33
Less:- Exchange Fluctuation Loss	34.65	23.43
Dividend Income	5.05	3.21
Profit on sale of assets	0.90	2.02
Miscellaneous	21.64	14.47
Provision written-back for Loan & Equity - CCFB (Refer Note 27)	31.18	-
Prior Period Other Income(Refer Note 28)	19.20	0.34
<b>Total</b>	<b>397.70</b>	<b>257.75</b>



## 24. Operating expenses and administrative expenses

(Rs. in crore)

Particulars	Foot Note	Operating expenses		Administrative expenses	
		For the year ended 31st March 2016	For the year ended 31st March 2015	For the year ended 31st March 2016	For the year ended 31st March 2015
Materials and Stores consumed:					
Opening balance		58.30	35.49	-	-
Add: Purchases during the year		367.52	196.47	-	-
		425.82	231.96	-	-
Less: Closing Balance		89.76	58.30	-	-
Work expenses		1,479.91	1,783.69	-	-
(Increase) / Decrease in WIP		5.01	27.09	-	-
Design, Drawing, Business Development, Agency and Consultancy Charges		31.96	24.44	-	-
Inspection, Geo Technical Investigation and Survey expenses etc.		5.12	1.87	-	-
Repairs and maintenance of machinery		13.77	26.50	-	-
Hire charges of machinery		10.08	12.88	-	-
Rent - Non-residential {Refer note 37 (l)(b)}		4.75	3.80	0.13	0.23
Rates and taxes		21.41	12.49	0.57	2.02
Vehicle operation and maintenance		8.89	9.70	1.01	0.91
Repairs and maintenance					
- Building		0.12	0.14	0.56	0.42
- Office and Others		2.47	3.47	2.71	2.81
Power, electricity and water charges		2.55	3.71	1.61	1.55
Insurance		5.09	5.76	0.03	0.14
Travelling and conveyance		8.50	8.30	1.82	2.29
Printing and stationery		1.27	1.59	0.41	0.55
Postage, telephone and telex		1.72	2.33	0.51	0.45
Legal and Professional charges		4.32	3.39	2.95	2.33
Security services		3.96	4.32	0.24	0.14
Business promotion		0.84	0.98	0.20	0.16
Write-off of :					
- Bad debts		0.33	2.37	-	-
- Bad advances		0.59	0.97	-	-
- Assets		0.02	-	-	-
Loss on sale of Assets/Stores		-	-	0.02	3.43
Amortization of premium paid on Investments		-	-	0.01	0.01
Director sitting fee		-	-	-	0.02
Donation		-	-	0.01	0.05
Auditors remuneration	(i)	-	-	0.53	0.42
Advertisement and publicity		-	-	3.63	3.19
Training and Recruitment		-	-	0.53	0.60
Corporate social responsibility (Refer Note 46)		-	-	6.15	6.72
Miscellaneous expenses		3.38	8.73	1.00	1.44
Prior Period Expenses (Refer Note 28)		(3.55)	0.27	0.45	0.72
Provisions (Addition - Write Back) (Refer Note 27)		32.32	(26.44)	-	-
Provisions Utilised (Refer Note 27)		(86.66)	(56.51)	-	-
<b>Total</b>		<b>1,894.23</b>	<b>2,039.50</b>	<b>25.08</b>	<b>30.60</b>

**Foot Notes :-**

(Rs. in crore)

(i)	Payment to Statutory Auditors:	2015-16	2014-15
	(I) Audit Fee - current year	<b>0.31</b>	0.20
	(ii) Tax Audit Fees - current year	<b>0.09</b>	0.07
	(iii) Certification Fees	<b>0.04</b>	0.03
	(iv) Reimbursement of Expenses:		
	- Local	<b>0.08</b>	0.09
	- Foreign	<b>0.01</b>	0.03
	<b>Total</b>	<b>0.53</b>	0.42

## 25. Employee benefits expenses

(Rs. in Crore)

Particulars	Foot Note	For the year ended 31st March 2016			For the year ended 31st March 2015		
		Operating	Administrative	Total	Operating	Administrative	Total
Salaries, wages and bonus {Refer note 37(I)(a)}	(i)	<b>105.60</b>	<b>34.76</b>	<b>140.36</b>	115.37	38.35	153.72
Contribution to provident and other funds		<b>6.63</b>	<b>3.51</b>	<b>10.14</b>	6.59	3.32	9.91
Foreign service contribution		<b>0.40</b>	<b>0.20</b>	<b>0.60</b>	0.47	0.30	0.77
Retirement benefits		<b>12.73</b>	<b>8.60</b>	<b>21.33</b>	11.61	10.08	21.69
Staff welfare		<b>1.39</b>	<b>0.48</b>	<b>1.87</b>	1.80	0.47	2.27
<b>Total</b>		<b>126.75</b>	<b>47.55</b>	<b>174.30</b>	<b>135.84</b>	<b>52.52</b>	<b>188.36</b>

**Foot Notes:-**

 (i) Includes income-tax on non-monetary perks **Rs. 0.33 Crore** ( Rs. 0.33 Crore).

## 26. Finance Cost

(Rs. in crore)

Particulars	Foot Note	For the year ended 31st March 2016	For the year ended 31st March 2015
Interest Expenses	(i)	<b>7.75</b>	-
Other Borrowing Cost			
- Bank guarantee & other bank charges		<b>8.77</b>	8.93
<b>Total</b>		<b>16.52</b>	<b>8.93</b>

**Foot Notes:-**

 (i) (a) Includes interest on income-tax **Rs. 7.50 crore** (Rs. NIL Cr.).

 (b) Includes interest on Mobilisation Advance from Ircan Shivpuri Guna Tollway Limited **Rs. 0.19 crore** (Rs. NIL Cr.).

 (c) Includes interest on Service tax **Rs. 0.06 crore** (Rs. NIL Cr.).

## 27. Provisions (Net)

(Rs. in crore)

Particulars	Balance as on 1-4-2015			During the year 2015-16					Balance as on 31-03-2016			
	Long Term	Short Term	Total	Additions	Written Back	Utilisation	Exchange Gain	Exchange Loss	Total	Long Term	Short Term	Total
<b>Provided for :</b>												
<b>A Employees Related</b>												
<b>(i) Retirement Benefits</b>												
Gratuity	61.79	4.52	66.31	2.22	-	68.53	-	-	-	-	-	-
Leave Salary	75.85	6.95	82.80	7.66	0.30	7.18	0.01	0.08	83.05	73.15	9.90	83.05
Settlement allowances on retirement	1.20	0.08	1.28	0.09	-	0.03	-	-	1.34	1.21	0.13	1.34
Post Retirement Medical Benefits Pension	1.36	5.97	7.33	2.84	-	5.97	-	-	4.20	0.82	3.38	4.20
	-	26.18	26.18	3.37	1.57	27.98	-	-	0.00	-	-	0.00
<b>Total of Retirement Benefits (i)</b>	<b>140.20</b>	<b>43.70</b>	<b>183.90</b>	<b>16.18</b>	<b>1.87</b>	<b>109.69</b>	<b>0.01</b>	<b>0.08</b>	<b>88.59</b>	<b>75.18</b>	<b>13.41</b>	<b>88.59</b>
<b>(ii) Others</b>												
Performance Related Pay	-	18.82	18.82	5.69	4.25	7.95	-	-	12.31	-	12.31	12.31
Leave Travel Concession	0.12	0.01	0.13	0.31	-	0.21	-	-	0.23	0.20	0.03	0.23
<b>Total of Other Benefits (ii)</b>	<b>0.12</b>	<b>18.83</b>	<b>18.95</b>	<b>6.00</b>	<b>4.25</b>	<b>8.16</b>	<b>-</b>	<b>-</b>	<b>12.54</b>	<b>0.20</b>	<b>12.34</b>	<b>12.54</b>
<b>Total Employee Related Provisions (i+ii)</b>	<b>140.32</b>	<b>62.53</b>	<b>202.85</b>	<b>22.18</b>	<b>6.12</b>	<b>117.85</b>	<b>0.01</b>	<b>0.08</b>	<b>101.13</b>	<b>75.38</b>	<b>25.75</b>	<b>101.13</b>
<b>B Others</b>												
Demobilisation	7.89	40.59	48.48	3.32	17.49	8.58	2.11	0.04	23.66	0.54	23.12	23.66
Maintenance	96.87	37.01	133.88	33.74	23.54	52.76	3.12	0.93	89.13	19.44	69.69	89.13
Foreseeable Loss	-	12.55	12.55	12.00	-	2.38	-	-	22.17	-	22.17	22.17
Design Guarantee	105.36	52.72	158.08	-	49.95	-	2.17	-	105.96	60.17	45.79	105.96
Doubtful debts	-	16.25	16.25	0.50	0.34	0.33	-	-	16.08	-	16.08	16.08
Doubtful advances	34.76	69.13	103.89	0.61	26.71	0.73	-	0.01	77.07	-	77.07	77.07
Diminution in value of Investment Liabilities(Legal cases)	5.53	-	5.53	-	5.53	-	-	-	-	-	-	-
	-	72.05	72.05	6.78	-	0.07	-	-	78.76	-	78.76	78.76
Other expenses	0.59	49.68	50.27	68.31	0.56	21.81	-	0.20	96.41	-	96.41	96.41
Income-tax	-	901.96	901.96	135.60	-	94.12	0.01	-	943.43	-	943.43	943.43
Dividend (Interim and Proposed)	-	102.94	102.94	168.26	-	182.12	-	-	89.08	-	89.08	89.08
Tax on Dividend (Interim and Proposed)	-	20.96	20.96	34.26	-	37.08	-	-	18.14	-	18.14	18.14
<b>Total Other Provisions (B)</b>	<b>251.00</b>	<b>1,375.84</b>	<b>1,626.84</b>	<b>463.38</b>	<b>124.12</b>	<b>399.98</b>	<b>7.41</b>	<b>1.18</b>	<b>1,559.89</b>	<b>80.15</b>	<b>1,479.74</b>	<b>1,559.89</b>
<b>GRAND TOTAL (C = A+B)</b>	<b>391.32</b>	<b>1,438.37</b>	<b>1,829.69</b>	<b>485.56</b>	<b>130.24</b>	<b>517.83</b>	<b>7.42</b>	<b>1.26</b>	<b>1,661.02</b>	<b>155.53</b>	<b>1,505.49</b>	<b>1,661.02</b>
<b>D Less:- Considered Separately</b>												
Doubtful debts considered in Note 18	-	16.25	16.25						16.08	-	16.08	16.08
Doubtful advances considered in Note 18		14.38	14.38						14.06	-	14.06	14.06
Doubtful advances considered in Note 14,15 & 20	34.76	54.75	89.51						63.01	-	63.01	63.01
Impairment of Investment considered in Note 12	5.53	-	5.53						-	-	-	-
Retirement Benefits considered in Note 25				16.18	1.87	109.69						
PRP & LTC included in Salaries, Wages and Benefits				6.00	4.25	8.16						
Loan and impairment of equity in CCFB considered in Note 23					31.18							
Income-tax adjusted / considered separately				135.60	-	94.12						
Dividend paid / considered separately				168.26	-	182.12						

Particulars	Balance as on 1-4-2015			During the year 2015-16					Balance as on 31-03-2016			
	Long Term	Short Term	Total	Additions	Written Back	Utilisation	Exchange Gain	Exchange Loss	Total	Long Term	Short Term	Total
Corporate-tax on Dividend paid / considered separately				34.26	-	37.08						
<b>TOTAL (D)</b>	<b>40.29</b>	<b>85.38</b>	<b>125.67</b>	<b>360.30</b>	<b>37.30</b>	<b>431.17</b>	<b>-</b>	<b>-</b>	<b>93.15</b>	<b>-</b>	<b>93.15</b>	<b>93.15</b>
<b>Net: Current Year (C - D)</b>	<b>351.03</b>	<b>1,352.99</b>	<b>1,704.02</b>	<b>125.26</b>	<b>92.94</b>	<b>86.66</b>	<b>7.42</b>	<b>1.26</b>	<b>1,567.87</b>	<b>155.53</b>	<b>1,412.34</b>	<b>1,567.87</b>
Previous Year	407.15	1,366.08	1,773.23	111.84	138.28	56.51	21.84	3.37	1,704.02	351.03	1,352.99	1,704.02

**NOTE:**

Net Provisions (Additions/Write Back) considered in Note 24

32.32

Provisions Utilized considered in Note 24

86.66

Retirement Benefits provisions considered in Note 25

(95.38)

Performance Related Pay & LTC considered in Note 25 in Salary and Wages

(6.41)

## 28. Prior Period Adjustments

(Rs. in crore)

Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
<b>PRIOR PERIOD ITEMS:</b>		
<b>Income:</b>		
Revenue from Operation	(1.76)	(9.24)
Interest income on deposits/ loans	19.20	0.03
Miscellaneous	-	0.31
	17.44	(8.90)
<b>Expenses:</b>		
Work expenses	(3.55)	0.27
Administrative expenses	-	0.55
Others	0.45	0.17
	(3.10)	0.99
<b>Total</b>	<b>20.54</b>	<b>(9.89)</b>

## 29. Contingent Liabilities:

a) Claims against the Company not acknowledged as debt **Rs 1218.37** crore net of provision of **Rs 111.39** crore (Rs.1279.09 crore net of provision of Rs 46.69 crore). Against this the Company has counter claims of **Rs 842.20 crore** (Rs 821.69 crore). In case claims against the Company do materialise, claims for **Rs 710.57 crore** (Rs 748.02 crore) will be reimbursable from the clients. Interest on claims is not considered, being unascertainable.

b) There are some cases relating to employees/ others are pending in the Courts against the

Company in respect of which the liability is not ascertainable.

c) Direct tax disputed demands under appeal amounting to **Rs 261.16 crore** (Rs 132.66 crore) of which 'NIL' (NIL) are reimbursable from the clients.

d) Indirect tax disputed demands under appeal **Rs 229.95 crore** (Rs 186.06 crore) of which **Rs 139.27 crore** (Rs 114.16 crore) are reimbursable from the clients.

**e) In respect of Joint Ventures:**

- I. Undertaking to Punjab National Bank against term loan given to Joint Venture Company, Ircon-Soma Tollway Private Limited, to make good 50% of any shortfall in the dues, if any, in the event of termination of the concession agreement. Maximum obligation of the company in this respect could be Rs.113.58 crore (Rs. 162.60 crore).
- II. Indemnity bond for International Metro Civil Contractor of Rs. 1.24 crore (Rs 1.24 crore).  
  
III. Sales-tax liability of International Metro Civil Contractor of Rs. 4.25 crore (Rs 4.25 crore) and Service Tax Rs 1.01 crore (Rs 2.02 crore).
- IV. Corporate guarantee to Central Excise in case of Metro Tunnelling Group of Rs 1.54 crore (Rs 1.54 crore).
- V. Bank guarantee in case of Ircon-RCS-PFLEIDERER of Rs.1.40 crore (Rs 1.40 crore).
- VI. Income Tax liability in the case of International Metro Civil Contractor of Rs NIL crore (Rs. 5.29 crore) and in case of Metro Tunnelling Group of Rs 1.05 crore (Rs 0.88 crore).
- VII. Recovery suit against the International Metro Civil Contractor by M/s Sai Engineers is Rs 0.02 crore (Rs. 0.02 crore).
- VIII. Bank Guarantee in case of Ircon-Afcon JV for Rs 52.38 crore (Rs. 51.34 crore) for Bhairab Railway Bridge Project, Bangladesh.
- f) Pending disposal of application for extension of time by clients, company is contingently liable to pay liquidated damages to the extent of Rs. 9.27 crore (Rs 56.70 crore) to the clients.

## 30. Commitments:

- a) Estimated amount of contracts remaining to be executed on capital account (net of advances) is Rs 115.75 crore (Rs 68.55 crore).

**b) Other Commitments:**

Commitments for fund/providing guarantee to/on

behalf of subsidiaries/ joint ventures:

- i) Counter guarantee to Indian overseas bank & Indusind bank for issuance of bank guarantee to subsidiary companies, Ircon Infrastructure & Services Ltd.(Ircon ISL), Ircon PB Tollway Ltd. (Ircon PBTL) & Ircon Shivpuri Guna Tollway Ltd. (Ircon SGT) amounting to Rs 150.00 crore (Rs 10.00 crore). Out of the total limit of Rs. 150 crore, Indian overseas bank & Indusind bank has issued bank guarantees to the extent of Rs.41.52 crore & Rs.41.15 crore respectively. Therefore, the balance limit for issuance of bank guarantees is Rs. 67.33 crore (Rs. 10 crore).
- ii) For subscribing towards balance share of equity (51%) of Rs 20.40 crore (Rs 20.40 crore) in subsidiary company, Indian Railway Stations Development Corporation Limited.
- iii) For subscribing towards balance share of equity (26% each) of Rs 43.54 crore (Rs 0.13 crore) & Rs 0.13 crore (Rs 0.13 crore) in Joint venture companies, Chattisgarh East Railway Limited and Chattisgarh East-West Railway Limited respectively.
- iv) For release of balance shareholder's loan of Rs NIL crore (Rs 9.00 crore) & Rs 19.50 crore (Rs 39.00 crore) to Joint venture companies, Chattisgarh East Railway Limited and Chattisgarh East-West Railway Limited respectively.
- v) For subscribing towards balance share of equity of Rs 75.00 crore (Rs 75.00 crore) in subsidiary company, Ircon PB Tollway Limited.
- vi) For release of balance shareholder's loan of Rs 352.00 crore (Rs 352.00 crore) to subsidiary company, Ircon PB Tollway Limited.
- vii) For release of balance shareholder's loan of Rs 0.80 crore (Rs 5.75 crore) to joint venture company, Companhia Dos Caminhos De Ferro Da Beira SARL.
- viii) Counter guarantee to State bank of India for issuance of letter of credit to Joint venture,

Irecon Afcons JV, amounting to Rs 33.40 crore (Rs 38.66 crore).

- ix) An undertaking to Punjab National Bank for non-disposal of 21% of present holding of the company (1,34,12,700 shares of Rs 10 each) in Joint Venture Company, Irecon-Soma Tollway Private Limited, amounting to Rs 13.41 crore (Rs 13.41 crore).
- x) For subscribing towards balance share of equity for Rs 80.00 Crore (Rs 3.00 crore) in subsidiary company, Irecon Shivpuri Guna Tollway Limited.
- xi) For release of balance shareholder's loan of Rs 722.11 crore (NIL) to subsidiary company, Irecon Shivpuri Guna Tollway Limited.
- xii) For subscribing towards balance share of equity (26% each) for Rs 1.29 Crore (NIL), Rs. 1.30 crore (NIL) in Joint venture companies, Mahanadi Coal Railway Ltd. & Jharkhand Central Railway Ltd. respectively.
- xiii) For subscribing towards balance share of equity (26% each) for Rs. 1.30 crore (NIL) in Joint venture company, Bastar Railway Private Ltd. (incorporated on 05.05.2016).

**31.** The Company is liable to pay Rs 7.96 Crore (Rs 76.28 Crore) on account of taxes on Sri Lanka projects which shall be directly reimbursed by Sri Lankan Railway to Sri Lankan Inland Revenue Department. Therefore, the same has not been provided in the books of accounts.

**32. (a)** Since assessment year 2000-01, the Company has been claiming deduction under Section-80 IA of the Income Tax Act, 1961 in income tax returns, w.r.t. eligible infrastructure construction projects till date.

The Company has filed appeal to ITAT on disallowance by CIT (A) for the said deduction for all assessment years except assessment years 2004-05, 2005-06 and 2007-08 for which the Income Tax department has filed appeal against allowance of deduction by CIT (A).

Accordingly, the Company has made provision for tax without considering the deduction under

Section 80-IA since AY 2000-01. Total amount of deduction under section 80IA is Rs. 1016.32 crore (Rs. 925.63 crore) having tax impact of Rs. 406.39 crore (Rs 315.70 crore).

- (b) The company is offering global income, for tax in India after excluding the income earned by its permanent establishments in foreign countries having Double Taxation Avoidance Agreements (DTAA) with India, as per settled legal position that such income can be taxed by source country and is not taxable in India. However, CIT (A) denied the treatment of excluding such foreign income and only gave credit for taxes paid out of India for the AY 2006-07, 2008-09 and 2009-10.

Jurisdictional Assessing Officer has also started making the assessment in a similar manner from the AY 2010-11 onwards. The Company has filed an appeal to Income Tax Appellate Tribunal for all the assessment year under dispute.

Accordingly, the Company has made a provision of Rs. 185.36 crore in FY 2012-13 for the AY 2006-07 to AY 2013-14 and Rs. 229.71 for the AY 2013-14 to AY 2015-16 in the respective years.

**33. (a)** The Company has 25% equity stake in CCFB, a Joint Venture Company incorporated as per Mozambican laws in the year 2004 to execute a railway project awarded by the Government of Mozambique (GOM) on BOT basis and has paid USD 1.25 Mn (Rs 5.53 crore shown in current investments (Note 16)). Other shareholders are RITES & CFM, Mozambique with 26% & 49% share respectively. The company extended a shareholder loan of Rs. 93.43 crore (equivalent to US\$ 21.124 million) inclusive of interest accrued which was converted to principal as per agreement, out of which company received repayment of part loan amounting to Rs. 4.42 crore (equivalent to US\$ 0.999 million) on 28.02.2013.

- (b) Although the project was complete, the GOM has terminated the concession on 9th November, 2011 and taken over the project on 8th December, 2011. CCFB had initiated arbitration proceedings against Government of Mozambique under ICC Rules and filed request for Arbitration with

International Court of Arbitration in May, 2013.

- (c) In view of the arbitration proceedings initiated and consequent uncertainties, the management considered it prudent not to recognize interest income. Further, management considered it prudent not to recognize any exchange differences in respect of the amounts due from CCFB in foreign currency towards loans, interest accrued, debts, etc. These along with provision for doubtful debts were stated at exchange rate on 31<sup>st</sup> March 2011 resulting non-recognition of exchange gain upto 31<sup>st</sup> March, 2015 of Rs 25.74 crore (upto previous year ended on 31<sup>st</sup> March, 2014 Rs. 20.15 crore).
- (d) Company further entered into a loan agreement with CCFB Mozambique on 15th January, 2015 for providing financial assistance to enable CCFB to meet arbitration expenses. A sum of Rs. 12.83 crore (equivalent to US\$ 1.947 million) extended as loan from time to time till 31<sup>st</sup> March, 2016 (previous year Rs. 7.12 crore equivalent to US\$ 1.142 million).
- (e) A settlement agreement was signed with Government of Mozambique on 21.10.2015. As per the settlement agreement, IRCON will get in installments an amount of USD 40.31 Million (including USD 4 Mn against IRCON's claims as a contractor). First installment of USD 17.93 Mn (equivalent to INR 121.71 Crore) for Ircon's share has been received on 20.1.2016. Balance four installments of USD 5.595 Mn each are due on 18.10.2016, 18.10.2017, 18.10.2018 & 18.10.2019. GoM have opened the confirmed Letter of Credit against balance due payment after 31.03.2016 (Confirmation received on 31.05.2016). The aforesaid payments are towards equity contribution by the company, shareholder loans, interest accrued up to the date of settlement agreement, dues towards management and other services/charges. In

addition to this, reimbursement of arbitration expenses will be made subject to actual as per agreement within overall ceiling of US\$ 5 million to strategic shareholders i.e. RITES Ltd. and Ircon International Ltd.

- (f) In view of receipt of upfront payment and establishment of Letter of Credit after reporting date, dues towards fees, loans, interest, etc. have now become certain to be realized. Accordingly, Interest on shareholder loans up to the date of settlement agreement, unrecognized fee and exchange variation as per AS-11 have been recognized during the year and Provision for doubtful loans amounting to Rs. 25.65 crore and Provision for impairment of Equity amounting to Rs. 5.53 crore made in earlier years have been written back during the year. The entire balance amount of shareholders loan {USD 12.435 Mn (equivalent to INR 81.97 Crore shown in Note 14 & 20)} has been transferred from loan account to amount recoverable from Govt. of Mozambique. Company will also transfer its shareholding in CCFB to GoM or their nominated agency. Accordingly, investment in equity is still shown as a part of investment in CCFB in the company's financial statements.
- 34.** (a) Some of the balances shown under debtors, advances and creditors are subject to confirmation / reconciliation/ adjustment, if any. The company has been sending letters for confirmation to parties. However, the Company does not expect any material dispute w.r.t. the recoverability/ payment of the same.
- (b) In the opinion of the management, the value of current assets, loans and advances on realization in the ordinary course of business, will not be less than the value at which these are stated in the balance sheet.

### 35. (a) Earnings in foreign currency (on accrual basis):

(Rs. in crore)

Particulars	2015-16	2014-15
i) Work Receipts & Locomotive lease	344.11	806.60
ii) Bank Interest	6.26	11.22
iii) Other Interest	25.27	0.02
iv) Foreign Exchange Fluctuation Gain (Net)	88.61	19.93
v) Others	15.50	3.87
<b>Total</b>	<b>479.75</b>	<b>841.64</b>

### (b) Expenditure in foreign currency (on accrual basis):

(Rs. in crore)

Particulars	2015-16	2014-15
i) Operational Expenses	327.57	399.09
ii) Consultancy charges	32.15	24.85
<b>Total</b>	<b>359.72</b>	<b>423.94</b>

### (c) CIF value of Imports (included in (b) (i) above):

(Rs. in crore)

Particulars	2015-16	2014-15
i) Materials	123.88	159.45*
ii) Consumables, Components and Spares	0.12	-
<b>Total</b>	<b>124.00</b>	<b>159.45</b>

\*Imports are booked in Work Expenses

### (d) Material & store consumed:

(Rs. in crore)

Particulars	2015-16		2014-15	
	Amt	%age	Amt	%age
i) Imported	117.54	25.91	159.45	47.87
ii) Indigenous	336.06	74.09	173.67	52.13
<b>Total</b>	<b>453.60</b>	<b>100.00</b>	<b>333.12</b>	<b>100.00</b>



(e) Disclosure of unhedged foreign currency exposure

The unhedged foreign currency exposure is as under:-

(Rs. in crore)

Particulars	Currency	As at 31st March 2016		As at 31st March 2015	
		Foreign Currency in Crore	INR Crore	Foreign Currency in Crore	INR Crore
<b>Assets :</b>					
Advance to Contractors					
	DZD	<b>3.71</b>	<b>2.26</b>	-	-
	Euro	<b>0.01</b>	<b>0.42</b>	0.06	4.36
	LKR	<b>2.82</b>	<b>1.28</b>	0.40	0.19
	ETB	<b>0.49</b>	<b>1.52</b>	-	-
	MYR	<b>0.00</b>	<b>0.05</b>	0.02	0.30
	NPR	<b>1.77</b>	<b>1.00</b>	1.76	1.10
	MZN	<b>0.06</b>	<b>0.08</b>	0.06	0.10
	USD	-	-	0.00	0.08
Trade Receivables					
	BTN	<b>0.26</b>	<b>0.26</b>	-	-
	BDT	<b>1.65</b>	<b>1.39</b>	1.41	1.13
	DZD	<b>89.81</b>	<b>54.75</b>	51.29	32.83
	Euro	<b>1.07</b>	<b>78.39</b>	0.46	31.41
	MYR	<b>0.40</b>	<b>6.90</b>	0.04	0.69
	USD	<b>0.92</b>	<b>60.90</b>	2.43	151.09
Cash & Bank Balances					
	BTN	<b>0.90</b>	<b>0.90</b>	-	-
	BDT	<b>0.93</b>	<b>0.79</b>	0.13	0.10
	DZD	<b>12.65</b>	<b>7.72</b>	29.63	18.96
	ETB	-	-	0.00	0.01
	Euro	<b>0.78</b>	<b>57.79</b>	1.30	89.32
	LKR	<b>45.96</b>	<b>20.86</b>	19.46	9.14
	MYR	<b>3.97</b>	<b>67.29</b>	1.69	28.50
	MZN	<b>0.03</b>	<b>0.03</b>	0.03	0.05
	USD	<b>1.17</b>	<b>76.45</b>	6.88	428.27
	NPR	-	-	0.01	0.01
Other Assets					
	BDT	-	-	1.38	1.11
	DZD	<b>40.20</b>	<b>24.52</b>	16.17	10.35
	ETB	<b>0.19</b>	<b>0.59</b>	1.13	3.45
	Euro	<b>0.94</b>	<b>70.02</b>	0.43	29.54
	LKR	<b>7.67</b>	<b>3.48</b>	16.18	7.60
	MYR	<b>0.99</b>	<b>16.75</b>	0.14	2.43
	USD	<b>0.52</b>	<b>34.51</b>	1.94	120.47
	NPR	<b>2.24</b>	<b>1.40</b>	2.24	1.40

Particulars	Currency	As at 31st March 2016		As at 31st March 2015	
		Foreign Currency in Crore	INR Crore	Foreign Currency in Crore	INR Crore
<b>Liabilities :</b>					
Advance from Client					
	BTN	<b>2.13</b>	<b>2.13</b>	-	-
	BDT	<b>0.72</b>	<b>0.57</b>	0.84	0.67
	Euro	<b>0.19</b>	<b>14.41</b>	0.39	26.87
	USD	<b>0.07</b>	<b>4.17</b>	0.16	9.98
Trade Payable					
	BTN	<b>0.59</b>	<b>0.59</b>	-	-
	AUD	<b>0.01</b>	<b>0.71</b>	0.01	0.71
	BDT	-	-	0.02	0.02
	DZD	<b>25.02</b>	<b>15.26</b>	13.92	8.91
	Euro	<b>0.82</b>	<b>56.28</b>	0.92	63.10
	JPY	<b>10.10</b>	<b>5.25</b>	10.10	5.25
	LKR	<b>14.27</b>	<b>6.47</b>	14.20	6.67
	MYR	<b>0.48</b>	<b>8.22</b>	0.42	7.07
	MZN	<b>4.13</b>	<b>5.35</b>	4.13	6.97
	USD	<b>1.03</b>	<b>50.42</b>	0.84	52.10
Other Liabilities					
	BTN	<b>0.36</b>	<b>0.36</b>		
	BDT	<b>0.50</b>	<b>0.42</b>	0.38	0.31
	DZD	<b>14.42</b>	<b>8.80</b>	30.90	19.77
	ETB	<b>0.02</b>	<b>0.06</b>	0.02	0.05
	Euro	<b>0.09</b>	<b>6.48</b>	0.19	13.01
	LKR	<b>9.89</b>	<b>4.49</b>	17.51	8.22
	MYR	<b>0.03</b>	<b>0.49</b>	4.26	71.91
	USD	<b>1.13</b>	<b>74.67</b>	0.83	51.67
	NPR	<b>0.03</b>	<b>0.02</b>	0.03	0.02
	RM	<b>1.05</b>	<b>17.83</b>	-	-

The unhedged foreign currency exposures are naturally hedged.

## 36. Disclosure regarding Leases:

### I. Assets taken on operating lease:

The Company's leasing arrangements are in respect of operating leases of premises for residential use of employees, offices, guesthouses and transit camps. Most of the leasing arrangements are cancellable and are usually renewable on mutually agreed terms. The amounts of lease payments during the year are as under:

- Lease payments (net of recoveries) in respect of premises for residential use of employees - Rs. 4.26 crore (Rs. 5.78 crore) (included in salaries & wages note 25)
- Lease payments in respect of office premises, guesthouses and transit camps -Rs. 4.88 crore (Rs.4.03 crore) (included in operating & administrative expenses note 24.)

(c) Future minimum lease payments in respect of non- cancellable lease are as under:

(Rs. in crore)

Lease Rent	Not later than 1 year	Later than 1 year and not later than 5 years	Later than 5 years
Payable	Nil (Nil)	Nil (Nil )	Nil (Nil)

## II. Assets given on operating lease:

- (a) The Company has given certain commercial/residential premises on operating lease which are cancellable by giving appropriate notices as per respective agreements.
- (b) The Company has also provided Plant & Machinery (Locomotives) on wet lease basis to a foreign client till 31.12.2015.
- (c) The amount of lease rent received during the year is as under:
1. Lease rent in respect of non-residential premises - Rs. 7.39 crore (Rs.7.02 crore) (included in miscellaneous income note 23.)
  2. Lease rent in respect of locomotives Rs. 34.19 crore (Rs 42.77 crore) (included in loco lease note 22)
- (d) Future minimum lease rental receivable as on 31.03.2016 in respect of non – cancellable operating lease for each of the following period is as under:

(Rs. in crore)

Lease Rent	Not later than 1 year	Later than 1 year and not later than 5 years	Later than 5 years
Premises	0.34	0.66	NIL
Locomotives	NIL	NIL	NIL

(e) Details of assets given on lease during the year:

(Rs. in crore)

Particulars	As on 31st March 2016		As on 31st March 2015	
	Premises	Locomotives	Premises	Locomotives
Gross Carrying amount of assets	<b>10.00</b>	<b>35.66</b>	6.96	35.66
Depreciation for the year	<b>0.18</b>	-	0.14	-
Impairment loss for the year	-	-	-	-
Accumulated Depreciation	<b>1.44</b>	<b>33.87</b>	1.22	33.87

## 37. Segment Reporting:

### Primary Segment information (Geographic):

(Rs. in crore)

Particulars	International		Domestic		Total	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
<b>A. Turnover</b>						
Revenue from Operations	434.43	877.52	1968.59	2072.70	2403.02	2950.22
Less:- Share of Income in Joint Ventures	83.59	47.07	20.34	41.55	103.93	88.62
Share of Profit in Joint Ventures	6.19	1.90	0.49	0.49	6.68	2.39
Other Income	50.41	35.30	347.29	222.45	397.70	257.75
Inter-segment	-	-	-	-	-	-
<b>Total Revenue</b>	<b>407.44</b>	<b>867.65</b>	<b>2296.03</b>	<b>2254.09</b>	<b>2703.47</b>	<b>3121.74</b>
<b>B. Result</b>						
Profit before Provision, Depreciation, Interest and Tax.	199.98	455.69	433.43	372.22	633.41	827.91
<b>Less:</b> Provision & write backs ( Net)	27.01	(75.15)	5.31	48.71	32.32	(26.44)
Depreciation	13.32	5.53	12.86	4.53	26.18	10.06
Interest	-	-	7.75	-	7.75	-
Profit before Tax	159.65	525.31	407.51	318.98	567.16	844.29
Tax Expense	126.80	203.55	61.09	61.35	187.89	264.90
<b>Profit after Tax</b>	<b>32.85</b>	<b>321.76</b>	<b>346.42</b>	<b>257.63</b>	<b>379.27</b>	<b>579.39</b>
<b>C. Other Information</b>						
Assets	554.56	1063.26	7766.36	5685.38	8320.92	6748.64
Include Fixed Assets (Net Block)	43.24	63.54	114.47	99.94	157.71	163.48
Liabilities	529.64	741.49	4261.02	2653.64	4790.66	3395.13
Capital Expenditure: Additions to Fixed Assets	0.32	16.23	11.65	1.69	11.97	17.92

### Secondary Segment information (Business):

(Rs. in Crore)

Particulars	Segment Income		Segment Assets		Additions to Fixed Assets	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Construction, etc.	<b>2368.83</b>	2907.45	<b>8292.00</b>	6722.08	<b>11.96</b>	17.90
Leasing operation	<b>34.19</b>	42.77	<b>28.92</b>	26.56	<b>0.01</b>	0.02
<b>Total</b>	<b>2403.02</b>	<b>2950.22</b>	<b>8320.92</b>	<b>6748.64</b>	<b>11.97</b>	<b>17.92</b>

## 38. Disclosure in respect of Joint-Ventures (JV)

(a) Unincorporated Joint-Ventures:

i) For projects in operation:

(Rs. in crore)

S. No.	Name of the JV	Partner(s) and Country of Origin	Participating Interest (in %) as on 31 March	
			2016	2015
1.	IRCON-SPSCPL	Ircon, India	<b>50.00</b>	50.00
		SPSCPL, India	<b>50.00</b>	50.00
2.	IRCON-AFCONS	Ircon, India	<b>53.00</b>	53.00
		Afcons Infrastructure Ltd., India	<b>47.00</b>	47.00
3.	Express Freight Consortium	Mitsui, Japan	<b>51.00</b>	-
		Ircon, India	<b>30.00</b>	
		Tata Project Ltd., India	<b>19.00</b>	

ii) For projects which have been completed:

(Rs. in crore)

S. No.	Name of the JV	Partner(s) and Country of Origin	Participating Interest (in %) as on 31st March	
			2016	2015
1	RICON	Ircon, India	<b>49.00</b>	49.00
		RITES, India	<b>51.00</b>	51.00
2	RICON- CETA SARL	RICON, India	<b>49.00</b>	49.00
		CETA, Mozambique	<b>51.00</b>	51.00
3	Ircon-COBRA-ELIOP	Ircon, India	<b>61.22</b>	61.22
		COBRA, Spain	<b>34.35</b>	34.35
		ELIOP, Spain	<b>4.43</b>	4.43
4	Ircon- Sree Bhawani Builders	Ircon, India	<b>24.21</b>	24.21
		Sree Bhawani Builders, India	<b>75.79</b>	75.79
5	Ircon-SMJ Project JV	Ircon, India	<b>55.00</b>	55.00
		Sumber Mitra Jaya, Indonesia	<b>45.00</b>	45.00
6	International Metro Civil Contractor. (IMCC)	Dywidag, Germany	<b>29.00</b>	29.00
		Larsen & Tubro Ltd., India	<b>26.00</b>	26.00
		Samsung Corp., Korea	<b>26.00</b>	26.00
		Shimizu Corp., Japan	<b>9.50</b>	9.50
		Ircon, India	<b>9.50</b>	9.50
7	Metro Tunnelling Group (MTG)	Dywidag, Germany	<b>29.00</b>	29.00
		Larsen & Tubro Ltd., India	<b>26.00</b>	26.00
		Samsung Corp., Korea	<b>26.00</b>	26.00
		Shimizu Corp., Japan	<b>9.50</b>	9.50
		Ircon, India	<b>9.50</b>	9.50
8	Ircon-GANNON Dunkerly	Ircon, India	<b>55.70</b>	55.70
		GANNON Dunkerly	<b>44.30</b>	44.30
9	Ircon-RCS-PFLEIDERER	Ircon, India	<b>65.08</b>	65.08
		Rayalseema Concrete Sleepers Pvt. Ltd, India	<b>21.87</b>	21.87
		Pfleiderer Infrastrukturtechnik GmbH & Co, Germany	<b>13.05</b>	13.05

(b) Joint-Venture Companies:

(Rs. in crore)

S. No.	Name of JV Company	Shareholders and country of origin	Percentage of Ownership	
			As at 31 March 2016	As at 31 March 2015
1	CCFB (Companhia Dos Caminhos De Ferro Da Beira SARL) Mozambique	Ircon, India	25.00	25.00
		RITES, India	26.00	26.00
		CFM, Mozambique	49.00	49.00
2	Ircon-Soma Tollway Private Limited. (ISTPL)	Ircon, India Soma Enterprise Limited, India	50.00 50.00	50.00 50.00
3	Chattisgarh East Railway Limited (CERL)	Ircon, India	26.00	26.00
		SECL, India	64.00	64.00
		CSIDC	10.00	10.00
4	Chattisgarh East-West Railway Limited (CEWRL)	Ircon, India	26.00	26.00
		SECL, India	64.00	64.00
		CSIDC	10.00	10.00
5	Mahanadi Coal Rail Limited (MCRL)	Ircon, India	26.00	-
		MCL, India	64.00	-
		GoO, India	10.00	-
6	Jharkhand Central Railway Limited (JCRL)	Ircon, India	26.00	-
		CCL, India	64.00	-
		GoJ, India	10.00	-

(c) Statement of Income, Expenditure, Profit, Assets & Liabilities of Jointly controlled entities

(Rs. in crore)

S.NO.	Jointly Control Entities	Financial Year	Particulars					
			Income	Expenditure	Profit	Fixed Assets	Current/ Non Current Assets	Liabilities
1	RICON	2015-16	0.37	0.10	0.27	-	10.34	0.41
		2014-15	0.38	0.13	0.25	-	10.67	1.01
2	IMCC	2015-16	0.05	0.06	(0.01)	-	3.55	0.92
		2014-15	-	0.04	(0.04)	-	4.21	0.93
3	MTG	2015-16	0.39	0.16	0.23	-	5.22	0.12
		2014-15	-	(0.28)	0.28	-	5.06	0.15
4	IRCON-SPSCPL	2015-16	19.52	19.52	-	0.30	5.36	6.18
		2014-15	41.17	41.17	-	0.08	13.43	10.28
5	IRCON-AFCONS	2015-16	83.59	77.40	6.19	2.09	39.99	38.50
		2014-15	47.07	45.17	1.90	7.69	48.44	54.81
6	CCFB	2015-16	3.23	1.85	1.38	-	29.31	19.96
		2014-15	1.47	5.50	(4.03)	0.02	131.95	126.53
7	ISTPL	2015-16	103.90	100.94	2.96	442.63	41.52	476.06
		2014-15	83.13	90.96	(7.83)	487.06	55.01	536.94
8	CERL	2015-16	-	0.02	(0.02)	66.34	32.34	62.60
		2014-15	0.01	0.02	(0.01)	9.56	26.50	35.06

S.NO.	Jointly Control Entities	Financial Year	Particulars					
			Income	Expenditure	Profit	Fixed Assets	Current/ Non Current Assets	Liabilities
9	CEWRL	2015-16	-	0.02	(0.02)	11.20	11.33	21.53
		2014-15	0.01	0.02	(0.01)	0.57	0.68	0.24
10	MCRL	2015-16	-	-	-	0.02	0.53	0.54
		2014-15	-	-	-	-	-	-
11	JCRL	2015-16	-	-	-	-	-	0.02
		2014-15	-	-	-	-	-	-
	Total	2015-16	211.05	200.07	10.98	522.58	179.49	626.84
		2014-15	173.24	182.73	(9.49)	504.98	295.95	765.95

(d) Contingent Liabilities of the Jointly Controlled entities are disclosed in note 29 (f).

## 39. Related Party Disclosures:

### a) Enterprises where control exists:

#### (i) Subsidiary Companies: -

- Ircon Infrastructure and Services Limited. (IrconISL)
- Indian Railway Station Development Corporation Limited. (IRSDC)
- Ircon PB Tollway Limited. (IrconPBTL)
- Ircon Shivpuri Guna Tollway Limited (IrconSGTL)

#### (ii) Joint Ventures: -

- Unincorporated Joint Ventures – As per Note no. 38 (a) above
- Joint Venture Companies – As per Note no. 38 (b) above.

### b) Key management personnel:

Directors: -S/Shri Mohan Tiwari, M. K. Singh, Deepak Sabhlok and Hitesh Khanna.

Co. Secretary: - Smt. Sumita Sharma

### c) Disclosure of transactions with related parties:

(Rs. in crore)

Particulars	Transactions during the year		Particulars of Contracts/ Arrangements
	2015-16	2014-15	Nature of Transaction
<b>1. Remuneration to key management personnel (b above) &amp; Sitting Fees to other Independent Directors</b>	As per Note No. 40		
<b>2. Purchase of Goods &amp; Services (including CSR expenses)/Lease of Fixed Assets/Any other transaction (please Specify)</b>			
<b>Subsidiaries (Including)</b>			
IrconISL	0.19	0.46	CSR Activities
IrconISL	6.62	6.17	Hiring of Machinery
IrconISL	6.70	17.83	Man Power Supply
<b>Total</b>	<b>13.51</b>	<b>24.46</b>	

Particulars	Transactions during the year		Particulars of Contracts/ Arrangements
	2015-16	2014-15	Nature of Transaction
<b>3. Sale of Goods &amp; Services/Interest Income/ Any other transaction (please Specify)</b>			
<b>Subsidiaries (Including)</b>			
IrconISL	0.42	0.92	Work Receipts MFCs including consultancy
IrconISL	3.91	-	Intt. on loan
IrconISL	0.18	0.10	Rent for the Premises
IrconISL	0.12	0.17	Other operating receipts- MFC
ISGTL	0.02	-	Rent for the Premises
ISGTL	27.99	-	Work receipts
IPBTL	0.03	-	Rent for the Premises
IPBTL	53.44	-	Work receipts
<b>Joint Venture (Including)</b>			
ISTPL	0.07	-	Rent for the Premises
CCFB	25.26	-	Intt. on loan
CERL	182.30	27.67	Consultancy & works receipts
CERL	4.92	-	Intt. on loan
CEWRL	22.33	53.64	Consultancy receipts
CEWRL	0.43	-	Intt. on loan
IRCON AFCONS JV	0.78	-	Intt. on loan
<b>Total</b>	<b>322.20</b>	<b>82.50</b>	
<b>4. Equity Investments in Subsidiaries &amp; JVs</b>			
<b>Subsidiaries</b>			
IrconISL	-	25.00	
IRSDC	-	-	
Ircon PB Tollway Ltd	-	90.00	
Ircon SG Tollway Ltd	70.00	-	
<b>Joint Venture</b>			
CERL	39.00	1.16	
CEWRL	-	1.16	
MCRL	0.01	-	
<b>5. Loan To Subsidiaries &amp; JVs</b>			
<b>Subsidiaries</b>			
<b>Ircon ISL</b>			
Loan Disbursed	-	6.50	
Loan Repayment	(4.00)	(23.15)	
<b>Joint Venture</b>			
CCFB	5.05*	7.12	
CERL	9.00	30.00	
CEWRL	19.50	-	
IRCON AFCONS JV	(18.11)	18.11	



Particulars	Transactions during the year		Particulars of Contracts/ Arrangements
	2015-16	2014-15	Nature of Transaction
<b>6. Reimbursement of deputation staff expenses, rent &amp; other misc. expenses</b>			
<b>Subsidiaries</b>			
IrconISL	3.40	3.60	
IRSDC	1.48	0.99	
ISGTL	1.55	-	
IPBTL	0.40	-	
<b>JVs</b>			
ISTPL	0.21	1.98	
<b>Total</b>	<b>7.04</b>	<b>6.57</b>	

Disclosure of amount due to/from related parties

(Rs. in crore)

Particulars	Amount	
	As on 31-3-2016	As on 31-3-2015
<b>Amount Receivables</b>		
<b>(1) Equity Investment in Subsidiaries &amp; JV</b>	<b>356.15</b>	<b>247.14</b>
<b>Subsidiaries</b>	<b>245.40</b>	<b>175.40</b>
IISL	65.00	65.00
IRSDC	20.40	20.40
Ircon PB Tollway Limited	90.00	90.00
Ircon SG Tollway Limited	70.00	-
<b>Joint Venture</b>	<b>110.75</b>	<b>71.74</b>
CCFB	5.53	5.53
ISTPL	63.87	63.87
CERL	40.17	1.17
CEWRL	1.17	1.17
MCRL	0.01	-
<b>(2) Loan outstanding to Subsidiaries &amp; JV</b>	<b>86.00</b>	<b>175.55</b>
<b>Subsidiaries</b>	<b>27.50</b>	<b>31.50</b>
IISL	27.50	31.50
<b>Joint Venture</b>	<b>58.50</b>	<b>144.05</b>
CCFB	_*	95.94
CERL	39.00	30.00
CEWRL	19.50	-
Ircon Afcons JV	-	18.11
<b>(3) For Other Services, reimbursements etc.</b>		
<b>Subsidiaries</b>		
IISL	2.19	3.23
IRSDC	0.36	0.27
IPBTL	0.21	-
ISGTL	19.04	-

Particulars	Amount	
	As on 31-3-2016	As on 31-3-2015
<b>Joint Venture</b>		
CCFB	-	0.78
ISTPL	7.22	7.25
CERL	67.28	4.43
CEWRL	3.88	0.41
<b>Amount Payable</b>		
<b>1) For Other Services</b>		
<b>Subsidiaries</b>		
IISL	9.41	7.26
ISGTL	30.17	-
<b>Joint Venture</b>		
CERL	18.48	-

\* The entire balance amount of Shareholders loan has been transferred to amount recoverable from Government of Mozambique based on the Settlement Agreement signed with them on 21.10.2015.

## 40. Details of remuneration to Directors:

(Rs. in crore)

Sr.	Particulars	2015-16	2014-15
I	Salary & allowances*	1.74	1.78
II	Contribution to provident fund, pension	0.20	0.10
III	Reimbursement of medical expenses	0.03	0.03
IV	Sitting fee	0.00	0.02
V	Other benefits	0.27	0.27
	<b>Total</b>	<b>2.24</b>	<b>2.20</b>

\*Figures of 15-16 include PRP (13-14) of Rs 0.47 crore paid during the year; 14-15 include PRP (12-13) of Rs 0.64 crore paid during the year.

Recovery as applicable has been made from Directors who have been provided with Company accommodation and car.

41. During the year, Company has carried out assessment on impairment of individual assets by working out the recoverable amount based on lower of the net realisable value and carrying cost in terms of AS 28 "Impairment of Assets" notified by the Companies (Accounting standards) Rules, 2006. Accordingly, impairment loss of Rs. NIL (Rs 0.87 crore) has been provided for.
42. The lease agreement for Locomotives given on hire to a foreign client has expired on 31.12.2015. The left-over spares & stores meant for maintenance of the locomotives have become redundant and hence, charged to expenses.

### 43. Disclosure under AS-15 on Employee benefits

#### Provident Fund

The Company pays fixed contribution of Provident Fund at a pre-determined rate to a separate trust, which invests the funds in permitted securities. The trust is required to pay a minimum rate of interest on contribution to the

members of the trust. The amount available in the fund including the returns on investment is greater than the obligation of the company. During the year, the Company has contributed Rs.10.14 crore (Rs. 9.91 crore) to the trust.

#### **Gratuity**

The Company has implemented IRCON Employees Group Gratuity Scheme to provide financial assistance to the employees of the Company as a social security measure on the termination of their employment due to superannuation, retirement, resignation, physical incapacitation or death. The scheme is managed by a separate Trust formed in the year 2015-16 for this purpose and approved by the Income Tax Authorities. Funds of the Trust are managed by LIC of India. Company has paid an amount of Rs. 66.31 crore (Provision as on 31.03.2015) to the Trust and accounted for during the year 2015-16. Provision has been made for liability ascertained as on 31.03.2016 based on actuarial valuation.

#### **Pension**

The Company has implemented IRCON Defined Contribution Superannuation Pension Scheme, 2009 w.e.f. 01.04.2009, for all regular employees drawing pay in IDA scale who would complete 15 years of service in the Company (including service in other CPSEs) upto normal retirement date. The scheme is managed by a separate Trust formed in the year 2015-16 for this purpose and approved by the Income Tax Authorities. Company's share of contribution amounting to Rs. 29.99 crore for the entire period w.e.f. 01.04.2009 to 28.02.2016 has been paid and

accounted for during the year 2015-16. Out of total amount of Rs. 29.99 crore, Provision as on 31.03.2015 was Rs. 26.18 crore. Liability for the month of March 2016 of Rs. 0.50 crore has been provided in the books of accounts.

#### **Post-Retirement Medical Facility (PRMF)**

The Company had established an irrevocable trust by initial one-time contribution of Rs 12 crore during the year 2000-01 for providing annuity, medical and other benefits to the spouse of employees who die in harness as also the medical benefits to the employees (and spouse) who superannuate from the Company. This being a voluntary welfare measure, the Company is not liable for providing such benefits to its employees. However, Company has also kept provision of **Rs 4.20 crore** (Rs 7.33 crore) based on the decision of management.

#### **Leave Encashment**

The liability towards encashment of leave as per rules of the Company is recognised on the basis of actuarial valuation except for employees posted in foreign projects. Since, the foreign assignments are treated as dies - non, liability for those employees is provided in the books on accrual basis as the amount is payable to employee on repatriation.

#### **Other Retirement Benefits**

Other retirement benefits include settlement at home-town or to the place where he or his family intends to settle in India including Baggage Allowance. The liability on this account is recognized on the basis of actuarial valuation.

The summarised position of various employee benefits recognised in the statement of profit and loss and balance sheet as on 31.03.2016 is as under:

**i) Changes in the present value of obligations**

(Rs. in crore)

Particulars	Gratuity	Leave Encashment *	LTC	Other Retirement Benefits
Present Value of Obligation as at beginning of the period	66.31 (61.85)	79.90 (76.95)	0.13 (0.14)	1.28 (1.29)
Interest Cost	5.30 (4.95)	6.39 (6.16)	0.01 (0.01)	0.10 (0.10)
Current Service Cost	3.57 (3.37)	4.69 (4.63)	0.01 (-)	0.06 (0.06)
Past Service Cost	- (-)	- (-)	- (-)	- (-)
Benefit Paid	(4.65) ((3.70))	(5.65) ((8.78))	(0.21) ((0.01))	(0.03) ((0.03))
Actuarial (gain)/loss on obligation	1.54 ((0.15))	(4.43) (0.95)	0.30 ((0.02))	(0.07) ((0.14))
Present Value of Obligation as at the end of the period	72.06 (66.31)	80.90 (79.90)	0.23 (0.13)	1.34 (1.28)

\* Except employees posted on Foreign Projects

**ii) Changes in the fair value of plan assets**

(Rs. in crore)

Particulars	Gratuity	Leave Encashment *	LTC	Other Retirement Benefits
Fair Value of plan assets as at beginning of the period	- (-)	- (-)	- (-)	- (-)
Expected return on Plan Assets	- (-)	- (-)	- (-)	- (-)
Contributions	66.31 (-)	- (-)	- (-)	- (-)
Benefit Paid	(2.43) (-)	- (-)	- (-)	- (-)
Actuarial (gain)/loss on Plan Assets	3.08 (-)	- (-)	- (-)	- (-)
Fair Value of Plan Assets as at the end of the period	66.96 (-)	- (-)	- (-)	- (-)

\*Except employees posted on Foreign Projects

### iii) Amount recognised in balance sheet

(Rs. in crore)

Particulars	Gratuity	Leave Encashment *	LTC	Other Retirement Benefits
Present Value of Obligation as at the end of the period	72.06 (66.31)	80.90 (79.90)	0.23 (0.13)	1.34 (1.28)
Fair Value of Plan Assets as at the end of the period	66.96 (-)	- (-)	- (-)	- (-)
Funded Status	(5.11) ((66.31))	(80.90) ((79.90))	(0.23) ((0.13))	(1.34) ((1.28))
Excess of actual over estimated	3.08 (-)	- (-)	- (-)	- (-)
Net liability recognised in the balance sheet	(5.11) ((66.31))	(80.90) ((79.90))	(0.23) ((0.13))	(1.34) ((1.28))

\* Except employees posted on Foreign Projects.

### iv) Expenses recognised in statement of profit & loss

(Rs. in crore)

Particulars	Gratuity	Leave Encashment *	LTC	Other Retirement Benefits
Current Service Cost	3.57 (3.37)	4.69 (4.63)	0.01 (-)	0.06 (0.06)
Past Service Cost	- (-)	- (-)	- (-)	- (-)
Interest Cost	5.30 (4.95)	6.39 (6.16)	0.01 (0.01)	0.10 (0.10)
Expected return on plan assets	- (-)	- (-)	- (-)	- (-)
Net actuarial (gain)/ loss recognised in the year	(1.54) ((0.15))	(4.43) (0.94)	0.30 ((0.02))	(0.07) ((0.14))
Expenses recognised in the statement of profit & loss	7.33 (8.16)	6.65 (11.73)	0.32 (-)	0.09 (0.02)

\* Except employees posted on Foreign Projects.

The Company expects to contribute Rs. 7.99 crore for gratuity, Rs. 11.42 crore for leave encashment, Rs. 0.15 crore for LTC and Rs. 0.19 crore for other retirement benefits in the next year.

### v) Actuarial Assumptions

a. Method used	Projected Unit Credit Method
b. Discount rate	7.50 %
c. Rate of increase in compensation levels	8.00 %
d. Average outstanding service of employees up to retirement	12.12 years
e. Estimated term of benefit obligations	12.12 years

vi) Amounts for the current and previous 4 periods are as follows;

a. Gratuity:

(Rs. in crore)

Particulars	31 Mar 2016	31 Mar 2015	31 Mar 2014	31 Mar 2013	31 Mar 2012
Defined benefit obligation	72.06	66.31	61.85	53.87	49.63
Plan assets	66.96	-	-	-	-
Surplus/(deficit)	(5.11)	(66.31)	(61.85)	(53.87)	(49.63)
Experience adjustments on plan liabilities	0.36	0.15	(3.12)	(1.13)	(1.01)
Experience adjustments on plan assets	3.08	-	-	-	-

b. Leave Encashment (Except employees posted on Foreign Projects):

(Rs. in crore)

Particulars	31 Mar 2016	31 Mar 2015	31 Mar 2014	31 Mar 2013	31 Mar 2012
Defined benefit obligation	80.90	79.90	76.95	61.34	55.61
Plan assets	-	-	-	-	-
Surplus/(deficit)	(80.90)	(79.90)	(76.95)	(61.34)	(55.61)
Experience adjustments on plan liabilities	7.44	(0.95)	(13.46)	(0.04)	5.18
Experience adjustments on plan assets	-	-	-	-	-

c. LTC:

(Rs. in crore)

Particulars	31 Mar 2016	31 Mar 2015	31 Mar 2014	31 Mar 2013	31 Mar 2012
Defined benefit obligation	0.23	0.13	0.14	0.08	-
Plan assets	-	-	-	-	-
Surplus/(deficit)	(0.23)	(0.13)	(0.14)	(0.08)	-
Experience adjustments on plan liabilities	(0.38)	0.02	(0.07)	-	-
Experience adjustments on plan assets	-	-	-	-	-

d. Other Retirement Benefits:

(Rs. in crore)

Particulars	31 Mar 2016	31 Mar 2015	31 Mar 2014	31 Mar 2013	31 Mar 2012
Defined benefit obligation	1.34	1.27	1.29	1.41	1.57
Plan assets	-	-	-	-	-
Surplus/(deficit)	(1.34)	(1.27)	(1.29)	(1.41)	(1.57)
Experience adjustments on plan liabilities	0.11	0.14	0.28	0.35	0.06
Experience adjustments on plan assets	-	-	-	-	-

#### 44. Disclosure under AS-7 on Construction Contracts for contracts in progress\*

(Rs. in crore)

Details		Up to 31 March 2016	Up to 31 March 2015
(a)	Contract revenue recognized as revenue in the period	2829.56	2883.55
(b)	Aggregate amount of costs incurred and recognized profits (less recognized losses)	19547.91	20667.13
(c)	Amount of advances received from client	837.85	847.83
(d)	Amount of retentions (by client)	99.63	100.56
(e)	Gross amount due from clients for contract work	479.13	434.12

\*excluding projects completed up to 31.03.2016

45. 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 at 31 March 2016.

46. (i) Gross amount required to be spent by the Company during the year is **Rs. 6.03 crore** (Rs. 4.93 crore).

(ii) During the year, company has spent **Rs 6.15 crore** (Rs 6.72 crore) as against required amount of **Rs 6.03 crore** (Rs 4.93 crore) on Corporate Social Responsibility (CSR) activities. Break up of expenditure incurred is as follows;

(Rs. in crore)

Sr. No.	Description	2015-16	2014-15
1.	Eradicating hunger, poverty & malnutrition, promoting preventive healthcare & sanitation & making available safe drinking water	4.84	3.08
2.	Promoting Education	0.90	0.76
3.	Promoting gender inequality & empowering women	0.18	0.02
4.	Ensuring environmental sustainability	0.05	1.04
5.	Protection of national heritage, art & culture	-	0.52
6.	Contribution to Prime Minister Relief Funds or any other fund set up by the Central Govt. for socio-economic development & relief.	-	0.50
7.	Rural Development Projects	0.18	0.80
	<b>Total</b>	<b>6.15</b>	<b>6.72</b>

(iii) Amount spent during the year

(Rs. in crore)

Sr. No.	Description	In Cash	Yet to be paid in cash	Total
1.	Construction/acquisition of asset	-	-	-
2.	Other purposes	6.15	-	6.15

Out of the total expenditure incurred on CSR, an amount of **Rs 0.19 crore** (Rs 0.46 crore) incurred through Irecon ISL, wholly owned subsidiary of the company.

47. Basic earnings per share are computed by dividing net profit after tax **Rs. 379.27 crore** (Rs. 579.39 crore) by (1,97,96,000) fully paid equity shares of Rs. 10 each. Diluted earnings per share are not applicable, as there is no dilution involved.
48. During the year, the Company has changed its accounting policy relating to treating of Income/expenditure of prior period and prepaid not exceeding Rs. 1,00,000/- (Rs. 50,000/- earlier) in each case as income/expenditure of the current year. Due to this change, prior period income/expenditure for the year is lower by Rs. 0.02 crore and prepaid expenditure is lower by Rs. NIL crore. As a result of this, PBT is lower by Rs. 0.02 crore.
49. The Company has engaged agents/ consultants to secure contracts and provide other services for foreign projects, being implemented in three countries. The guidelines of the company issued in May 2003 provide that the Project Head should send a Quarterly Report to the Project Coordinator on the performance of the agents indicating whether the services of the agent have been satisfactory. Pending assessment of services provided by the agent/ consultants, the Company has not accounted for expenses of Rs. 2.04 Crore and accordingly, the same has not been charged to the Statement of Profit & Loss for the year ended 31<sup>st</sup> March 2016. The same shall be accounted for in the Books of Accounts in the year of assessment.
50. Previous year's figures have been regrouped, rearranged and recast wherever necessary to make it comparable to the current year's classification. Also, previous year figures are shown under bracket ( ) to differentiate from current year figures.

**As per our Report of even date attached**

**For V.K. Dhingra & Co.**  
Chartered Accountants  
FRN 000250N

**Vipul Girotra**  
Partner  
M. No. 084312

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

**M. K. Singh**  
Director Finance  
DIN - 06607392

**Sumita Sharma**  
Company Secretary

**Mohan Tiwari**  
Chairman & Managing Director  
DIN - 00191363

Place : New Delhi

Date : 2<sup>nd</sup> September 2016



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## **COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF IRCON INTERNATIONAL LIMITED FOR THE YEAR ENDED 31 MARCH 2016.**

The preparation of financial statements of **IRCON INTERNATIONAL LTD.** for the year ended 31 March 2016 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139 (5) of the Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 02 September 2016.

I, on 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 INTERNATIONAL LTD.** for the year ended 31 March 2016. 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 & Auditor General of India**

Place: New Delhi  
Dated: 27<sup>th</sup> September, 2016

**(Meenakshi Mishra)**  
Director General of Audit  
Railway Commercial, New Delhi



# Consolidated Financial Statements

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## FORM AOC-1

Statement containing salient features of the financial statement of Subsidiaries / Joint Ventures as on 31.03.2016 (Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
**PART - "A" : Subsidiaries**

S. No.	Name of the subsidiary	Reporting period for the subsidiary	Reporting currency and Exchange rate	Share capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover/ Total Income	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of share-holding
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1	Irrcon Infrastructure & Services Limited	01.04.2015 to 31.03.2016	INR	65.00	37.34	189.99	87.65	Nil	81.87	22.61	8.39	14.22	Nil	100.00%
2	Indian Railway Stations Development Corporation Limited	01.04.2015 to 31.03.2016	INR	40.00	4.58	47.47	2.89	Nil	2.44	2.44	1.29	1.15	Nil	51.00%
3	Irrcon PB Tollway Limited	01.04.2015 to 31.03.2016	INR	90.00	2.64	120.22	27.58	Nil	5.78	5.61	1.88	3.73	Nil	100.00%
4	Irrcon Shivpuri Guna Tollway limited	01.04.2015 to 31.03.2016	INR	33.00	(0.77)	89.93	57.70	Nil	0.26	(1.14)	(0.37)	(0.77)	Nil	100.00%

\* including share application money, pending allotment of shares. Shares allotted in financial year 2016-17

**PART - "B" : Joint Ventures**

(Rs in Crore)

S. No.	Name of Joint Ventures	Latest audited Balance Sheet Date	Shares of Joint Ventures held by the company on the year end			Description of how there is significant influence	Reason for non consolidation	Net worth attributable to shareholding as per latest audited Balance Sheet	Profit/ (Loss) for the year	Considered in Consolidation (IRCON Share)	Not Considered in Consolidation (Other's Share)
			Nos.	Amount of Investment in Joint Venture	Extend of Holding %						
1	2	3	4	5	6	7	8	9	10	11	12
	<b>Joint Venture Companies</b>										
1	Companhia Dos Caminhos De Ferro Da Beira (SARL) Mozambique	31.12.2015	1,250,000	5.53	25.00%	Shareholding	NA		5.13	1.28	3.85
2	Ircon - Soma Tollway Private Limited	31.03.2016	63,870,000	63.87	50.00%	Shareholding	NA		5.91	2.95	2.96
3	Chattisgarh East Railway Limited	31.03.2016	40,170,000	40.17	26.00%	Shareholding	NA		(0.08)	(0.02)	(0.06)
4	Chattisgarh East - West Railway Limited	31.03.2016	1,170,000	1.17	26.00%	Shareholding	NA		(0.06)	(0.02)	(0.04)
5	Mahanadi Coal Rail Limited	31.03.2016	13,000	0.01	26.00%	Shareholding	NA		-	-	-
6	Jharkhand Central Rail Limited	31.03.2016	-	-	26.00%	Shareholding	NA		-	-	-
	<b>Unincorporated Joint Ventures</b>										
1	IRCON - SPSCPL	31.03.2016			50.00%	Control	NA		(1.04)	(0.52)	(0.52)
2	IRCON - AFCON	31.03.2016			53.00%	Control	NA		8.00	4.24	3.76
3	RICON	31.03.2016			49.00%	Control	NA		0.54	0.26	0.28
4	International Metro Civil Contractor (IMCC)	31.03.2016			9.50%	Control	NA		(0.18)	(0.02)	(0.16)
5	Metro Tunelling Group (MTG)	31.03.2016			9.50%	Control	NA		2.19	0.21	1.98

**V. K. Dhingra & Co.**

Chartered Accountants  
1-E/15, Jhandewalan Extn., New Delhi-110 055

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED

**1. Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of IRCON INTERNATIONAL LIMITED ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), and its jointly controlled entities, which comprising of the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

**2. Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its jointly controlled entities 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. The respective Board of Directors of the companies included in the Group and responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial

statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the directors of the Holding Company, as aforesaid.

**3. Auditors' Responsibility**

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

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

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

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the 'Other Matters' paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

#### 4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 consolidated state of affairs of the Group and its jointly controlled entities as at 31<sup>st</sup> March, 2016, and its consolidated profit and its consolidated cash flows for the year ended on that date.

#### 5. Emphasis of Matters

- i) We draw attention to Note No.35 to the consolidated financial statements regarding Income Tax provision made in the consolidated financial statements for disallowance of deduction claimed under Section – 80IA of Income Tax Act, 1961 and taxability of income earned by its permanent establishments in foreign countries in India. The matter is contested by the Holding Company with the concerned Authorities.
- ii) We drawn attention to Note No. 52 to the consolidated financial statements regarding non provision of Rs.2.04 crore towards foreign agency commission/ consultancy charges in respect of projects in three foreign countries pending assessment of the performance by the holding company.

Our opinion is not qualified in respect of these matters.

#### 6. Other Matters

- (a) We did not audit the financial statements of four subsidiaries and nine jointly controlled entities, whose financial statement reflect total assets of 1,117.24 crore as at 31<sup>st</sup> March, 2016, total revenues of Rs. 278.25 crore and net cash flows amounting to Rs. (8.53) crore for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the

consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on the reports of the other auditors.

- (b) We did not audit the financial statements/financial information of two jointly controlled entities, whose financial statements/financial information reflect total assets of Rs.32.88 crore as at 31<sup>st</sup> March, 2016, total revenues of Rs.19.53 crore and net cash flows amounting to Rs.(0.38) crore for the year ended on that date, as considered in the consolidated financial statements. These financial statements/financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this jointly controlled entities, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid jointly controlled entities, is based solely on such unaudited financial statements/financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements/ financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not qualified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/financial information certified by the Management.

#### 7. Report on Other Legal and Regulatory Requirements

- I. As required by Section 143(3) of the Act, we report to the extent applicable, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books

and the reports of the other auditors.

- c) The reports on the accounts of the branch offices of the Holding Company, and its subsidiaries and jointly controlled companies incorporated in India, audited under Section 143(8) of the Act by branch auditors have been sent to us/ the other auditors, as applicable, and have been properly dealt with in preparing this report.
- d) The Consolidated Balance Sheet, the Consolidated Statement of Profit & Loss, and the Consolidated Cash Flow Statement dealt with by this report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.
- e) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- f) Being a Government Company, provisions of Section 164(2) of the Act are not applicable pursuant to the notification No.G.S.R.463(E) dated 5<sup>th</sup> June, 2015, issued by the Central Government of India.
- g) With respect to the adequacy of internal financial controls over financial reporting and operating effectiveness of such controls, refer to our separate report in "Annexure-A", which is based on the Auditors Report of the Holding Company. Our report expresses a qualified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding Company.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of

the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanation given to us:

- (i) The consolidated financial statements disclosed the impact of pending litigations, on the consolidated financial position of the Group and its jointly controlled entities – Refer Note No. 31, 34 and 35 to the consolidated financial statements.
- (ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts – Refer 'foreseeable Losses' in Note No. 28(B) to the consolidated financial statements in respect of such items as it relates to the Group. The Group and its jointly controlled entities did not have any derivative contracts for which there were any material foreseeable losses.
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary company and jointly controlled companies incorporated in India. Our opinion is not qualified in respect of this matter.

**For V.K. DHINGRA & CO.**  
**CHARTERED ACCOUNTANTS**  
**FRN 000250N**

**(VIPUL GIROTRA)**  
PARTNER  
M.NO.084312

Place : New Delhi

Date : 2<sup>nd</sup> September 2016

# ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS

(Referred to in paragraph (g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of IRCON INTERNATIONAL LIMITED on the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2016)

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of IRCON INTERNATIONAL LIMITED ("the Holding Company") and its subsidiary company and jointly controlled company, as of that date.

### **Management's Responsibility for Internal Financial Controls**

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

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing, issued by

ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal Financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that :

(1) pertain to the maintenance of records that, in



reasonable details, accurately and fairly reflect the transactions and dispositions of the assets of the company;

- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

#### **Qualified Opinion**

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at March 31, 2016:

- (i) The company did not have an integrated ERP system. Different software packages used by the company are interfaced through software links or manual intervention leaving gaps between them. This could potentially result into impaired financial reporting.
- (ii) The company did not have effective internal audit structure and system so as to ensure coverage of all major areas with extensive scope. Also the mechanism to review the internal audit reports is weak. This could potentially result into weak checks and balances and unreported financial irregularities ultimately resulting into distorted financial reporting.

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

In our opinion, except for the effects/possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Holding Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March, 31, 2016, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2016 financial statements of the Company, and these material weaknesses do not affect our opinion on the consolidated financial statements of the Company.

#### **Other Matters**

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to four subsidiary companies, and nine jointly controlled companies, is based on the corresponding reports of the auditors of such companies.

**For V.K. DHINGRA & CO.  
CHARTERED ACCOUNTANTS  
FRN 000250N**

**(VIPUL GIROTRA)  
PARTNER  
M.NO.084312**

Place : New Delhi

Date : 2<sup>nd</sup> September 2016



IRCON INTERNATIONAL LIMITED (CIN U45203DL1976GOI008171)

## CONSOLIDATED BALANCE SHEET

as at 31st March 2016

(Rs. in crore)

Particulars		Note No.	As at 31st March 2016		As at 31st March 2015	
I.	<b>EQUITY AND LIABILITIES</b>					
1	<b>Shareholders' funds</b>					
	(a) Share capital	2	19.80		19.80	
	(b) Reserves and surplus	3	3,477.00	3,496.80	3,284.65	3,304.45
2	Minority Interest			21.84		21.28
3	<b>Non-current liabilities</b>					
	(a) Long Term Borrowings	4	131.19		170.80	
	(b) Long term liabilities	5	1,393.29		495.40	
	(c) Long term provisions	6	205.74	1,730.22	419.42	1,085.62
4	<b>Current liabilities</b>					
	(a) Trade payables	7	412.38		468.60	
	(b) Other current liabilities	8	2,488.78		1,721.67	
	(c) Short-term provisions	9	766.45	3,667.61	834.99	3,025.26
	<b>Total</b>			<b>8,916.47</b>		<b>7,436.61</b>
II.	<b>ASSETS</b>					
1	<b>Non-current assets</b>					
	(a) Fixed assets					
	(i) Tangible assets	10	156.08		177.57	
	(ii) Intangible assets	10	513.99		558.57	
	(iii) Intangible assets under development	11	21.40		15.14	
	(iv) Capital work-in-progress	12	143.28		15.29	
	(b) Non-current investments	13	554.67		429.54	
	(c) Deferred tax assets (Net)	14	211.30		267.91	
	(d) Long-term loans and advances	15	597.96		609.31	
	(e) Other non-current assets	16	46.46	2,245.14	66.61	2,139.94
2	<b>Current assets</b>					
	(a) Current investments	17	131.99		66.06	
	(b) Inventories	18	149.01		124.34	
	(c) Trade receivables	19	682.13		596.69	
	(d) Cash and Bank balances	20	4,739.55		3,432.69	
	(e) Short-term loans and advances	21	515.31		428.51	
	(f) Other current assets	22	453.34	6,671.33	648.38	5,296.67
	<b>Total</b>			<b>8,916.47</b>		<b>7,436.61</b>
III.	Summary of Significant Accounting Policies	1				
IV.	Notes forming part of Consolidated Financial Statements	2-53				

As per our Report of even date attached

For and on behalf of the Board of Directors

**For V.K. Dhingra & Co.**  
Chartered Accountants  
FRN 000250N

**M. K. Singh**  
Director Finance  
DIN - 06607392

**Mohan Tiwari**  
Chairman & Managing Director  
DIN - 00191363

**Vipul Girotra**  
Partner  
M. No. 084312

**Sumita Sharma**  
Company Secretary

Place : New Delhi

Date : 2<sup>nd</sup> September 2016

IRCON INTERNATIONAL LIMITED (CIN U45203DL1976GOI008171)

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS

For Year ended 31st March 2016

(Rs. in crore)

Particulars		Note No.	For the year ended 31st March 2016	For the year ended 31st March 2015
I.	<b>Revenue :</b>			
	Revenue from operations	23	2,472.26	3,037.64
	Other income	24	437.26	267.33
	<b>Total Revenue</b>		<b>2,909.52</b>	<b>3,304.97</b>
II.	<b>Expenses:</b>			
	Operating and administrative expenses :	25		
	- Operating Expenses		1,988.06	2,122.00
	- Administrative Expenses		30.51	33.69
	Employee benefits expenses	26	180.86	198.72
	Finance costs	27	33.32	32.79
	Depreciation, amortization and impairment	10	74.25	57.25
	<b>Total Expenses</b>		<b>2,307.00</b>	<b>2,444.45</b>
III.	<b>Profit Before Tax (I - II)</b>		602.52	860.52
IV.	Tax expense:			
	(1) Current tax			
	- For the year		141.78	203.84
	- For earlier years (net)		5.07	40.77
	(2) Deferred tax (net)	14	56.61	32.78
	Total Tax Expense		203.46	277.39
V.	<b>Profit for the year (Before Adjustment of Minority Interest) (III-IV)</b>		399.06	583.13
VI.	Add / (less) minority interest in (profit) / losses		(0.56)	(0.97)
VII.	<b>Profit for the year (III - IV)</b>		<b>398.50</b>	<b>582.16</b>
VIII.	Earnings per equity share - Basic and Diluted ( in Rs. )	50	201.30	294.08
IX.	Significant Accounting Policies	1		
VIII.	Prior period adjustments	29		
IX.	Notes forming part of Consolidated Financial Statements	2-53		

As per our Report of even date attached

For and on behalf of the Board of Directors

**For V.K. Dhingra & Co.**  
Chartered Accountants  
FRN 000250N

**M. K. Singh**  
Director Finance  
DIN - 06607392

**Mohan Tiwari**  
Chairman & Managing Director  
DIN - 00191363

**Vipul Girotra**  
Partner  
M. No. 084312

**Sumita Sharma**  
Company Secretary

Place : New Delhi

Date : 2<sup>nd</sup> September 2016



IRCON INTERNATIONAL LIMITED (CIN U45203DL1976GOI008171)

# CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED ON 31ST MARCH 2016

(Rs. in crore)

Particulars	Note No.	2015-16	2014-15
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net Profit before taxation & extraordinary items		602.52	860.52
<b>Adjustment for :</b>			
Depreciation, amortization and impairment		74.34	57.32
Amortisation of premium on investment		0.01	0.01
Loss / (Profit) on sale of assets(net)		0.99	1.41
Interest Income		(245.25)	(223.69)
Dividend Income		(5.05)	(3.21)
Provisions - (Additions - Write back) (Net)		42.66	(13.22)
Deferred Tax		56.61	32.78
Minority interest in (income) / losses		(0.56)	(0.97)
Effect of Exchange differences on translation of Foreign Currency Cash & Cash Equivalents		(91.69)	(20.73)
<b>Operating Profit before working capital changes</b>	(1)	434.58	690.22
<b>Adjustment for :</b>			
Decrease / (Increase) in Trade Receivables / Loans & Advances		(138.59)	191.52
Decrease / (Increase) in Inventories		(24.67)	(0.15)
Decrease / (Increase) in Other Assets		244.22	(193.93)
(Decrease) / Increase in Trade Payables		(56.22)	(123.14)
(Decrease) / Increase in Other Liabilities & Provisions		1,173.51	123.03
(Decrease) / Increase in Minority Interest		0.56	0.96
	(2)	1,198.81	(1.71)
<b>Cash generated from operation</b>	(1+2)	1,633.39	688.51
Income Tax Paid		(107.54)	(152.89)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	(A)	1,525.85	535.62
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of Fixed Assets including Capital WIP		(147.85)	(31.91)
Purchase of Investment Property		0.00	(15.84)
Sale of Fixed Assets		4.39	2.31
Loan to Joint Ventures		(21.09)	(37.14)
Repayment of Loan from Joint Ventures		71.56	-
Interest Received		216.22	240.99
Dividend Received		5.05	3.21
Investment in Equity and Bonds		(125.19)	-
(Investment) / Maturity of Bank Deposits (having maturity of more than 3 months)		(67.31)	(871.56)
(Purchase) / Sale of Current Investment (Net)		(65.93)	134.96
<b>NET CASH FROM INVESTING ACTIVITIES</b>	(B)	(130.15)	(574.98)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Dividend (including Dividend Distribution Tax) paid		(219.20)	(190.73)
Repayment of Long Term Borrowings		(25.01)	(31.41)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	(C)	(244.21)	(222.14)
Effect of Exchange differences on translation of Foreign Currency Cash & Cash Equivalents	(D)	88.06	19.90
<b>NET DECREASE IN CASH &amp; CASH EQUIVALENT</b>	(A+B+ C+D)	1,239.55	(241.60)
<b>CASH AND CASH EQUIVALENT (OPENING)</b>	(E)	1,366.95	1,608.55
<b>CASH AND CASH EQUIVALENT (CLOSING)</b>	(F)	2,606.50	1,366.95
<b>NET DECREASE IN CASH &amp; CASH EQUIVALENT</b>	(F - E)	1,239.55	(241.60)

## Note:

- Cash Flow Statement has been prepared under indirect method as set out in Accounting Standard -3 (Cash Flow Statements)
- Cash and cash equivalents consist of cash in hand and balances with banks.
- Figures in brackets represent outflow of cash.
- Figures of the previous year have been regrouped/recast wherever necessary.
- Cash & Cash Equivalent (closing) Includes FDR Rs. 1275.18 crore (Rs. 624.86 crore) against advances from clients on which interest is passed on to them.

As per our Report of even date attached

For and on behalf of the Board of Directors

For V.K. Dhingra & Co.  
Chartered Accountants  
FRN 000250N

M. K. Singh  
Director Finance  
DIN - 06607392

Mohan Tiwari  
Chairman & Managing Director  
DIN - 00191363

Vipul Girotra  
Partner  
M. No. 084312

Sumita Sharma  
Company Secretary

Place : New Delhi

Date : 2<sup>nd</sup> September 2016

# 1. Significant Accounting Policies

## (i) Group Information

Ircan International Limited (the Holding Company) is a public sector construction company with specialization in execution of Railway projects on turnkey basis and otherwise. The Company is an ISO certified Company for Quality, Environment and Occupational Health and Safety Management systems; a Schedule 'A' public sector company and a Mini Ratna-Category I. After commencing business as a railway construction company it diversified progressively along with its subsidiaries and Joint Ventures (collectively referred to as "the Group") to roads, buildings, electrical substation and distribution, airport construction, commercial complexes, as well as metro works. The Group caters to both domestic and international markets.

## (ii) Basis of Preparation

- (a) These consolidated financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy.
- (b) The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of the consolidated financial statements and reported amounts of revenues and expenses for the year. Actual results could differ from these estimates. Future results could differ due to changes in these estimates and the difference between the actual result and the estimates are recognized in the period in which the results are known/materialize.
- (c) The consolidated financial statements are reported

in Indian rupees and all values are rounded to the nearest crore rupees with two decimal points except where otherwise stated.

## (iii) Consolidated Financial statements

- (a) The consolidated financial statements of Ircan International Limited and its subsidiaries have been consolidated on a line- by-line basis by adding together the book value of the like items of assets, liabilities, income and expenses, after eliminating intra-group balances and unrealized profits/losses on intra-group transactions, and are presented to the extent possible, in the same manner as the Company's independent financial statements.
- (b) The company's Interest in jointly Controlled entities are proportionately consolidated on a line-to-line basis by adding together the book values of assets, liabilities, income & expenses, after eliminating the unrealised profits/losses on intra-group transactions.
- (c) In case of jointly controlled operations, company's share of revenues, common expenses, assets & liabilities are included in revenues, expenses, assets & liabilities respectively.
- (d) Minorities' interest in net profits of consolidated subsidiaries for the year is identified and adjusted against the income in order to arrive at the net income attributable to the shareholders of the Company. Their share of net assets is identified and presented in the Consolidated Balance Sheet separately.

## (iv) 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 rate prevalent on the date of transaction.
- ii) Fixed assets and non-monetary items are translated at the 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 at the rate prevalent on the date of transaction.
  - ii) Fixed assets and non-monetary items are translated at the rate on 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.
- (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 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.

**(v) Fixed assets**

**Tangible Assets**

- (a) Tangible assets are stated at historical cost less accumulated depreciation and impairment loss, if any.
- (b) The machinery spares which can be used only in connection with an item of Tangible asset and whose use is expected to be irregular are capitalized & depreciated/amortized over the balance life of such Tangible assets.
- (d) Incidental expenditure during construction period incurred up to the date of commissioning is capitalized.

**Intangible Assets**

- (a) Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at historical cost less accumulated amortization and impairment loss, if any.
- (b) Intangible assets under development represent ongoing expenditure incurred and carried at cost.
- (c) Carriage ways representing Toll Collection Rights are obtained in consideration for rendering construction, operation & services in relation to building & maintenance of the project on build operate & transfer basis. The cost of such carriage ways comprises construction cost & other pre-operative costs incurred during implementation phase and negative grant payable to NHAI.

**Capital Work-In-Progress**

All the expenditure directly or indirectly relating to construction activity are capitalized and valued at Cost.

**(vi) 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 Group, is classified as investment property. Investment Properties are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

#### **(vii) 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.

#### **(viii) 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 up to 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.

#### **(ix) Grant**

- (a) Capital Grant received during Construction period from NHAI is being accounted as part of

Shareholders' Fund as the same is in the nature of 'Equity Support' and treated as Capital Reserve.

- (b) Revenue Grant received during Operation period from NHAI is being accounted as and when received and treated as part of income and credited to the statement of Profit & Loss.

- (c) Negative Grant payable to NHAI during operations period is accounted for on completion of construction phase and is capitalized as part of cost of toll collection rights under intangible assets on recognition of deferred payment liability.

#### **(x) 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 Group's liability during defect liability period keeping into consideration the contractual obligations, the obligations of the sub-contractors, operating turnover and other relevant factors.
- (iii) Provision for unforeseen expenditure during design guarantee period is made based on risk perception of management in each contract assessed at the end of each financial year. This shall, however, be subject to a minimum of Rs. 50 lakhs and maximum of the amount of Design guarantee specified in Contract Agreement with the Client.

##### **(b) Provision for 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 Group has a present obligation as a result of a past event,
- ii) A probable outflow of resources is expected to settle the obligation and
- iii) A reliable estimate of the amount of the obligation can be made.

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

**(xi) Revenue Recognition****(a) Contract Revenue Recognition**

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

- (i) In cost plus contracts, revenue is worked out by including eligible items of expenditure in the bills raised on the clients and charging specified margin thereon.
- (ii) In fixed price contracts, revenue is recognized 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 up to the reporting date to the total estimated cost of the contract.

Full provision is made for any loss in the period in which it is foreseen.

- (iii) Claims/Arbitration Awards (including interest thereon) which are granted in favour of the Group, being in the nature of additional compensation under the terms of the contract are accounted as contract revenue when they are granted and where it is certain to realize the collection of such claims/awards.

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

**(b) Toll Fee**

Toll Fee collection from the users of facility is accounted for as and when the amount is due and recovery is certain. Income from the sale of smart cards is recognized as and when the amount is received from the users of the cards.

**(c) Other Revenue Recognition**

- (i) Dividend income is recognized when the right to receive payment is established.
- (ii) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

**(xii) Leases**

- (i) 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.
- (ii) 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.

**(xiii) Liquidated Damages and Escalations**

- (i) Liquidated damages/penalties (LD) due to delays arising out of the contractual obligations and provisionally withheld from contractors/under dispute are adjusted against contract cost only on final decision in this regard. However, LD recovered/withheld by client is accounted for on recovery/withholding & adjusted against contract revenue. Possible Liquidated Damages in cases where extension is granted by the client subject to their right for levy of penalty is shown as contingent liability
- (ii) Escalation receivable/payable is accounted for as per the provisions of the contract. Escalation receivable but not certified before close of project accounts is included in work-in-progress.



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

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are charged to the Statement of Profit and Loss unless a product's technological feasibility has been established, in which case such expenditure is capitalised.

#### **(xv) 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.

#### **(xvi) 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 Rs. 5000/- are fully depreciated, by keeping Re. 1 as token value for identification.

##### **Intangible Assets**

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

#### **(xvii) Impairment**

An Asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The

impairment loss recognized in prior accounting period is reversed if there has been change in the estimate of recoverable amount and such losses either no longer exists or has decreased. Reversal of impaired loss is recognized in the Statement of Profit & Loss.

#### **(xviii) Borrowing Cost**

- (i) Borrowing cost in ordinary course of business are recognized as expense of the period in which they are incurred.
- (ii) 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.

#### **(xix) Employee Benefits**

##### **a) Short Term Employee Benefits**

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

##### **b) Post-employment benefits & other long term Employee Benefits**

- (i) Retirement benefit in the form of Provident Fund and Pension Fund is a defined contribution scheme. The contributions to the Provident Fund Trust and Pension Trust are charged to the Statement of the Profit & loss for the year when the contributions are due.
- (ii) The Group has created a Gratuity Trust. The contribution to the gratuity trust based on the actuarial valuation is charged to the Statement of Profit & Loss for the year when the contribution is due.
- (iii) Provision for long term Leave Encashment, Post Retirement Medical Benefits & Other Retirement benefits is made based on actuarial valuation at the year end.

#### **(xx) Prior period adjustment and extraordinary items**

- (i) Income/expenditure relating to prior period and prepaid expenses not exceeding Rs. 1,00,000/- in

each case are treated as income/expenditure of the current year.

- (ii) Voluntary Retirement Scheme expenses are charged off in the year of incidence of expense.

#### **(xxi) Taxes**

- (i) 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.
- (ii) Deferred tax assets are recognized only to the extent that there is a reasonable certainty that sufficient future income will be available except that deferred tax assets, in case there are unabsorbed depreciation or losses, are recognized if there is virtual certainty that sufficient future taxable income will be available to realize the same.
- (iii) 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.

#### **(xxii) Segment Reporting**

The Group has identified two primary reporting segments based on geographic location of the project viz. Domestic & International and two secondary reporting segments based on business of construction and leasing of assets & its operation (Leasing & Operation).

#### **(xxiii) Earnings Per Share**

In determining basic earnings per share, the Group considers the net profit attributable to equity shareholders. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period. In determining diluted earnings per share, the net profit attributable to equity shareholders and weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

#### **(xxiv) Contingent Liabilities and Contingent Assets**

- (a) Contingent Liabilities are disclosed in either of the following cases:
  - i) A present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation; or
  - ii) A reliable estimate of the present obligation cannot be made; or
  - iii) A possible obligation, unless the probability of outflow of resource is remote.
- (b) Contingent Assets 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.

## 2. Share Capital

(Rs. in crore)

Particulars	As at 31st March 2016	As at 31st March 2015
<b>Authorized</b> 10,00,00,000 Equity shares of Rs.10 each (2,50,00,000 Equity shares of Rs.10 each) (v)	<b>100.00</b>	<b>25.00</b>
<b>Issued, Subscribed &amp; Paid-up</b> 1,97,96,000 Equity shares of Rs.10 each-fully paid (1,97,96,000 Equity shares of Rs.10 each-fully paid )	<b>19.80</b>	<b>19.80</b>
<b>Total</b>	<b>19.80</b>	<b>19.80</b>

### i) Distribution of number of shares held:

Particulars	As at 31st March 2016		As at 31st March 2015	
	No. of Shares	% age	No. of Shares	% age
Government of India in the name of the President of India and Government nominees	<b>19,742,400</b>	<b>99.729%</b>	19,742,400	99.729%
Indian Railway Finance Corporation Limited	<b>48,800</b>	<b>0.247%</b>	48,800	0.247%
Bank of India	<b>4,800</b>	<b>0.024%</b>	4,800	0.024%
<b>Total</b>	<b>19,796,000</b>	<b>100%</b>	<b>19,796,000</b>	<b>100%</b>

### ii) Shares issued other than cash

Bonus share issued during last five years: 98,98,000 Equity shares of Rs. 10 each have been issued as fully paid up Bonus shares in F.Y. 2012-13 in the ratio of 1:1

### iii) Terms/rights attached to equity shares:

#### (a) Voting

The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity share is entitled to one vote per share.

#### (b) Dividends

The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting, except in case of Interim dividend.

#### (c) Liquidation

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

### iv) Reconciliation of the number of equity shares and share capital:

Particulars	As at 31st March 2016		As at 31st March 2015	
	No. of Shares	Rs. Crore	No. of Shares	Rs. Crore
Issued, subscribed and fully paid up equity shares outstanding at the beginning of the year	<b>19,796,000</b>	<b>19.80</b>	19,796,000	19.80
Add: Shares issued during the year	-	-	-	-
Issued, subscribed and fully paid up equity shares outstanding at the end of the year	<b>19,796,000</b>	<b>19.80</b>	<b>19,796,000</b>	<b>19.80</b>

### v) Increase in Authorised Capital approved in Annual General meeting held on 22.12.2015 & approval from Ministry of Railways received vide letter dated 13.04.2016.

### 3. Reserves and surplus

(Rs. in crore)

Particulars	Foot Note	As at 31st March 2016	As at 31st March 2015
<b>a. Capital Reserve</b>	(i)	<b>14.15</b>	14.15
<b>b. CSR Activities Reserve</b>			
Opening Balance		-	1.71
Less :- Transfer to Statement of Profit & Loss		-	1.71
<b>c. Foreign Exchange Fluctuation Reserve</b>		<b>(2.90)</b>	0.73
<b>d. General Reserve</b>			
Opening Balance		<b>3,269.77</b>	2,904.81
Add: Transfer from surplus in statement of profit and loss (Refer (c) below)		<b>195.98</b>	<b>364.96</b>
		<b>3,465.75</b>	3,269.77
<b>e. Surplus in Statement of Profit and Loss</b>			
Net Profit for the current year		<b>398.50</b>	582.16
Appropriations			
Add :-			
- Transfer from CSR Activities Reserve		-	1.71
Less :-			
- Interim Dividends		<b>79.18</b>	79.18
[(Dividend per share Rs. 40 /- ( Rs. 40/-)]			
- Proposed Dividends		<b>89.08</b>	102.94
[(Dividend per share Rs. 45 /- ( Rs. 52/-)]			
- Tax on Interim Dividend		<b>16.12</b>	15.83
- Tax on Proposed Dividend		<b>18.14</b>	20.96
- Transfer to General Reserve		<b>195.98</b>	364.96
		-	-
<b>Total</b>		<b>3,477.00</b>	<b>3,284.65</b>

(i) Capital Reserve represents Capital Grant received from NHAI.

### 4. Long term borrowings

(Rs. in crore)

Particulars	Foot Note	As at 31st March 2016	As at 31st March 2015
<b>(a) Term Loan (Secured)</b>			
From Bank	(i)	<b>113.58</b>	162.60
<b>(b) Term Loan (Unsecured)</b>			
From Other Parties			
- South Eastern Coalfields Limited	(ii)	<b>41.48</b>	25.64
- CSIDCL		<b>6.22</b>	
- Rites Limited	(iii)	-	34.77
- CFM	(iv)	<b>18.41</b>	16.46
<b>Sub Total (a+b)</b>		<b>179.69</b>	239.47
Less : Current matutities disclosed under "Other current liabilities" (Refer Note 8)		<b>48.50</b>	68.67
<b>Total</b>		<b>131.19</b>	<b>170.80</b>

**Foot Notes:-**

- (i) 50% share of loan taken by Irecon Soma Tollway Private Limited (ISTPL) from Punjab National Bank carrying interest @ base rate of borrowing bank + term premia + 0.75%, which varied during FY 2015-16 due to changes in base rate and presently on 31 st March 2016 is 10.85% p.a. (11.25% p.a. on 31st March 2015). The Loan is repayable in 40 unequal quaterly installments ranging from Rs. 3,40,00,000/- to Rs. 30,00,00,000/- commencing from December 2011 to September 2022. The Loan is secured by :-
- a) First charge and mortgage over all the Borrower's immovable promotable properties, if any;
  - b) First charge and Hypothecation of movable properties both present and future relating to the Project, excluding Project Assets as defined in the Concession Agreement unless consented by NHAI;
  - c) First charge over all the bank accounts (s) of the Borrower, including the Escrow Account, only to the extent of the waterfall of the priorities as provided in the Escrow Agreement and not beyond that and uncalled capital (Present and future), subject to the extent permitted under the Concession Agreement.
  - d) A charge by way of assignment over all the rights, interest and obligations of the Borrower to or in favor of the Lender in case of right of substitution being exercised under the Substitution Agreement;
  - e) A first charge by way of assignment over all the Borrower's rights and interests related to the Project under the letters of credit, guarantee or performance bonds (if any), provided by any party to any contract related to the Project in favour of the Borrower.
  - f) A right over all the Insurance Contracts wherein the proceeds of the Insurance Contracts shall be deposited into the escrow agreement and that the escrow bank shall be designated as the "loss payee: in the Insurance Contracts;
  - g) A pledge of 30% (thirty percent) of the shares held by the holding company in the issued and paid up and voting share capital of the Borrower and non disposal undertaking by the holding company for 21% (twenty one percent) of the stake holding in the ISTPL.
- (ii) 26% share of loan taken by Joint Venture Companies viz. Chhattisgarh East Railway Limited and Chhattisgarh East West Railway Limited from South Eastern Coalfields Limited & CSIDC, carrying interest @ 12 % p.a. The repayment period of loan shall be of 5 years, excluding the time involved for construction of project i.e. Moratorium period not exceeding 5 years from the date of Loan Agreement.
- (iii) 25% share of Loan taken by CCFB from Rites Limited has been adjusted with dues from Government of Mozambique in view of settlement agreement signed on 21.10.2015.
- (iv) "Outstanding balance of CFM - Rs. 18.41 crore (Rs. 16.46 crore) is 25% share of Loan taken by CCFB carrying interest @ Libor (6 months) plus a spread of 3%. The loan is repayable on a bi-annual basis over 8 years in 16 annual instalments, the first instalment of principal and interest payable on 1st July 2011 and the last instalment payable on 1st January 2019. However, due to termination of concession agreement by Government of Mozambique, all outstanding payments (including interest) of Rs. 18.41 crore ( Rs. 16.46 crore) is overdue for payment since Feburary 2012."

## 5. Long term liabilities

(Rs. in crore)

Particulars	Foot Note	As at 31st March 2016	As at 31st March 2015
(a) Trade Payables			
- Micro, Small & Medium Enterprises (Refer Note 48)		-	-
- Others		5.82	8.38
(b) Other Liabilities			
- Advance from clients	(i)	944.41	88.40
- Retention Money /Security Deposit		145.56	101.12
- Deferred Credit Liability Payable to NHA1		297.50	297.50
<b>Total</b>		<b>1,393.29</b>	<b>495.40</b>

Foot Notes:-

i) Includes Interest payable on advances from clients Rs. Nil ( Rs. 12.40 Crore)

## 6. Long term provisions

(Rs. in crore)

Particulars	As at 31st March 2016	As at 31st March 2015
<b>(A) Provisions for employee benefits:</b> (Refer Note 28 & 46)		
i) Gratuity	0.03	61.81
ii) Leave Salary	73.15	76.30
iii) Settlement Allowance on Retirement	1.21	1.20
iv) Post Retirement Medical Benefits	0.82	1.36
v) Leave Travel Concession	0.20	0.12
<b>(B) Other Provisions :</b> (Refer Note 28)		
i) Demobilisation	0.54	7.89
ii) Maintenance	69.62	164.79
iii) Design Guarantee	60.17	105.36
iv) Other Expenses	-	0.59
<b>Total</b>	<b>75.41</b>	<b>140.79</b>
	<b>130.33</b>	<b>278.63</b>
<b>Total</b>	<b>205.74</b>	<b>419.42</b>

## 7. Trade payables

(Rs. in crore)

Particulars	Foot Note	As at 31st March 2016	As at 31st March 2015
<b>Trade Payables</b>			
- Micro, Small & Medium Enterprises (Refer Note 48)			
- Others			
(a) Contractors & Suppliers		402.41	460.31
(b) Related Parties		4.84	4.58
(c) Others		5.13	3.71
<b>Total</b>		<b>412.38</b>	<b>468.60</b>

## 8. Other current liabilities

(Rs. in crore)

Particulars	Foot Note	As at 31st March 2016	As at 31st March 2015
(a) Current Maturity of Long Term Borrowings		48.50	68.67
(b) Interest accrued and due on Borrowings		-	1.28
(c) Advance Contract Receipts		83.53	30.09
(d) Advances from Client	(i)	1,799.09	1,056.62
(e) Deposits & Retention Money		469.43	493.57
(f) Statutory Dues		248.32	212.59
Less :- Deposited under Protest		(203.45)	(184.31)
(g) Book Overdraft		0.02	0.10
(h) Staff		7.63	1.79
(i) Others	(ii)	35.71	41.27
<b>Total</b>		<b>2,488.78</b>	<b>1,721.67</b>

Foot Notes:-

- i) (a) Includes Interest payable on advances from clients **Rs. 79.54 Crore** ( Rs. 67.96 Crore)  
 (b) Includes **Rs. 15.79 crore** (Rs. Nil) from Chattisgarh East Railway Limited , a Joint Venture Company.  
 (c) Includes **Rs. 0.57 crore** (Rs. 2.40 crore) from Chattisgarh East West Railway Limited , a Joint Venture Company.
- ii) Includes Outstanding and Other Liabilities.

## 9. Short-term provisions

(Rs. in crore)

Particulars	As at 31st March 2016	As at 31st March 2015
<b>(A) Provisions for employee benefits:</b> (Refer Note 28 & 46)		
i) Gratuity	0.00	4.52
ii) Leave Salary	10.03	6.94
iii) Settlement Allowance on Retirement	0.13	0.08
iv) Post Retirement Medical Benefits	3.38	5.97
v) Pension	-	26.18
vi) Performance Related Pay	12.30	18.82
vii) Leave Travel Concession	0.03	0.01
	<b>25.87</b>	<b>62.52</b>
<b>(B) Other Provisions :</b> (Refer Note 28)		
i) Demobilisation	23.12	40.59
ii) Maintenance	69.69	37.01
iii) Foreseeable Loss	22.17	12.56
iv) Design Guarantee	45.79	52.72
v) Legal Cases	78.76	72.05
vi) Other Expenses	96.41	49.68
vii) Income tax	962.73	913.86
Less: Advance Tax (including TDS)	(665.31)	(529.89)
viii) Dividend (Proposed)	89.09	102.93
ix) Tax on Dividend (Proposed)	18.13	20.96
	<b>740.58</b>	<b>772.47</b>
<b>Total</b>	<b>766.45</b>	<b>834.99</b>

## 10. Fixed assets

(Rs. in crore)

Fixed Assets	Foot Note	Gross Block				Accumulated Depreciation				Impairment	Net Block		As at 31.03.2015
		As at 01.04.2015	Additions	Sales/ Adjustments	As at 31.03.2016	Upto 31.03.2015	For the year	Sales/ Adjustments	Upto 31.03.2016		As at 31.03.2016	As at 31.03.2016	
<b>A Tangible Assets</b>													
Freehold Land		2.31	-	-	<b>2.31</b>	-	-	-	-	-	2.31	2.31	
Lease hold Land	(v)	36.39	-	-	<b>36.39</b>	0.19	0.01	-	0.20	-	36.19	36.20	
Lease hold Buildings	(iv)	43.11	0.48	-	<b>43.59</b>	6.57	0.90	-	7.47	-	36.12	36.54	
Freehold Buildings /Flats- Residential	(i)	8.73	-	-	<b>8.73</b>	2.69	2.45	-	5.14	-	3.59	6.04	
Freehold Buildings/Flats- Non-Residential		7.17	0.12	(0.03)	<b>7.26</b>	1.14	1.51	-	2.65	-	4.61	6.03	
Plant and Machinery	(i & ii)	372.65	2.46	(7.34)	<b>367.77</b>	286.51	21.57	(2.14)	305.94	0.87	60.96	85.27	
Survey Instruments		3.35	0.82	(0.33)	<b>3.84</b>	3.10	0.07	(0.33)	2.84	-	1.00	0.25	
Computers		8.62	0.80	(0.57)	<b>8.85</b>	7.72	0.53	(0.56)	7.69	-	1.16	0.90	
Mobile Handset		0.21	0.03	(0.07)	<b>0.17</b>	0.18	0.01	(0.06)	0.13	-	0.04	0.03	
Office Equipments		7.30	0.99	(1.37)	<b>6.92</b>	6.13	0.42	(1.33)	5.22	-	1.70	1.17	
Furniture, Fixtures, Furnishings		8.44	0.62	(0.54)	<b>8.52</b>	7.34	0.30	(0.54)	7.10	-	1.42	1.10	
Caravans, Camps and Temporary Sheds		4.69	6.10	(0.41)	<b>10.38</b>	4.59	0.55	(0.40)	4.74	-	5.64	0.10	
Vehicles		14.47	0.02	(1.78)	<b>12.71</b>	12.84	0.23	(1.70)	11.37	-	1.34	1.63	
<b>Current Year Total</b>		<b>517.44</b>	<b>12.44</b>	<b>(12.44)</b>	<b>517.44</b>	<b>339.00</b>	<b>28.55</b>	<b>(7.06)</b>	<b>360.49</b>	<b>0.87</b>	<b>156.08</b>	<b>177.57</b>	
Previous Year		504.34	27.23	(14.13)	<b>517.44</b>	338.58	10.83	(10.41)	339.00	0.87	177.57	165.76	
<b>B Intangible Assets</b>													
Softwares		1.98	0.12	(0.01)	<b>2.09</b>	1.95	0.05	(0.01)	1.99		0.10	0.03	
Lease Rights		73.34	1.04	-	<b>74.38</b>	1.25	1.33	-	2.58		71.80	72.09	
Carriageway		691.99	-	-	<b>691.99</b>	205.54	44.36	-	249.90		442.09	486.45	
<b>Current Year Total</b>		<b>767.31</b>	<b>1.16</b>	<b>(0.01)</b>	<b>768.46</b>	<b>208.74</b>	<b>45.74</b>	<b>(0.01)</b>	<b>254.47</b>	<b>-</b>	<b>513.99</b>	<b>558.57</b>	
Previous Year		744.61	22.70	-	<b>767.31</b>	163.16	45.58	-	208.74	-	558.57	581.45	
<b>GRAND TOTAL CURRENT YEAR</b>		<b>1,284.75</b>	<b>13.60</b>	<b>(12.45)</b>	<b>1,285.90</b>	<b>547.74</b>	<b>74.29</b>	<b>(7.07)</b>	<b>614.96</b>	<b>0.87</b>	<b>670.07</b>	<b>736.14</b>	
PREVIOUS YEAR		1,248.95	49.93	(14.13)	<b>1,284.75</b>	501.74	56.41	(10.41)	547.74	-	736.14	747.21	

### Foot Notes:-

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

(Rs. in crore)

Block of assets	As at March 2016		As at March 2015	
	Gross Block	Net Block	Gross Block	Net Block
Plant and Machinery	-	-	-	-
Freehold Buiding - Residential	-	-	0.38	0.28
<b>Total</b>	-	-	<b>0.38</b>	<b>0.28</b>

- ii) Includes Locomotives provided on short term operating lease and standby. (Refer Note 38 II)
- iii) Depreciation, amortization and impairment for the year debited to Statement of Profit and Loss are as follows:-



(Rs. in crore)

Description	2015-16	2014-15
Depreciation on Tangible & Intangible Assets	<b>74.20</b>	56.34
Impairment Loss	-	0.87
Depreciation on Investment Property	<b>0.05</b>	0.04
<b>Carried to Statement of Profit and Loss</b>	<b>74.25</b>	57.25
Depreciation Capitalised during the year	<b>0.09</b>	0.07
<b>Total</b>	<b>74.34</b>	<b>57.32</b>

- iv) Includes lease hold building on Railways land for 30 years lease (Gross value Rs. 5.30 crore) for which agreement is yet to be finalised.
- v) Lease hold land includes land at Greater Noida Industrial Development Authority (GNIDA) for construction of proposed Central Inspection Cell (CIC) by the Company (Gross value Rs.0.82 crore). The request for time extension for construction of Building has been submitted to the appropriate authority.
- vi) During the year, the Company has changed its accounting policy relating to charging of depreciation by adopting different life for significant part of assets, based on technical evaluation as per requirement of Schedule II of the Companies Act, 2013. Due to this change, depreciation for the year is higher by Rs. 16.01 crore & PBT is lower by Rs. 16.01 crore.
- vii) During the year, company has changed its accounting policy of amortization of intangible assets based on its useful life to comply with the requirements of Accounting Principles. Due to this change, depreciation for the year is lower by Rs.0.10 crore and PBT is higher by Rs.0.10 crore.

## 11. Intangible asset under development

(Rs. in crore)

Particulars	As at 31st March 2016	As at 31st March 2015
<b>Implementation of SAP</b>		
Opening Balance	<b>15.14</b>	10.72
Additions during the year:	<b>6.26</b>	4.42
<b>Total</b>	<b>21.40</b>	<b>15.14</b>
<b>Break up :-</b>		
1. Implementation of SAP	1.01	5.43
2. Development / Redevelopment of Railway Stations	20.39	9.71

## 12. Capital work-in-progress\*

(Rs. in crore)

Particulars	As at 31st March 2016	As at 31st March 2015
Opening Balance	15.29	22.09
Additions during the year:		
- Work Expenses	127.45	9.43
- Depreciation	0.04	0.02
- Salaries, Wages & Benefits	1.16	0.37
- Cont to PF & Other Funds	0.02	0.02
- Design, Drawing, Business Development & Consultancy Charges	16.23	0.34
- Rent - Non Residential	0.07	0.02
- Rates & Taxes	0.19	4.40
- Vehicle Operation & Maintenance	0.04	0.04
- Power, Electricity & Water Charges	-	0.01
- Insurance	0.16	-
- Travelling Expenses	0.03	0.03
- Printing & Stationery	0.01	-
- Legal & Professional Charges	0.67	-
- Bank & other Financial Charges	0.04	-
- Advertisement & Publicity	0.02	0.01
- Interest Expenses	4.77	0.89
- Misc Operating Exp.	1.24	0.10
Less:-		
Capitalised during the year	1.17	22.48
Recoverable from NHAI	22.98	-
<b>Total</b>	<b>143.28</b>	<b>15.29</b>

*Break-up of Capital Work in progress		
1. Office Buiding at CCM, Gurgaon	12.20	4.82
2. Commercial Complex, Noida Sector - 01	0.04	-
3. Commercial Complex, Noida Sector - 48	0.07	-
4. Commercial Complex, Noida Sector - 125	0.03	-
5. Retail Mall, Noida Sector - 43	0.31	-
6. Work of Fire Fighting & Civil Contrsruction at CIC Noida	-	0.12
7. Camps & carvans at Shivpuri Guna	0.84	-
8. Office Building at Kolkata	0.66	0.26
9. Multi Functional Complexes	-	0.69
10. Bikaner Phalodi Highway Project	45.73	-
11. Shiv Puri Guna Highway Project	6.55	-
12. Railway Corridors (I & III), Chhattisgarh	76.82	9.40
13. Mahanadi Coal Railway Limited	0.02	-
	143.28	15.29

## 13. Non current investments

(Rs. in crore)

	Particulars	Foot Note	As at 31st March 2016		As at 31st March 2015	
			Nos.	Amount (Rs. in Crore)	Nos.	Amount (Rs. in Crore)
<b>A</b>	<b>Investment Property</b>					
	SRO Building at Old Airport Road, Bangalore			3.04		3.04
	Less: - Accumulated depreciation on investment Property			0.09	3.00	0.04
	Leasehold Land at Noida			2.95	260.36	260.36
	<b>Total (A)</b>			<b>263.31</b>		<b>263.36</b>
<b>B</b>	<b>Other Investments (At Cost)</b>					
	<b>Quoted</b>					
	<b>Investment in Bonds</b>					
	8.00% Tax Free Indian Railway Finance Company Limited (IRFC) Bonds of Rs.1,000 each		163,131	16.31	163,131	16.31
	7.21% Tax Free Indian Railway Finance Company Limited (IRFC) Bonds of Rs.10,00,000 each		500	49.96	500	49.96
	Less : Amrotisation of Premium			0.01		
	8.23% Tax Free Indian Railway Finance Company Limited (IRFC) Bonds of Rs.1,000 each		500,000	50.00	500,000	50.00
	8.35% Tax Free Indian Railway Finance Company Limited (IRFC) Bonds of Rs. 10,00,000 each		500	49.91	500	49.92
	Less : Amrotisation of Premium			-	0.01	49.91
	7.15% Tax Free Indian Railway Finance Company Limited (IRFC) Bonds of Rs. 10,00,000 each		250	24.98	-	-
	7.07% Tax Free Indian Railway Finance Company Limited (IRFC) Bonds of Rs.1,000 each		302,000	30.20	-	-
	7.14% NHAI Tax Free Bonds of Rs. 1,000 each		199,989	20.00	-	-
	7.02% NHAI Tax Free Bonds of Rs. 10,00,000 each		500	50.01	-	-
	<b>Total (B)</b>			<b>291.36</b>		<b>166.18</b>
	<b>Total</b>			<b>554.67</b>		<b>429.54</b>

Disclosure regarding Quoted/Unquoted Investments:		Rs. in Crore	Rs. in Crore
Aggregate of Quoted investments	- Book value	291.36	166.18
	- Market value	292.98	175.61

## 14. Deferred tax assets (Net)

(Rs. in crore)

Particulars	As at 1st April 2015	Addition (Deletion) during the year	As at 31st March 2016
	Total	Total	Total
<b>Asset</b>			
Provision for :			
- Maintenance and demobilisation	50.22	(11.18)	<b>39.04</b>
- Foreseeable Loss	4.35	3.32	<b>7.67</b>
- Doubtful debts and advances	41.58	(9.34)	<b>32.24</b>
- Gratuity	23.10	(23.06)	<b>0.04</b>
- Leave Travel Concession	0.04	0.04	<b>0.08</b>
- Legal cases	24.94	2.32	<b>27.26</b>
- Design Guarantee	54.71	(18.04)	<b>36.67</b>
- Other Expenses	19.43	14.62	<b>34.05</b>
Expenses :	-	-	-
- Allowed for tax purpose when paid	47.06	(12.14)	<b>34.92</b>
- Depreciation	2.39	(3.10)	<b>(0.71)</b>
- 3/5th of Preliminary Expenses	0.09	(0.05)	<b>0.04</b>
	<b>267.91</b>	<b>(56.61)</b>	<b>211.30</b>
<b>Liability</b>	-	-	-
	-	-	-
<b>Net Deferred Tax Asset / (Liability)</b>	<b>267.91</b>	<b>(56.61)</b>	<b>211.30</b>
Previous Year	300.69	(32.78)	<b>267.91</b>

Deferred Tax Assets/ Liability has been recognised in books as per AS -22 (Accounting for Taxes on Income) issued by The Institute of Chartered Accountants of India

## 15. Long term loans and advances

(Rs. in crore)

Particulars	Foot Note	As at 31st March 2016		As at 31st March 2015	
<b>A. Secured, considered good</b>					
Staff Loans and Advances			1.55		1.65
Advances to Contractors against material and machinery			28.07	29.62	25.29
<b>B. Unsecured, considered good</b>					
<u>Loans and Advances to Related Parties:</u>					
Joint Ventures	(i)				
- Companhia Dos Caminhos De Ferro Da Beira Sarl (Refer note 35)			-		40.61
- Chattisgarh East West Railway Ltd.			14.43		-
- Chattisgarh East Railway Ltd.			28.86	43.29	22.20
<u>Others Loans and Advances:</u>					
Security Deposits					
- Government Departments			0.60		0.41
- Others			0.46	1.06	0.54
Tax Authorities :					
- Deposit with Income Tax Department against demand			716.69		562.45
- Advance Tax / TDS			(665.31)	51.38	(529.89)
- Less:- Provision for Tax					32.56
- Deposit with Income Tax Department against demand			210.85	262.23	253.77
Recoverable from Govt. of Mozambique			32.25		-
Staff Loans & Advances			0.56		0.73
Deposits with Government Departments			0.05		0.14
Advances to Contractors and Suppliers			226.36		230.18
Prepaid Expenses			1.68		0.26
Others			0.86	261.76	0.97
<b>C. Considered Doubtful</b>					
Loan to Related Parties					
Joint Venture					
- Companhia Dos Caminhos De Ferro Da Beira Sarl (Refer note 35)			-		25.46
Advances to Contractors and Suppliers			-		8.71
			-		34.17
Less :- Provision for doubtful advances			-	-	34.17
<b>Total</b>			<b>597.96</b>		<b>609.31</b>

Foot Notes:-

- (i) Loans are interest bearing and is for capital expenditure/meeting arbitration expenses and are repayable over a period of 2 to 10 years.
- (ii) Debts due by directors, other officers of the company, firms in which any director is a partner or private company in which any director is a member except joint ventures and Subsidiaries are Nil (Rs. Nil)

## 16. Other non current assets

(Rs. in crore)

Particulars	As at 31st March 2016		As at 31st March 2015	
<b>A. Long Term Trade Receivables</b>				
Unsecured, considered good				
- Retention Money with client	<b>0.36</b>		27.43	
- Money Withheld by Client	<b>2.44</b>	<b>2.80</b>	22.62	50.05
<b>B. Others</b>				
i) Secured, considered good				
Interest Accrued on :				
- Advances to staff		<b>0.90</b>		0.87
ii) Unsecured, considered good				
Fixed Deposits more than 12 months		<b>17.71</b>		0.41
{{refer foot note (i)}}				
Interest Accrued on :				
- Advances to staff	<b>0.27</b>		0.33	
- Advances to Contractors, Suppliers & others	<b>20.77</b>		14.50	
Joint Venture				
- Chattisgarh East Railway Limited	<b>3.72</b>		0.45	
- Chattisgarh East West Railway Limited	<b>0.29</b>	<b>25.05</b>	-	15.28
iii) Considered Doubtful				
Interest Accrued on :				
Joint Venture				
- Companhia Dos Caminhos De Ferro Da Beira Sarl	-		0.19	
Advances to Contractors, Suppliers & Others	-		0.40	
	-		0.59	
Less: Provision for doubtful	-	-	0.59	-
<b>Total</b>		<b>46.46</b>		<b>66.61</b>

### Foot Notes:-

- (i) a) Includes FDRs under Lien for **Rs. 0.41 crore** (Rs. 0.41 crore)  
b) Includes FDRs **Rs. 17.30 crore** ( i.e. 50% share of Term Deposit of Rs. 34.60 crore) maintained as Debt Service Reserve Account (DSRA) with lending bank towards one quarter principal & three months interest obligation of Loan taken by Ircan Soma Tollway Pvt. Ltd. (ISTPL).
- (ii) Debts due by directors, other officers of the company, firms in which any director is a partner or private company in which any director is a member except joint ventures and Subsidiaries are Nil (Rs. Nil)

## 17. Current investments

Particulars	As at 31st March 2016		As at 31st March 2015	
	Nos.	Amount (Rs. in Crore)	Nos.	Amount (Rs. in Crore)
<b>A Non Trade Investments</b>				
<b>Quoted</b>				
<b>Investment in Mutual Fund</b>				
UTI Mutual Fund - Daily Dividend Plan	<b>36,454</b>	<b>3.72</b>	106,836	10.89
SBI Premier Liquid Fund - Daily Dividend Plan	<b>1,283,478</b>	<b>128.27</b>	300,718	30.17
SBI Debt Fund Series - A -14		-	25,000,000	25.00
<b>Total</b>		<b>131.99</b>		<b>66.06</b>

Disclosure regarding Quoted Investments:		Rs. in Crore	Rs. in Crore
Aggregate of Quoted investments	- Book value	131.99	66.06
	- Market value	132.48	68.39

## 18. Inventories

(Rs. in crore)

Particulars	As at 31st March 2016	As at 31st March 2015
a. Material and stores		
- In Hand	96.36	42.54
- With Third Parties	1.78	25.81
- In Transit	-	0.11
	98.14	68.46
b. Construction work-in-progress at cost	50.87	55.88
<b>Total</b>	<b>149.01</b>	<b>124.34</b>

## 19. Trade receivables

(Rs. in crore)

Particulars	As at 31st March 2016	As at 31st March 2015
<b>Unsecured :</b>		
<b>Outstanding for a period exceeding six months from the date they were due for payment</b>		
- Considered good	51.03	70.20
- Considered doubtful & provided for	16.08	16.25
	67.11	86.45
<b>Outstanding for a period not exceeding six months from the date they were due for payment</b>		
- <b>Trade receivables</b>	451.55	415.73
- Considered good	-	-
- Considered doubtful & provided for	451.55	415.73
- <b>Retention Money with client</b>		
- Considered good	60.42	62.58
- Considered doubtful & provided for	8.07	9.88
	68.49	72.46
- <b>Money Withheld by client</b>	119.13	48.18
- Considered good	5.99	4.50
- Considered doubtful & provided for	712.27	627.32
Less: Provision for doubtful debts	30.14	30.63
<b>Total</b>	<b>682.13</b>	<b>596.69</b>

### Foot Notes:-

- (i) Debts due by directors, other officers of the company, firms in which any director is a partner or private company in which any director is a member except joint ventures and Subsidiaries are Rs. Nil (Rs. Nil)

(ii) Includes amount due from Related Parties :

(Rs. in crore)

Particulars	Balance at the end of year	
	31.03.2016	31.03.2015
Outstanding for a period exceeding six months from the date they were due for payment		
- Trade receivables		
Chattisgarh East Railway Limited	<b>48.70</b>	3.28
Chattisgarh East West Railway Limited	<b>2.87</b>	0.30
<b>Total</b>	<b>51.57</b>	<b>3.58</b>

## 20. Cash & Bank balances

(Rs. in crore)

Particulars		Foot Note	As at 31st March 2016		As at 31st March 2015	
	<b>Cash and cash equivalents</b>					
a)	Cash In hand	(i)	<b>0.63</b>			0.60
b)	Cheques / drafts in hand		<b>4.96</b>			0.21
c)	Balances with banks :					
	- In Current accounts	(ii)	<b>112.18</b>		227.98	
	- In Flexi accounts	(iii)	<b>205.28</b>		177.04	
	- In Fixed deposits (with a maturity period of less than 3 months)	(iii)	<b>2,283.45</b>	<b>2,600.91</b>	<b>946.12</b>	1351.14
d)	Remittance in Transit			-		15.00
	<b>Other bank balances</b>					
	- In Fixed deposits (with a maturity period of more than 3 months and upto 12 months)	(iii)	<b>2,133.05</b>			2065.74
	<b>Total</b>		<b>4,739.55</b>		<b>3,432.69</b>	

### Foot Notes :-

- i) Cash in hand includes cash imprest **Rs. 0.01 crore** ( Rs. 0.01 crore)
- ii) a) Includes balances under Escrow Account **Rs. 38.42 Cr.**, opened as per concession agreement with NHA for BoT Project.  
b) Includes margin money **Rs. 2.00 Cr.** against L/C and BG issued in favour of Customs Department of Bangladesh.
- iii) Includes Clients Fund on which interest is passed on to them:

(Rs. in crore)

Particulars	Balance at the end of year	
	31.03.2016	31.03.2015
In Flexi accounts	<b>166.19</b>	100.44
In Fixed deposits (with a maturity period of less than 3 months)	<b>1,275.18</b>	624.86
In Fixed deposits (with a maturity period of more than 3 months and upto 12 months)	<b>56.18</b>	54.82
<b>Total</b>	<b>1,497.55</b>	<b>780.12</b>



## 21. Short term loans and advances

(Rs. in crore)

Particulars	Foot Note	As at 31st March 2016		As at 31st March 2015	
<b>A. Secured, considered good</b>					
Staff Loans and Advances		0.62		0.66	
Advances to Contractors against material and machinery		21.95	22.57	9.15	9.81
<b>B. Unsecured, considered good</b>					
<u>Loans and Advances to Related Parties:</u>					
<u>Loans</u>					
Joint Ventures (Refer note 40)	(i)	-		9.06	
- Ircon - Afcon JV					
Other Recoverables					
Joint Ventures (Refer note 40)	(ii)	4.82	4.82	5.96	15.02
<u>Others Loans and Advances:</u>					
<u>Security Deposits</u>					
- Government Departments		11.82		6.22	
- Others		1.45	13.27	1.36	7.58
<u>Tax Authorities :</u>					
- Sales Tax (including TDS)		224.96		204.06	
Less :- Deposited under protest		(203.45)	21.51	(184.31)	19.75
- Value Added Tax		146.54		115.66	
- Service Tax input credit		0.37	168.42	0.10	135.51
Recoverable from Govt. of Mozambique		71.20		105.01	
Recoverable from Govt. of NHAH		25.74		2.15	
CFM		4.29		4.52	
Inter Corporate Deposits		2.85		2.85	
Staff Loans and Advances		1.21		1.82	
Advances to Contractors and Suppliers		170.09		125.99	
Earnest Money Deposit		0.39		0.55	
Prepaid Expenses		4.35		5.20	
Others		26.11	306.23	12.50	260.59
<b>C. Considered Doubtful</b>					
Staff Loans & Advances		0.01		-	
Advances to Contractors and Suppliers		9.73		9.87	
Deposits with Government Departments		1.73		2.38	
Sales Tax (including TDS)		34.97		35.31	
Value Added Tax		7.18		7.18	
Advance Tax / TDS		0.10			
Others		9.29		0.01	
		63.01		54.75	
Less:- Provision for doubtful advances		63.01	-	54.75	-
<b>Total</b>			<b>515.31</b>		<b>428.51</b>

### Foot Notes :-

- (i) Loan is interest bearing and is for working capital requirements.  
(ii) Includes Amount recoverable from Joint Ventures: -

(Rs. in crore)

Particulars	As at 31st March 2016	As at 31st March 2015
(a) CCFB	-	0.59
(b) IRCON - AFCON JV	<b>0.32</b>	0.80
(c) IMCC	-	0.15
(d) ISTPL	<b>3.61</b>	3.58
(e) RICON - CETA SARL	<b>0.89</b>	0.84
	<b>4.82</b>	<b>5.96</b>

(iii) Debts due by officers of the company, firms in which any director is a partner or private company in which any director is a member except joint ventures and Subsidiaries are Rs. Nil (Rs. Nil)

(iv) Details of amount due from Directors:

(Rs. in crore)

Particulars	As at 31st March 2016	As at 31st March 2015
Amount due from directors included in staff loans and advances	-	-
	-	-

## 22. Other current assets

(Rs. in crore)

Particulars	Foot Note	As at 31st March 2016	As at 31st March 2015
<b>A) Interest Accrued on:</b>			
Staff loans and advances (secured)		<b>0.17</b>	0.15
Bonds		<b>12.65</b>	14.21
Staff loans and advances (unsecured)		<b>0.15</b>	0.13
Loan to			
- Indian Railway Welfare Organisation		-	0.20
- IRCON AFCON JV		-	0.12
Deposits & Advances with:			
- Contractors, Suppliers & Others		<b>29.15</b>	17.62
- Deposit with banks		<b>92.38</b>	82.84
<b>B) Construction Work in Progress (At realisable value)</b>		<b>35.03</b>	126.06
<b>C) Billable Revenue</b>	(i)	<b>282.35</b>	405.32
<b>D) Assets held for disposal</b>	(ii)	<b>1.46</b>	1.73
<b>Total</b>		<b>453.34</b>	<b>648.38</b>

### Foot Notes :-

- (i) (a) Includes Value of work amounting to **Rs. 12.49 crore** (Rs. 196.08 crore) certified by client, but not billed by reporting date.  
 (b) Includes **Rs. 6.95 crore** (Rs. 12.22 crore) from Chattisgarh East Railway Limited , a Joint Venture Company.  
 (c) Includes **Rs. 25.47 crore** (Rs. 36.76 crore) from Chattisgarh East West Railway Limited , a Joint Venture Company.

(ii) Fixed assets beyond economic repair and/or held for disposal (at lower of the realizable value and book value): -

Block of assets	As at 31st March 2016		As at 31st March 2015	
	Gross Block	Net Block	Gross Block	Net Block
Plant and Machinery	12.40	1.18	17.16	1.45
Freehold Buidling - Residential	0.38	0.28	0.38	0.28
<b>Total</b>	<b>12.78</b>	<b>1.46</b>	<b>17.54</b>	<b>1.73</b>

(iii) Debts due by officers of the company, firms in which any director is a partner or private company in which any director is a member except JVs and Subsidiaries are Rs. Nil (Rs. Nil).

Details of amount due from Directors:

(Rs. in crore)

Particulars	As at 31st March 2016	As at 31st March 2015
Amount due from directors included in interest accrued on staff loans and advances	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

## 23. Revenue from operations

(Rs. in crore)

Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
Contract Revenue	<b>2,323.07</b>	2,899.95
MFC Leasing	<b>14.75</b>	8.09
Loco lease	<b>34.19</b>	42.77
Machinery hire charges	<b>7.90</b>	1.31
Tollways	<b>78.61</b>	77.67
Other Operating Receipts	<b>15.50</b>	17.09
Prior Period Contract Revenue (Refer Note 29)	<b>(1.76)</b>	(9.24)
<b>Total</b>	<b>2,472.26</b>	<b>3,037.64</b>

## 24. Other Income

(Rs. in crore)

Particulars	For the year ended 31st March 2016		For the year ended 31st March 2015	
Interest on Tax Free Bonds		15.62		16.02
Bank Interest Gross	251.10		223.96	
Less:- Interest passed to clients	60.83	190.27	36.23	187.73
Interest on refund of income-tax		2.76		3.42
Interest on staff advances		0.28		0.33
Interest on loan to Related Parties				
- CCFB	25.26		-	
- CERL	4.92		0.67	
- CEWRL	0.43		-	
- IRCON AFCON JV	0.39	31.00	0.14	0.81
Interest on other advances		5.26		8.57
Interest on Fixed Maturity Plan		0.06		6.81
Exchange Fluctuation Gain	128.10		45.05	
Less:- Exchange Fluctuation Loss	36.41	91.69	24.32	20.73
Dividend Income		5.05		3.21
Profit on sale of assets		0.90		2.02
Miscellaneous		24.12		17.34
Provision written-off for Loan & Equity - CCFB		25.65		-
Grant from NHA during operation		21.17		-
Prior Period Other Income (Refer Note 29)		23.43		0.34
<b>Total</b>		<b>437.26</b>		<b>267.33</b>

## 25. Operating expenses and administrative expenses

(Rs. in crore)

Particulars	Foot Note	Operating expenses		Administrative expenses	
		For the year ended	For the year ended	For the year ended	For the year ended
		31st March 2016	31st March 2015	31st March 2016	31st March 2015
Materials and Stores consumed:					
Opening balance		68.35	39.32	-	-
Add: Purchases during the year		389.59	223.77	-	-
		457.94	263.09	-	-
Less: Closing Balance		98.14	68.35	-	-
		<b>359.80</b>	194.74	-	-
Work expenses		1,504.68	1,812.54	-	-
(Increase) / Decrease in WIP		5.01	28.66	-	-
Design, Drawing, Business Development, Agency and Consultancy Charges		29.98	24.94	-	-

Particulars	Foot Note	Operating expenses		Administrative expenses	
		For the year ended	For the year ended	For the year ended	For the year ended
		31st March 2016	31st March 2015	31st March 2016	31st March 2015
Inspection, Geo Technical Investigation and Survey expenses etc.		5.12	1.87	-	-
Repairs and maintenance of machinery		14.73	27.67	-	-
Hire charges of machinery		3.48	7.44	-	-
Net exchange fluctuation loss				-	-
Rent - Non-residential {Refer note 37 (I)(b)}		5.00	3.83	0.30	0.38
Rates and taxes		31.18	19.13	0.64	2.16
Vehicle operation and maintenance		8.89	9.70	1.21	0.91
Repairs and maintenance					
- Carriage Way		54.89	7.22		
- Building		0.12	0.13	0.55	0.42
- Office and Others		2.60	3.52	2.74	2.81
Power, electricity and water charges		3.54	4.73	1.61	1.55
Insurance		6.61	7.29	0.03	0.14
Travelling and conveyance		9.30	8.95	2.70	2.64
Printing and stationery		1.33	1.65	0.44	0.55
Postage, telephone and telex		1.85	2.43	0.51	0.45
Legal and Professional charges		4.89	7.27	3.28	2.54
Security services		4.11	4.39	0.24	0.14
Business promotion		0.84	0.98	0.20	0.16
Write-off of :					
- Bad debts		0.33	2.37	-	-
- Bad advances		0.59	0.97	-	-
- Assets		0.02	-	-	-
Loss on sale of Assets/Stores		-	-	1.89	3.43
Amortization of premium paid on Investments		-	-	0.01	0.01
Director sitting fee		-	-	-	0.02
Donation		-	-	0.01	0.05
Auditors remuneration	(i)	-	-	0.61	0.49
Advertisement and publicity		-	-	3.77	3.51
Training and Recruitment		-	-	0.53	0.60
Preliminary Expenses Written off		-	-	1.38	1.58
Corporate social responsibility (Refer Note 49)		-	-	6.25	6.70
Miscellaneous expenses		4.81	9.04	1.14	1.73
Prior Period Expenses (Refer Note 29)		(3.55)	0.27	0.47	0.72
Provisions (Addition - Write Back) (Refer Note 28)		42.66	(13.22)	-	-
Provisions / Reserves Utilised (Refer Note 28)		(114.75)	(56.51)	-	-
<b>Total</b>		<b>1,988.06</b>	<b>2,122.00</b>	<b>30.51</b>	<b>33.69</b>

**Foot Notes :-**

(Rs. in crore)

(i)	<b>Payment to Statutory Auditors:</b>	<b>2015-16</b>	2014-15
	(I) Audit Fee - current year	<b>0.38</b>	0.28
	(ii) Tax Audit Fees - current year	<b>0.10</b>	0.07
	(iii) Certification Fees	<b>0.04</b>	0.02
	(iv) Reimbursement of Expenses:		
	- Local	<b>0.08</b>	0.09
	- Foreign	<b>0.01</b>	0.03
	<b>Total</b>	<b>0.61</b>	<b>0.49</b>

## 26. Employee benefits expenses

(Rs. in crore)

Particulars	Foot Note	For the year ended 31st March 2016			For the year ended 31st March 2015		
		Operating	Administrative	Total	Operating	Administrative	Total
Salaries, wages and bonus {Refer note 38(I)(a)}	(i)	<b>108.83</b>	<b>37.56</b>	<b>146.39</b>	123.93	39.77	163.70
Contribution to provident and other funds		<b>6.67</b>	<b>3.76</b>	<b>10.43</b>	6.69	3.40	10.09
Foreign service contribution		<b>0.40</b>	<b>0.20</b>	<b>0.60</b>	0.48	0.30	0.78
Retirement benefits		<b>13.04</b>	<b>8.42</b>	<b>21.46</b>	11.69	10.09	21.78
Staff welfare		<b>1.50</b>	<b>0.48</b>	<b>1.98</b>	1.89	0.48	2.37
<b>Total</b>		<b>130.44</b>	<b>50.42</b>	<b>180.86</b>	<b>144.68</b>	<b>54.04</b>	<b>198.72</b>

**Foot Notes:-**

 (i) Includes income-tax on non-monetary perks **Rs. 0.33 Crore** ( Rs. 0.33 Crore).

## 27. Finance Cost

(Rs. in crore)

Particulars	Foot Note	For the year ended 31st March 2016	For the year ended 31st March 2015
Interest Expenses	(i)	<b>24.02</b>	23.40
Other Borrowing Cost - Bank guarantee & other bank charges		<b>9.30</b>	9.39
<b>Total</b>		<b>33.32</b>	<b>32.79</b>

**Foot Notes:-**

 (i) (a) Includes interest on income-tax **Rs. 7.58 crore** (Rs. NIL Cr.).

 (b) Includes interest on Service tax **Rs. 0.06 crore** (Rs. NIL Cr.).

## 28. Provisions (Net)

(Rs. in crore)

Particulars	Balance as on 1-4-2015			During the year 2015-16					Balance as on 31-03-2016		
	Long Term	Short Term	Total	Additions	Written Back	Utilisation	Exchange Gain	Exchange Loss	Long Term	Short Term	Total
<b>A Employees Related</b>											
<b>(i) Retirement Benefits</b>											
Gratuity	61.81	4.52	66.33	2.23	-	68.53	-	-	0.03	0.00	<b>0.03</b>
Leave Salary	76.30	6.94	83.24	7.69	0.35	7.48	-	0.08	73.15	10.03	<b>83.18</b>
Settlement allowances on retirement	1.20	0.08	1.28	0.09	-	0.03	-	-	1.21	0.13	<b>1.34</b>
Post Retirement Medical Benefits	1.36	5.97	7.33	2.84	-	5.97	-	-	0.82	3.38	<b>4.20</b>
Pension	-	26.18	26.18	3.37	1.57	27.98	-	-	-	-	<b>0.00</b>
Total of Retirement Benefits (i)	140.67	43.69	184.36	16.22	1.92	109.99	-	0.08	75.21	13.54	<b>88.75</b>
<b>(ii) Others</b>											
Performance Related Pay	-	18.82	18.82	5.68	4.25	7.95	-	-	-	12.30	<b>12.30</b>
Leave Travel Concession	0.12	0.01	0.13	0.31	-	0.21	-	-	0.20	0.03	<b>0.23</b>
Total of Other Benefits (ii)	0.12	18.83	18.95	5.99	4.25	8.16	-	-	0.20	12.33	<b>12.53</b>
<b>Total Employee Related Provisions (i+ii)</b>	<b>140.79</b>	<b>62.52</b>	<b>203.31</b>	<b>22.21</b>	<b>6.17</b>	<b>118.15</b>	<b>-</b>	<b>0.08</b>	<b>75.41</b>	<b>25.87</b>	<b>101.28</b>
<b>B Others</b>											
Demobilisation	7.89	40.59	48.48	3.32	17.49	8.58	2.11	0.04	0.54	23.12	<b>23.66</b>
Maintenance	164.79	37.01	201.80	44.07	23.53	80.84	3.12	0.93	69.62	69.69	<b>139.31</b>
Foreseeable Loss	-	12.56	12.56	12.00	-	2.39	-	-	-	22.17	<b>22.17</b>
Design Guarantee	105.36	52.72	158.08	-	49.95	-	2.17	-	60.17	45.79	<b>105.96</b>
Doubtful debts	-	16.25	16.25	0.50	0.34	0.33	-	-	-	16.08	<b>16.08</b>
Doubtful advances	34.76	69.13	103.89	0.61	26.71	0.73	-	0.01	-	77.07	<b>77.07</b>
Diminution in value of Investment	-	-	-	-	-	-	-	-	-	-	<b>-</b>
Liabilities(Legal cases)	-	72.05	72.05	6.78	-	0.07	-	-	-	78.76	<b>78.76</b>
Other expenses	0.59	49.68	50.27	68.31	0.56	21.81	-	0.20	-	96.41	<b>96.41</b>
Income-tax	-	913.86	913.86	146.98	0.39	97.92	0.01	0.21	-	962.73	<b>962.73</b>
Dividend (Interim and Proposed)	-	102.93	102.93	168.27	-	182.11	-	-	-	89.09	<b>89.09</b>
Tax on Dividend (Interim and Proposed)	-	20.96	20.96	34.25	-	37.08	-	-	-	18.13	<b>18.13</b>
<b>Total Other Provisions (B)</b>	<b>313.39</b>	<b>1,387.74</b>	<b>1,701.13</b>	<b>485.09</b>	<b>118.97</b>	<b>431.86</b>	<b>7.41</b>	<b>1.39</b>	<b>130.33</b>	<b>1,499.04</b>	<b>1,629.37</b>
<b>GRAND TOTAL (C = A+B)</b>	<b>454.18</b>	<b>1,450.26</b>	<b>1,904.44</b>	<b>507.30</b>	<b>125.14</b>	<b>550.01</b>	<b>7.41</b>	<b>1.47</b>	<b>205.74</b>	<b>1,524.91</b>	<b>1,730.65</b>
<b>D Less:- Considered Separately</b>											
Doubtful debts considered in Note 19	-	16.25	16.25						-	16.08	<b>16.08</b>
Doubtful advances considered in Note 19		14.38	14.38							14.06	<b>14.06</b>
Doubtful advances considered in Note 15,16 & 21	34.76	54.75	89.51						-	63.01	<b>63.01</b>
Retirement Benefits considered in Note 26				16.22	1.92	109.99					
PRP & LTC included in Salaries, Wages and Benefits				5.99	4.25	8.16					
Write back of Loan in CCFB considered in Note 24					25.65						

Particulars	Balance as on 1-4-2015			During the year 2015-16					Balance as on 31-03-2016		
	Long Term	Short Term	Total	Additions	Written Back	Utilisation	Exchange Gain	Exchange Loss	Long Term	Short Term	Total
Income-tax adjusted / considered separately				146.98	0.39	97.92					
Dividend paid / considered separately				168.27	-	182.11					
Corporate-tax on Dividend paid / considered separately				34.25	-	37.08					
<b>Total (D)</b>	<b>34.76</b>	<b>85.38</b>	<b>120.14</b>	<b>371.71</b>	<b>32.21</b>	<b>435.26</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>93.15</b>	<b>93.15</b>
Net: Current Year (C - D)	419.42	1,364.88	1,784.30	135.59	92.93	114.75	7.41	1.47	205.74	1,431.76	1,637.50
Previous Year	407.15	1,366.08	1,786.53	111.84	138.28	56.51	21.84	3.37	351.03	1,352.99	1,773.23

**NOTE:**

Net Provisions (Additions/Write Back) considered in Note 25

42.66

Provisions Utilized considered in Note 25

114.75

Retirement Benefits provisions considered in Note 26

(95.69)

Performance Related Pay & LTC considered in Note 26 in Salary and Wages

(6.42)

## 29. Prior Period Adjustments

(Rs. in crore)

Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
<b>PRIOR PERIOD ITEMS:</b>		
<b>Income:</b>		
Revenue from Operation	(1.76)	(9.24)
Interest income on deposits/ loans	19.20	0.03
Miscellaneous	4.23	0.31
	<b>21.67</b>	<b>(8.90)</b>
<b>Expenses:</b>		
Work expenses	(3.55)	0.27
Administrative expenses	-	0.55
Others	0.47	0.17
	<b>(3.08)</b>	<b>0.99</b>
<b>TOTAL</b>	<b>24.75</b>	<b>(9.89)</b>



30. a) The consolidated financial statements are prepared in accordance with the requirement of section-129(3) of the Companies Act, 2013 and rules made thereunder as applicable from the financial year starting from 1<sup>st</sup> April, 2015. Accordingly, the company (also referred to as holding company), its subsidiaries and joint ventures (jointly referred to as the 'Group') considered in the consolidated financial statements are as follows:

Name of Subsidiary/Joint Ventures	Country of Origin	% age Share	
		31.03.2016	31.03.2015
<b>Subsidiaries;</b>			
1. Ircon Infrastructure and Services Limited. (IISL)	India	100.00%	100.00%
2. Indian Railway Station Development Corporation Limited. (IRSDC)	India	51.00%	51.00%
3. Ircon PB Tollway Limited. (IPBTL)	India	100.00%	100.00%
4. Ircon shivpuri Guna Tollway Limited. (ISGTL)	India	100.00%	-
<b>Joint Ventures;</b>			
1. RICON	India	49.00%	49.00%
2. Companhia Dos Caminhos De Ferro Da Beira SARL (CCFB)	Mozambique	25.00%	25.00%
3. Ircon-Soma Tollway Private Limited (ISTPL)	India	50.00%	50.00%
4. International Metro Civil Contractor (IMCC)	India	9.50%	9.50%
5. Metro Tunnelling Group (MTG)	India	9.50%	9.50%
6. Ircon-SPSCL	India	50.00%	50.00%
7. Ircon-Afcons JV	India	53.00%	53.00%
8. Chattisgarh East Railway Limited (CERL)	India	26.00%	26.00%
9. Chattisgarh East-West Railway Limited (CEWRL)	India	26.00%	26.00%
10. Mahanadi Coal Rail Limited (MCRL)	India	26.00%	26.00%
11. Jharkhand Central Railway Limited (JCRL)	India	26.00%	-

- b) The financial statements of the entities used for the purpose of consolidation have the same reporting date as that of the Company except the reporting period of Joint-Venture Company, Companhia Dos Caminhos De Ferro Da Beira SARL which follows the calendar year. There is no material transaction from 1<sup>st</sup> January 2016 to 31<sup>st</sup> March 2016 in this joint venture.
- c) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Holding Company's separate financial statements. The differences in accounting policies, if any, of the Holding Company and its joint ventures are not material.
- d) The financial statements of the entities used for the purpose of consolidation have the same reporting date as that of the Company except the reporting period of Joint-Venture Company, Companhia Dos Caminhos De Ferro Da Beira SARL which follows the calendar year. There is no material transaction from 1<sup>st</sup> January 2016 to 31<sup>st</sup> March 2016 in this joint venture.
- e) In respect of Joint Ventures:

against the Group do materialise, claims for **Rs 710.57 crore** (Rs 748.02 crore) will be reimbursable from the clients. Interest on claims is not considered, being unascertainable.

- b) There are some cases relating to employees/others are pending in the Courts against the Company in respect of which the liability is not ascertainable.

- c) Direct tax disputed demands under appeal amounting to **Rs 261.16 crore** (Rs 132.66 crore) of which 'NIL' (NIL) are reimbursable from the clients.

- d) Indirect tax disputed demands under appeal **Rs. 229.95 crore** (Rs 186.06 crore) of which Rs 139.27 crore (Rs 114.16 crore) are reimbursable from the clients.

- e) **In respect of Joint Ventures:**

- I. Undertaking to Punjab National Bank against term loan given to Joint Venture Company, Ircon-Soma Tollway Private Limited, to make good 50% of any shortfall in the dues, if any, in the event of termination of the concession agreement. Maximum obligation of the company in this respect could be **Rs.113.58 crore** (Rs. 162.60 crore).

## 31. Contingent Liabilities:

- a) Claims against the Group not acknowledged as debt Rs 1218.37 crore net of provision of Rs 111.39 crore (Rs.1279.09 crore net of provision of Rs 46.69 crore). Against this the Group has counter claims of **Rs. 842.20 crore** (Rs 821.69 crore). In case claims

- II. Indemnity bond for International Metro Civil Contractor of **Rs. 1.24 crore** (Rs 1.24 crore).
  - III. Sales-tax liability of International Metro Civil Contractor of **Rs. 4.25 crore** (Rs 4.25 crore) and Service Tax **Rs 1.01 crore** (Rs 2.02 crore).
  - IV. Corporate guarantee to Central Excise in case of Metro Tunnelling Group of **Rs 1.54 crore** (Rs 1.54 crore).
  - V. Bank guarantee in case of Ircon-RCS-PFLEIDERER of **Rs.1.40 crore** (Rs 1.40 crore).
  - VI. Income Tax liability in the case of International Metro Civil Contractor of Rs NIL crore (Rs. 5.29 crore) and in case of Metro Tunnelling Group of **Rs 1.05 crore** (Rs 0.88 crore).
  - VII. Recovery suit against the International Metro Civil Contractor by M/s Sai Engineers is **Rs. 0.02 crore** (Rs. 0.02 crore).
  - VIII. Bank Guarantee in case of Ircon-Afcon JV for **Rs 56.60 crore** (Rs. 51.34 crore) for Bhairab Railway Bridge Project, Bangladesh.
- f) Pending disposal of application for extension of time by clients, Group is contingently liable to pay liquidated damages to the extent of **Rs 9.27 crore** (Rs 56.70 crore) to the clients.

## 32. Commitments:

- a) Estimated amount of contracts remaining to be executed on capital account (net of advances) is **Rs. 134.98 crore** (Rs. 91.03 crore).

### b) Other Commitments:

Commitments for fund/providing guarantee to/on behalf of subsidiaries/ joint ventures:

- i) Counter guarantee to Indian overseas bank & Indusind bank for issuance of bank guarantee to subsidiary companies, Ircon Infrastructure & Services Ltd.(Ircon ISL), Ircon PB Tollway Ltd.(Ircon PBT) & Ircon Shivpuri Guna Tollway Ltd. (Ircon SGTL) amounting to Rs 150.00 crore (Rs 10.00 crore). Out of the total limit of Rs. 150 crore, Indian overseas bank & Indusind bank has issued bank guarantees to the extent of Rs.41.52 crore & Rs.41.15 crore respectively. Therefore, the balance limit for issuance of bank guarantees is **Rs. 67.33 crore** (Rs. 10 crore).

- ii) Counter guarantee to State bank of India for issuance of letter of credit to Joint venture, Ircon Afcons JV, amounting to **Rs 33.40 crore** (Rs 38.66 crore).

- iii) An undertaking to Punjab National Bank for non-disposal of 21% of present holding of the company (1,34,12,700 shares of Rs 10 each) in Joint Venture Company, Ircon-Soma Tollway Private Limited, amounting to **Rs 13.41 crore** (Rs 13.41 crore).

33. The Holding Company is liable to pay Rs 7.96 Crore (Rs 76.28 Crore) on account of taxes on Srilanka projects which shall be directly reimbursed by Sri Lankan Railway to Sri Lankan Inland Revenue Department. Therefore, the same has not been provided in the books of accounts.

34. (a) Since assessment year 2000-01, the Holding Company has been claiming deduction under Section-80 IA of the Income Tax Act, 1961 in income tax returns, w.r.t. eligible infrastructure construction projects till date.

The Holding Company has filed appeal to ITAT on disallowance by CIT (A) for the said deduction for all assessment years except assessment years 2004-05, 2005-06 and 2007-08 for which the Income Tax department has filed appeal against allowance of deduction by CIT(A).

Accordingly, the Holding Company has made provision for tax without considering the deduction under Section 80-IA since AY 2000-01. Total amount of deduction under section 80IA is **Rs. 1016.32 crore** (Rs. 925.63 crore) having tax impact of Rs. 406.39 crore (Rs 315.70 crore).

- (b) The Holding Company is offering global income, for tax in India after excluding the income earned by its permanent establishments in foreign countries having Double Taxation Avoidance Agreements (DTAA) with India, as per settled legal position that such income can be taxed by source country and is not taxable in India. However, CIT (A) denied the treatment of excluding such foreign income and only gave credit for taxes paid out of India for the AY 2006-07, 2008-09 and 2009-10.

Jurisdictional Assessing Officer has also started making the assessment in a similar manner from

the AY 2010-11 onwards. The Holding Company has filed an appeal to Income Tax Appellate Tribunal for all the assessment year under dispute.

Accordingly, the Holding Company has made a provision of Rs. 185.36 crore in FY 2012-13 for the AY 2006-07 to AY 2013-14 and Rs. 229.71 for the AY 2013-14 to AY 2015-16 in the respective years.

35. (a) The Holding Company has 25% equity stake in CCFB, a Joint Venture Company incorporated as per Mozambican laws in the year 2004 to execute a railway project awarded by the Government of Mozambique (GOM) on BOT basis and has paid USD 1.25 Mn. Other shareholders are RITES & CFM, Mozambique with 26% & 49% share respectively. The Holding company extended a shareholder loan of Rs. 93.43 crore (equivalent to US\$ 21.124 million) inclusive of interest accrued which was converted to principal as per agreement, out of which Holding company received repayment of part loan amounting to Rs. 4.42 crore (equivalent to US\$ 0.999 million) on 28.02.2013.
- (b) Although the project was complete, the GOM has terminated the concession on 9th November, 2011 and taken over the project on 8th December, 2011. CCFB had initiated arbitration proceedings against Government of Mozambique under ICC Rules and filed request for Arbitration with International Court of Arbitration in May, 2013.
- (c) In view of the arbitration proceedings initiated and consequent uncertainties, the management considered it prudent not to recognize interest income. Further, management considered it prudent not to recognize any exchange differences in respect of the amounts due from CCFB in foreign currency towards loans, interest accrued, debts, etc. These along with provision for doubtful debts were stated at exchange rate on 31<sup>st</sup> March 2011 resulting non-recognition of exchange gain upto 31<sup>st</sup> March, 2015 of **Rs 25.74 crore** (upto previous year ended on 31<sup>st</sup> March, 2014 Rs. 20.15 crore).
- (d) Holding Company further entered into a loan agreement with CCFB Mozambique on 15th January, 2015 for providing financial assistance to enable CCFB to meet arbitration expenses. A sum of Rs. 12.83 crore (equivalent to US\$ 1.947 million) extended as loan from time to time till 31<sup>st</sup> March, 2016 (previous year Rs. 7.12 crore equivalent to US\$ 1.142 million).
- (e) A settlement agreement was signed with Government of Mozambique on 21.10.2015. As per the settlement agreement, IRCON will get in installments an amount of USD 40.31 Million (including USD 4 Mn against IRCON's claims as a contractor). First installment of USD 17.93 Mn (equivalent to INR 121.71 Crore) for Ircon's share has been received on 20.1.2016. Balance four installments of USD 5.595 Mn each are due on 18.10.2016, 18.10.2017, 18.10.2018 & 18.10.2019. GoM have opened the confirmed Letter of Credit against balance due payment after 31.03.2016 (Confirmation received on 31.05.2016). The aforesaid payments are towards equity contribution by the Holding company, shareholder loans, interest accrued up to the date of settlement agreement, dues towards management and other services/charges. In addition to this, reimbursement of arbitration expenses will be made subject to actual as per agreement within overall ceiling of US\$ 5 million to strategic shareholders i.e. RITES Ltd. and Ircon International Ltd.
- (f) In view of receipt of upfront payment and establishment of Letter of Credit after reporting date, dues towards fees, loans, interest, etc. have now become certain to be realized. Accordingly, Interest on shareholder loans up to the date of settlement agreement, unrecognized fee and exchange variation as per AS-11 have been recognized during the year and Provision for doubtful loans amounting to Rs. 25.65 crore and Provision for impairment of Equity amounting to Rs. 5.53 crore made in earlier years have been written back during the year. The entire balance amount of shareholders loan {USD 12.435 Mn (Equivalent to INR 81.97 Crore shown in Note 15 & 21)} has been transferred from loan account to amount recoverable from Govt. of Mozambique. Holding Company will also transfer its shareholding in CCFB to GoM or their nominated agency. Accordingly, investment in equity is still shown as a part of investment in CCFB in the Holding company's financial statements.
36. (a) Some of the balances shown under debtors, advances and creditors are subject to confirmation / reconciliation/ adjustment, if any. The Group has

been sending letters for confirmation to parties. However, the Group does not expect any material dispute w.r.t. the recoverability/payment of the same.

- (b) In the opinion of the management, the value of current assets, loans and advances on realization in the ordinary course of business, will not be less than the value at which these are stated in the balance sheet.

**37. (a) Earnings in foreign currency (on accrual basis):**

(Rs in Crore)

Particulars	2015-16	2014-15
i) Work Receipts & Locomotive lease	344.11	806.60
ii) Bank Interest	6.26	11.23
iii) Other Interest	25.27	0.02
iv) Foreign Exchange Fluctuation Gain (Net)	91.69	19.87
v) Others	17.99	6.69
<b>Total</b>	<b>485.32</b>	<b>844.41</b>

**(b) Expenditure in foreign currency (on accrual basis):**

(Rs in Crore)

Particulars	2015-16	2014-15
i) Operational Expenses	316.06	381.26
ii) Consultancy charges	32.16	24.86
<b>Total</b>	<b>348.22</b>	<b>406.12</b>

**(c) CIF value of Imports (included in (b) (i) above):**

(Rs in Crore)

Particulars	2015-16	2014-15
i) Materials	123.88	159.45*
ii) Consumables, Components and Spares	0.19	-
<b>Total</b>	<b>124.07</b>	<b>159.45</b>

\*Imports are booked in Work Expenses

**(d) Material & store consumed:**

(Rs in Crore)

Particulars	2015-16		2014-15	
	Amt	%age	Amt	%age
i) Imported	117.54	24.62	159.45	45.02
ii) Indigenous	359.80	75.38	194.74	54.98
<b>Total</b>	<b>477.34</b>	<b>100.00</b>	<b>354.19</b>	<b>100.00</b>

(e) Disclosure of unhedged foreign currency exposure

The unhedged foreign currency exposure is as under:-

(Rs in Crore)

Particulars	Currency	As at 31st March 2016		As at 31st March 2015	
		Foreign Currency in Crore	INR Crore	Foreign Currency in Crore	INR Crore
<b>Assets :</b>					
Advance to Contractors					
	DZD	<b>3.71</b>	<b>2.26</b>	-	-
	Euro	<b>0.01</b>	<b>0.42</b>	0.06	4.36
	LKR	<b>2.82</b>	<b>1.28</b>	0.40	0.19
	ETB	<b>0.49</b>	<b>1.52</b>	-	-
	MYR	<b>0.00</b>	<b>0.05</b>	0.02	0.30
	NPR	<b>1.77</b>	<b>1.00</b>	1.76	1.10
	MZN	<b>0.06</b>	<b>0.08</b>	0.06	0.10
	USD	-	-	0.00	0.08
Trade Receivables					
	BTN	<b>0.26</b>	<b>0.26</b>	-	-
	BDT	<b>1.65</b>	<b>1.39</b>	1.41	1.13
	DZD	<b>89.81</b>	<b>54.75</b>	51.29	32.83
	Euro	<b>1.07</b>	<b>78.39</b>	0.46	31.41
	MYR	<b>0.40</b>	<b>6.90</b>	0.04	0.69
	USD	<b>0.92</b>	<b>60.90</b>	2.43	151.09
Cash & Bank Balances					
	BTN	<b>0.90</b>	<b>0.90</b>	-	-
	BDT	<b>0.93</b>	<b>0.79</b>	0.13	0.10
	DZD	<b>12.65</b>	<b>7.72</b>	29.63	18.96
	ETB	-	-	0.00	0.01
	Euro	<b>0.78</b>	<b>57.79</b>	1.30	89.32
	LKR	<b>45.96</b>	<b>20.86</b>	19.46	9.14
	MYR	<b>3.97</b>	<b>67.29</b>	1.69	28.50
	MZN	<b>0.03</b>	<b>0.03</b>	0.03	0.05
	USD	<b>1.17</b>	<b>76.45</b>	6.88	428.27
	NPR	-	-	0.01	0.01
Other Assets					
	BDT	-	-	1.38	1.11
	DZD	<b>40.20</b>	<b>24.52</b>	16.17	10.35
	ETB	<b>0.19</b>	<b>0.59</b>	1.13	3.45
	Euro	<b>0.94</b>	<b>70.02</b>	0.43	29.54
	LKR	<b>7.67</b>	<b>3.48</b>	16.18	7.60
	MYR	<b>0.99</b>	<b>16.75</b>	0.14	2.43
	USD	<b>0.52</b>	<b>34.51</b>	1.94	120.47
	NPR	<b>2.24</b>	<b>1.40</b>	2.24	1.40

Particulars	Currency	As at 31st March 2016		As at 31st March 2015	
		Foreign Currency in Crore	INR Crore	Foreign Currency in Crore	INR Crore
<b>Liabilities :</b>					
Advance from Client					
	BTN	<b>2.13</b>	<b>2.13</b>	-	-
	BDT	<b>0.72</b>	<b>0.57</b>	0.84	0.67
	Euro	<b>0.19</b>	<b>14.41</b>	0.39	26.87
	USD	<b>0.07</b>	<b>4.17</b>	0.16	9.98
Trade Payable					
	BTN	<b>0.59</b>	<b>0.59</b>	-	-
	AUD	<b>0.01</b>	<b>0.71</b>	0.01	0.71
	BDT	-	-	0.02	0.02
	DZD	<b>25.02</b>	<b>15.26</b>	13.92	8.91
	Euro	<b>0.82</b>	<b>56.28</b>	0.92	63.10
	JPY	<b>10.10</b>	<b>5.25</b>	10.10	5.25
	LKR	<b>14.27</b>	<b>6.47</b>	14.20	6.67
	MYR	<b>0.48</b>	<b>8.22</b>	0.42	7.07
	MZN	<b>4.13</b>	<b>5.35</b>	4.13	6.97
	USD	<b>1.03</b>	<b>50.42</b>	0.84	52.10
Other Liabilities					
	BTN	<b>0.36</b>	<b>0.36</b>		
	BDT	<b>0.50</b>	<b>0.42</b>	0.38	0.31
	DZD	<b>14.42</b>	<b>8.80</b>	30.90	19.77
	ETB	<b>0.02</b>	<b>0.06</b>	0.02	0.05
	Euro	<b>0.09</b>	<b>6.48</b>	0.19	13.01
	LKR	<b>9.89</b>	<b>4.49</b>	17.51	8.22
	MYR	<b>0.03</b>	<b>0.49</b>	4.26	71.91
	USD	<b>1.13</b>	<b>74.67</b>	0.83	51.67
	NPR	<b>0.03</b>	<b>0.02</b>	0.03	0.02
	RM	<b>1.05</b>	<b>17.83</b>	-	-

The unhedged foreign currency exposures are naturally hedged.

## 38. Disclosure regarding Leases:

### I. Assets taken on operating lease:

The Group's leasing arrangements are in respect of operating leases of premises for residential use of employees, offices, guesthouses and transit camps. Most of the leasing arrangements are cancellable and are usually renewable on mutually agreed terms. The amounts of lease payments during the year are as under:

- (a) Lease payments (net of recoveries) in respect of premises for residential use of employees - **Rs. 4.26 crore** (Rs. 5.78 crore) (included in salaries & wages note 26)
- (b) Lease payments in respect of office premises, guesthouses and transit camps -Rs. 5.30 crore (Rs.4.21 crore) (included in operating & administrative expenses note 25.)
- (c) Future minimum lease payments in respect of non- cancellable lease are as under:

(Rs. in crore)

Lease Rent	Not later than 1 year	Later than 1 year and not later than 5 years	Later than 5 years
Payable	Nil (Nil)	Nil (Nil )	Nil (Nil)

### II. Assets given on operating lease:

- (a) The Group has given certain commercial/residential premises on operating lease which are cancellable by giving appropriate notices as per respective agreements..
- (b) The Group has also provided Plant & Machinery (Locomotives) on wet lease basis to a foreign client till 31.12.2015.
- (c) The Group has sub-leased 19 Multi-Functional Complexes to various sub-lessees.
- (d) The amount of lease rent received during the year is as under:

1. Lease rent in respect of non-residential premises - **Rs. 7.39 crore** (Rs.7.02 crore) (included in miscellaneous income note 24).
2. Lease rent in respect of locomotives **Rs. 34.19 crore** (Rs 42.77 crore) (included in loco lease note 23).
3. Lease rent in respect of sub-leasing of 19 MFCs, **Rs. 14.75 crore** (Rs 8.09 crore) (included in loco lease note 23).

- (e) Future minimum lease rental receivable as on 31.03.2016 in respect of non – cancellable operating lease for each of the following period is as under:

(Rs. in crore)

Lease Rent	Not later than 1 year	Later than 1 year and not later than 5 years	Later than 5 years
Premises	0.34	0.66	NIL
Locomotives	NIL	NIL	NIL
Multi-Functional Complexes (MFCs)	12.63 (13.86)	1.70 (13.95)	NIL

(f) Details of assets given on lease during the year:

(Rs. in crore)

Particulars	As on 31st March 2016			As on 31st March 2015		
	Premises	Locos	MFCs	Premises	Locos	MFCs
Gross Carrying amount of assets	<b>10.00</b>	<b>35.66</b>	<b>97.27</b>	6.96	35.66	95.94
Depreciation for the year	<b>0.18</b>	-	<b>1.72</b>	0.14	1.16	1.47
Impairment loss for the year	-	-	-	-	-	-
Accumulated Depreciation	<b>1.44</b>	<b>33.87</b>	<b>3.35</b>	1.22	33.87	1.63

## 39. Segment Reporting:

Primary Segment information (Geographic):

(Rs. in crore)

Particulars	International		Domestic		Total	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
<b>A. Turnover</b>						
Revenue from Operations	<b>434.34</b>	877.53	<b>2037.92</b>	2160.11	<b>2472.26</b>	3037.64
Other Income	<b>60.30</b>	39.17	<b>376.96</b>	228.16	<b>437.26</b>	267.33
<b>Total Revenue</b>	<b>494.64</b>	<b>916.70</b>	<b>2414.88</b>	<b>2388.27</b>	<b>2909.52</b>	<b>3304.97</b>
<b>B. Result</b>						
Profit before Provision, Depreciation, Interest and Tax.	<b>223.67</b>	477.86	<b>519.78</b>	450.09	<b>743.45</b>	927.95
<b>Less: Provision &amp; write backs ( Net)</b>	<b>27.00</b>	(75.15)	<b>15.66</b>	61.93	<b>42.66</b>	(13.22)
Depreciation	<b>14.60</b>	6.51	<b>59.65</b>	50.74	<b>74.25</b>	57.25
Interest	<b>0.23</b>	0.14	<b>23.79</b>	23.26	<b>24.02</b>	23.40
Profit before Tax	<b>181.84</b>	546.36	<b>420.68</b>	314.16	<b>602.52</b>	860.52
Minority Interest in Profit/ losses	-	-	<b>0.56</b>	0.97	<b>0.56</b>	0.97
Tax Expense	<b>132.40</b>	209.19	<b>71.06</b>	68.20	<b>203.46</b>	277.39
<b>Profit after Tax</b>	<b>49.44</b>	<b>337.17</b>	<b>349.06</b>	<b>244.99</b>	<b>398.50</b>	<b>582.16</b>
<b>C. Other Information</b>						
Assets	<b>649.05</b>	1244.22	<b>8267.42</b>	6192.39	<b>8916.47</b>	7436.61
Include Fixed Assets (Net Block)	<b>55.42</b>	82.39	<b>779.33</b>	684.18	<b>834.75</b>	766.57
Liabilities	<b>589.47</b>	862.71	<b>4808.36</b>	3248.17	<b>5397.83</b>	4110.88
Capital Expenditure: Additions to Fixed Assets	<b>0.44</b>	24.57	<b>13.16</b>	18.56	<b>13.60</b>	43.13



**Secondary Segment information (Business):**

(Rs. in crore)

Particulars	Segment Income		Segment Assets		Additions to Fixed Assets	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Construction, etc.	2344.71	2909.10	8254.72	6787.88	13.17	41.75
Leasing operation	48.94	50.87	177.60	106.66	0.36	1.10
Toll ways	78.61	77.67	484.15	542.07	0.07	0.28
<b>Total</b>	<b>2472.26</b>	<b>3037.64</b>	<b>8916.47</b>	<b>7436.61</b>	<b>13.60</b>	<b>43.13</b>

## 40. Disclosure in respect of Joint-Ventures (JV)

(a) Unincorporated Joint-Ventures:

i) For projects in operation:

(Rs. in crore)

S. No.	Name of the JV	Partner(s) and Country of Origin	Participating Interest (in %) as on 31 March	
			2016	2015
1.	IRCON-SPSCPL	Ircon, India	50.00	50.00
		SPSCPL, India	50.00	50.00
2.	IRCON-AFCONS	Ircon, India	53.00	53.00
		Afcons Infrastructure Ltd., India	47.00	47.00
3.	Express Freight Consortium	Mitsui, Japan	51.00	-
		Ircon, India	30.00	
		Tata Project Ltd., India	19.00	

ii) For projects which have been completed:

(Rs. in crore)

S. No.	Name of the JV	Partner(s) and Country of Origin	Participating Interest (in %) as on 31st March	
			2016	2015
1	RICON	Ircon, India	49.00	49.00
		ITES, India	51.00	51.00
2	RICON- CETA SARL	RICON, India	49.00	49.00
		CETA, Mozambique	51.00	51.00
3	Ircon-COBRA-ELIOP	Ircon, India	61.22	61.22
		COBRA, Spain	34.35	34.35
		ELIOP, Spain	4.43	4.43
4	Ircon- Sree Bhawani Builders	Ircon, India	24.21	24.21
		Sree Bhawani Builders, India	75.79	75.79
5	Ircon-SMJ Project JV	Ircon, India	55.00	55.00
		Sumber Mitra Jaya, Indonesia	45.00	45.00
6	International Metro Civil Contractor. (IMCC)	Dywidag, Germany	29.00	29.00
		Larsen & Tubro Ltd., India	26.00	26.00
		Samsung Corp., Korea	26.00	26.00
		Shimizu Corp., Japan	9.50	9.50
		Ircon, India	9.50	9.50

S. No.	Name of the JV	Partner(s) and Country of Origin	Participating Interest (in %) as on 31st March	
			2016	2015
7	Metro Tunnelling Group (MTG)	Dywidag, Germany Larsen & Tubro Ltd., India Samsung Corp., Korea Shimizu Corp., Japan Irrcon, India	29.00 26.00 26.00 9.50 9.50	29.00 26.00 26.00 9.50 9.50
8	Irrcon-GANNON Dunkerly	Irrcon, India GANNON Dunkerly	55.70 44.30	55.70 44.30
9	Irrcon-RCS-PFLEIDERER	Irrcon, India Rayalseema Concrete Sleepers Pvt. Ltd, India Pfleiderer Infrastrukturtechnik GmbH & Co, Germany	65.08 21.87 13.05	65.08 21.87 13.05

(b) Joint-Venture Companies:

(Rs. in Crore)

S. No	Name of JV Company	Shareholders and country of origin	Percentage of Ownership	
			As at 31 March 2016	As at 31 March 2015
1	CCFB (Companhia Dos Caminhos De Ferro Da Beira SARL) Mozambique	Irrcon, India RITES, India CFM, Mozambique	25.00 26.00 49.00	25.00 26.00 49.00
2	Irrcon-Soma Tollway Private Limited. (ISTPL)	Irrcon, India Soma Enterprise Limited, India	50.00 50.00	50.00 50.00
3	Chattisgarh East Railway Limited (CERL)	Irrcon, India SECL, India CSIDC	26.00 64.00 10.00	26.00 64.00 10.00
4	Chattisgarh East-West Railway Limited (CEWRL)	Irrcon, India SECL, India CSIDC	26.00 64.00 10.00	26.00 64.00 10.00
5	Mahanadi Coal Rail Limited (MCRL)	Irrcon, India MCL, India GoO, India	26.00 64.00 10.00	-
6	Jharkhand Central Railway Limited (JCRL)	Irrcon, India CCL, India GoJ, India	26.00 64.00 10.00	-

(c) The holding company's share in respect of the assets, liabilities, income & expenditure (each without elimination of the effect of transactions between the group & the joint ventures) relating to its interest in the jointly controlled entities in the Consolidated Financial Statements are:

(Rs. in crore)

S.No	Particulars	2015-16	2014-15
1.	<b>Fixed Assets</b>	<b>522.58</b>	504.98
2.	Other Non-Current Assets	<b>34.81</b>	26.45
3.	<b>Current Assets</b>		
a)	Inventories	<b>11.27</b>	21.62
b)	Trade receivables	-	0.67
c)	Cash and Bank balances	<b>53.32</b>	73.12
d)	Short-term loans and advances	<b>47.64</b>	39.33
e)	Other current assets	<b>31.45</b>	134.76
4.	<b>Non-Current Liabilities</b>		
a)	Long term liabilities	<b>499.50</b>	543.05
5.	<b>Current Liabilities</b>		
a)	Trade payables	<b>23.71</b>	17.30
b)	Other current liabilities	<b>101.54</b>	205.31
c)	Short-term provisions	<b>0.11</b>	0.29
6.	<b>Income</b>	<b>211.05</b>	173.24
7.	<b>Expenditure</b>	<b>200.07</b>	182.73

(d) Contingent Liabilities of the Jointly Controlled entities are disclosed in note 31 (e).

## 41. Related Party Disclosures:

a) Enterprises where control exists:

(i) Subsidiary Companies: -

- Ircon Infrastructure & Services Limited. (IrconISL)
- Indian Railway Station Development Corporation Limited. (IRSDC)
- Ircon PB Tollway Limited. (IrconPBTL)
- Ircon Shivpuri Guna Tollway Limited (IrconSGTL)

(ii) Joint Ventures: -

- Unincorporated Joint Ventures – As per Note no. 40 (a) above
- Joint Venture Companies – As per Note no. 40 (b) above.

b) Key management personnel:

Directors: -S/Shri Mohan Tiwari, M. K. Singh, Deepak Sabhlok and Hitesh Khanna.  
Co. Secretary: - Smt. Sumita Sharma

c) Disclosure of transactions with related parties (to the extent not consolidated):

(Rs. in Crore)

Particulars	Transactions during the year		Particulars of Contracts/ Arrangements
	2015-16	2014-15	Nature of Transaction
<b>1. Remuneration to KMP</b>	<b>As per Note No. 43</b>		
<b>2. Sale of Goods &amp; Services</b>			
<b>Joint Venture</b>			
CERL	<b>182.30</b>	27.67	Consultancy & works receipts
CEWRL	<b>22.33</b>	53.64	Consultancy receipts
<b>Total</b>	<b>204.63</b>	<b>81.31</b>	
<b>3. Loan To JVs</b>			
<b>Joint Venture</b>			
CCFB	-*	5.34	
CERL	<b>6.66</b>	22.20	
CEWRL	<b>14.43</b>	-	
IRCON AFCONS JV	-	9.06	
<b>Total</b>	<b>21.09</b>	<b>36.60</b>	
<b>4. Reimbursement of deputation staff expenses, rent &amp; other misc. expenses</b>			
<b>JVs</b>			
ISTPL	<b>0.11</b>	0.99	
<b>Total</b>	<b>0.11</b>	<b>0.99</b>	

Disclosure of amount due to/from related parties (to the extent not consolidated):

(Rs. in Crore)

Particulars	Amount	
	As on 31-3-2016	As on 31-3-2015
<b>Amount Receivables</b>		
<b>(1) Loan outstanding to JVs</b>	<b>43.29</b>	<b>97.33</b>
CCFB	-*	66.07
CERL	28.86	22.20
CEWRL	14.43	-
Ircon-Afcons JV	-	9.06
<b>(2) For Other Services, reimbursements etc. to JVs</b>	<b>56.59</b>	<b>8.55</b>
CCFB	-	0.59
ISTPL	3.61	3.58
CERL	49.79	3.28
CEWRL	2.87	0.30
Ircon-Afcons JV	0.32	0.80

\* The entire balance amount of Shareholders loan has been transferred to amount recoverable from Government of Mozambique based on the Settlement Agreement signed with them on 21.10.2015.

**42. Disclosure of net assets & shares in profit of parent, subsidiaries, associates & joint ventures as per direction under schedule III of the Companies Act, 2013.**

(Rs. in crore)

S.No.	Name of Entity	2015-16				2014-15			
		Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit or Loss (after Tax)		Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit or Loss (after Tax)	
		As % of Consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of Consolidated net assets	Amount	As % of consolidated profit or loss	Amount
<b>A</b>	<b>Holding Company, Ircon International Ltd.</b>	<b>88.28</b>	<b>3085.17</b>	<b>91.96</b>	<b>364.58</b>	93.60	3,092.59	99.11	576.98
<b>B</b>	<b>Subsidiaries</b>								
1	IrconISL	2.87	100.40	3.69	14.63	1.98	65.57	1.94	11.27
2	IRSDC	1.28	44.95	0.29	1.15	1.31	43.44	0.34	1.98
3	Ircon PB Tollway Ltd.	3.27	114.50	0.94	3.73	2.69	88.91	(0.19)	(1.09)
4	Ircon Shivpuri Guna Tollway Ltd.	1.66	57.91	(0.19)	(0.77)	-	-	-	-
	Minority Interest in Subsidiaries	(0.62)	(21.84)	(0.14)	(0.56)	(0.64)	(21.28)	(0.17)	(0.97)
<b>C</b>	<b>Joint Ventures</b>								
	<b>Indian</b>								
1	RICON	0.15	5.28	0.07	0.27	0.29	9.67	0.04	0.25
2	ISTPL	0.33	11.70	0.75	2.96	0.16	5.13	(1.35)	(7.83)
3	CERL	1.89	66.04	(0.01)	(0.02)	0.03	1.12	-	(0.01)
4	CEWRL	0.21	7.29	(0.01)	(0.02)	0.03	1.12	-	(0.01)
5	Ircon-SPSCPL	0.02	0.62	(0.40)	(1.58)	0.10	3.24	0.56	3.24
6	Ircon-Afcons	0.18	6.18	1.56	6.19	0.04	1.33	0.33	1.91
7	IMCC	0.08	2.83	-	(0.01)	0.10	3.38	(0.01)	(0.04)
8	MTG	0.16	5.64	0.06	0.23	0.16	5.42	0.05	0.28
9	MCRL	(0.01)	(0.51)	-	-	-	-	-	-
10	JCRL	-	(0.02)	(0.01)	(0.02)	-	-	-	-
	<b>Foreign</b>								
1	CCFB	0.25	8.62	1.44	5.70	0.15	4.81	(0.65)	(3.80)
	<b>Total</b>	<b>100.00</b>	<b>3494.76</b>	<b>100.00</b>	<b>396.46</b>	<b>100.00</b>	<b>3,304.45</b>	<b>100.00</b>	<b>582.16</b>

**43. Details of remuneration to Directors:**

(Rs. in crore)

Sr.	Particulars	2015-16	2014-15
I	Salary & allowances*	1.74	1.78
II	Contribution to provident fund, pension	0.20	0.10
III	Reimbursement of medical expenses	0.03	0.03
IV	Other benefits	0.27	0.27
	<b>Total</b>	<b>2.24</b>	<b>2.20</b>

\* Figures of 15-16 include PRP (13-14) of Rs 0.47 crore paid during the year; 14-15 include PRP (12-13) of Rs 0.64 crore paid during the year.

Recovery as applicable has been made from Directors who have been provided with Company accommodation and car.

44. During the year, Holding Company has carried out assessment on impairment of individual assets by working out the recoverable amount based on lower of the net realisable value and carrying cost in terms of AS 28 "Impairment of Assets" notified by the Companies (Accounting standards) Rules, 2006. Accordingly, impairment loss of Rs. NIL (Rs 0.87 crore) has been provided for.
45. The lease agreement for Locomotives given on hire to a foreign client has expired on 31.12.2015. The left-over spares & stores meant for maintenance of the locomotives have become redundant and hence, charged to expenses.

#### 46. Disclosure under AS-15 on Employee benefits Provident Fund

The Holding Company pays fixed contribution of Provident Fund at a pre-determined rate to a separate trust, which invests the funds in permitted securities. The trust is required to pay a minimum rate of interest on contribution to the members of the trust. The amount available in the fund including the returns on investment is greater than the obligation of the company. During the year, the Holding Company has contributed Rs.10.14 crore (Rs. 9.91 crore) to the trust.

#### Gratuity

The Holding Company has implemented IRCON Employees Group Gratuity Scheme to provide financial assistance to the employees of the Holding Company as a social security measure on the termination of their employment due to superannuation, retirement, resignation, physical incapacitation or death. The scheme is managed by a separate Trust formed in the year 2015-16 for this purpose and approved by the Income Tax Authorities. Funds of the Trust are managed by LIC of India. Holding Company has paid an amount of **Rs. 66.31 crore** (Provision as on 31.03.2015) to the Trust and accounted for during the year 2015-16. Provision has been made for liability ascertained as on 31.03.2016 based on actuarial valuation.

#### Pension

The Holding Company has implemented IRCON Defined Contribution Superannuation Pension Scheme, 2009

w.e.f. 01.04.2009, for all regular employees drawing pay in IDA scale who would complete 15 years of service in the Company (including service in other CPSEs) upto normal retirement date. The scheme is managed by a separate Trust formed in the year 2015-16 for this purpose and approved by the Income Tax Authorities. Holding Company's share of contribution amounting to Rs. 29.99 crore for the entire period w.e.f. 01.04.2009 to 28.02.2016 has been paid and accounted for during the year 2015-16. Out of total amount of Rs. 29.99 crore, Provision as on 31.03.2015 was Rs. 26.18 crore. Liability for the month of March 2016 of Rs. 0.50 crore has been provided in the books of accounts.

#### Post-Retirement Medical Facility (PRMF)

The Holding Company had established an irrevocable trust by initial one-time contribution of Rs 12 crore during the year 2000-01 for providing annuity, medical and other benefits to the spouse of employees who die in harness as also the medical benefits to the employees (and spouse) who superannuate from the Company. This being a voluntary welfare measure, the Company is not liable for providing such benefits to its employees. However, Holding Company has also kept provision of Rs 4.20 crore (Rs 7.33 crore) based on the decision of management.

#### Leave Encashment

The liability towards encashment of leave as per rules of the Holding Company is recognised on the basis of actuarial valuation except for employees posted in foreign projects. Since, the foreign assignments are treated as dies - non, liability for those employees is provided in the books on accrual basis as the amount is payable to employee on repatriation.

#### Other Retirement Benefits

Other retirement benefits include settlement at home-town or to the place where he or his family intends to settle in India including Baggage Allowance. The liability on this account is recognized on the basis of actuarial valuation.

The summarised position of various employee benefits recognised in the statement of profit and loss and balance sheet as on 31.03.2016 is as under:

**i) Changes in the present value of obligations**

(Rs. in crore)

Particulars	Gratuity	Leave Encashment *	LTC	Other Retirement Benefits
Present Value of Obligation as at beginning of the period	66.31 (61.85)	79.90 (76.95)	0.13 (0.14)	1.28 (1.29)
Interest Cost	5.30 (4.95)	6.39 (6.16)	0.01 (0.01)	0.10 (0.10)
Current Service Cost	3.57 (3.37)	4.69 (4.63)	0.01 (-)	0.06 (0.06)
Past Service Cost	- (-)	- (-)	- (-)	- (-)
Benefit Paid	(4.65) ((3.70))	(5.65) ((8.78))	(0.21) ((0.01))	(0.03) ((0.03))
Actuarial (gain)/loss on obligation	1.54 ((0.15))	(4.43) (0.95)	0.30 ((0.02))	(0.07) ((0.14))
Present Value of Obligation as at the end of the period	72.06 (66.31)	80.90 (79.90)	0.23 (0.13)	1.34 (1.28)

\* Except employees posted on Foreign Projects

**ii) Changes in the fair value of plan assets**

(Rs. in crore)

Particulars	Gratuity	Leave Encashment *	LTC	Other Retirement Benefits
Fair Value of plan assets as at beginning of the period	- (-)	- (-)	- (-)	- (-)
Expected return on Plan Assets	- (-)	- (-)	- (-)	- (-)
Contributions	66.31 (-)	- (-)	- (-)	- (-)
Benefit Paid	(2.43) (-)	- (-)	- (-)	- (-)
Actuarial (gain)/loss on Plan Assets	3.08 (-)	- (-)	- (-)	- (-)
Fair Value of Plan Assets as at the end of the period	66.96 (-)	- (-)	- (-)	- (-)

\* Except employees posted on Foreign Projects

**iii) Amount recognised in balance sheet**

(Rs. in Crore)

Particulars	Gratuity	Leave Encashment *	LTC	Other Retirement Benefits
Present Value of Obligation as at the end of the period	72.06 (66.31)	80.90 (79.90)	0.23 (0.13)	1.34 (1.28)
Fair Value of Plan Assets as at the end of the period	66.96 (-)	- (-)	- (-)	- (-)
Funded Status	(5.11) ((66.31))	(80.90) ((79.90))	(0.23) ((0.13))	(1.34) ((1.28))
Excess of actual over estimated	3.08 (-)	- (-)	- (-)	- (-)
Net liability recognised in the balance sheet	(5.11) ((66.31))	(80.90) ((79.90))	(0.23) ((0.13))	(1.34) ((1.28))

\* Except employees posted on Foreign Projects.

**iv) Expenses recognised in statement of profit & loss**

(Rs. in crore)

Particulars	Gratuity	Leave Encashment *	LTC	Other Retirement Benefits
Current Service Cost	3.57 (3.37)	4.69 (4.63)	0.01 (-)	0.06 (0.06)
Past Service Cost	- (-)	- (-)	- (-)	- (-)
Interest Cost	5.30 (4.95)	6.39 (6.16)	0.01 (0.01)	0.10 (0.10)
Expected return on plan assets	- (-)	- (-)	- (-)	- (-)
Net actuarial (gain)/ loss recognised in the year	(1.54) ((0.15))	(4.43) (0.94)	0.30 ((0.02))	(0.07) ((0.14))
Expenses recognised in the statement of profit & loss	7.33 (8.16)	6.65 (11.73)	0.32 (-)	0.09 (0.02)

\* Except employees posted on Foreign Projects.

The Holding Company expects to contribute Rs. 7.99 crore for gratuity, Rs. 11.42 crore for leave encashment, Rs. 0.15 crore for LTC and Rs. 0.19 crore for other retirement benefits in the next year.



**v) Actuarial Assumptions**

a. Method used	Projected Unit Credit Method
b. Discount rate	7.50 %
c. Rate of increase in compensation levels	8.00 %
d. Average outstanding service of employees up to retirement	12.12 years
e. Estimated term of benefit obligations	12.12 years

**vi) Amounts for the current and previous 4 periods are as follows;**

**a. Gratuity:**

(Rs. in crore)

Particulars	31 Mar 2016	31 Mar 2015	31 Mar 2014	31 Mar 2013	31 Mar 2012
Defined benefit obligation	72.06	66.31	61.85	53.87	49.63
Plan assets	66.96	-	-	-	-
Surplus/(deficit)	(5.11)	(66.31)	(61.85)	(53.87)	(49.63)
Experience adjustments on plan liabilities	0.36	0.15	(3.12)	(1.13)	(1.01)
Experience adjustments on plan assets	3.08	-	-	-	-

**b. Leave Encashment (Except employees posted on Foreign Projects):**

(Rs. in crore)

Particulars	31 Mar 2016	31 Mar 2015	31 Mar 2014	31 Mar 2013	31 Mar 2012
Defined benefit obligation	80.90	79.90	76.95	61.34	55.61
Plan assets	-	-	-	-	-
Surplus/(deficit)	(80.90)	(79.90)	(76.95)	(61.34)	(55.61)
Experience adjustments on plan liabilities	7.44	(0.95)	(13.46)	(0.04)	5.18
Experience adjustments on plan assets	-	-	-	-	-

**c. LTC:**

(Rs. in crore)

Particulars	31 Mar 2016	31 Mar 2015	31 Mar 2014	31 Mar 2013	31 Mar 2012
Defined benefit obligation	0.23	0.13	0.14	0.08	-
Plan assets	-	-	-	-	-
Surplus/(deficit)	(0.23)	(0.13)	(0.14)	(0.08)	-
Experience adjustments on plan liabilities	(0.38)	0.02	(0.07)	-	-
Experience adjustments on plan assets	-	-	-	-	-

**d. Other Retirement Benefits:**

(Rs. in crore)

Particulars	31 Mar 2016	31 Mar 2015	31 Mar 2014	31 Mar 2013	31 Mar 2012
Defined benefit obligation	<b>1.34</b>	1.27	1.29	1.41	1.57
Plan assets	-	-	-	-	-
Surplus/(deficit)	<b>(1.34)</b>	(1.27)	(1.29)	(1.41)	(1.57)
Experience adjustments on plan liabilities	<b>0.11</b>	0.14	0.28	0.35	0.06
Experience adjustments on plan assets	-	-	-	-	-

**47. Disclosure under AS-7 on Construction Contracts for contracts in progress\***

(Rs. in crore)

Details		Up to 31 March 2016	Up to 31 March 2015
(a)	Contract revenue recognized as revenue in the period	<b>2829.56</b>	2883.55
(b)	Aggregate amount of costs incurred and recognized profits (less recognized losses)	<b>19547.91</b>	20667.13
(c)	Amount of advances received from client	<b>837.85</b>	847.83
(d)	Amount of retentions (by client)	<b>99.63</b>	100.56
(e)	Gross amount due from clients for contract work	<b>479.13</b>	434.12

\* excluding projects completed up to 31.03.2016

**48.** The Group 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 at 31 March 2016.

**49. (i)** Gross amount required to be spent by the Group during the year is **Rs. 6.03 crore** (Rs. 4.93 crore).

(ii) During the year, the Group has spent **Rs 6.26 crore** (Rs 6.72 crore) as against required amount of Rs 6.03 crore (Rs 4.93 crore) on Corporate Social Responsibility (CSR) activities. Break up of expenditure incurred is as follows;

(Rs. in crore)

Sr. No.	Description	2015-16	2014-15
1.	Eradicating hunger, poverty & malnutrition, promoting preventive healthcare & sanitation & making available safe drinking water	<b>4.90</b>	3.06
2.	Promoting Education	<b>0.94</b>	0.76
3.	Promoting gender inequality & empowering women	<b>0.18</b>	0.02
4.	Ensuring environmental sustainability	<b>0.05</b>	1.04
5.	Protection of national heritage, art & culture		0.52
6.	Contribution to Prime Minister Relief Funds or any other fund set up by the Central Govt. for socio-economic development & relief.	-	0.50
7.	Rural Development Projects	<b>0.18</b>	0.80
	<b>Total</b>	<b>6.26</b>	<b>6.70</b>

(iii) Amount spent during the year

(Rs. in crore)

Sr. No.	Description	In Cash	Yet to be paid in cash	Total
1.	Construction/acquisition of asset	-	-	-
2.	Other purposes	6.26	-	6.26

**50.** Basic earnings per share are computed by dividing net profit after tax Rs. 398.50 crore (Rs. 582.16 crore) by (1,97,96,000) fully paid equity shares of Rs. 10 each. Diluted earnings per share are not applicable, as there is no dilution involved.

**51.** During the year, the Company has changed its accounting policy relating to treating of Income/ expenditure of prior period and prepaid not exceeding Rs. 1,00,000/- (Rs. 50,000/- earlier) in each case as income/expenditure of the current year. Due to this change, prior period income/expenditure for the year is lower by Rs. 0.02 crore and prepaid expenditure is lower by Rs. NIL crore. As a result of this, PBT is lower by Rs. 0.02 crore.

**52.** The Holding Company has engaged agents/ consultants to secure contracts and provide other services for foreign projects, being implemented

in three countries. The guidelines of the Holding Company issued in May 2003 provide that the Project Head should send a Quarterly Report to the Project Coordinator on the performance of the agents indicating whether the services of the agent have been satisfactory. Pending assessment of services provided by the agent/ consultants, the Holding Company has not accounted for expenses of Rs. 2.04 Crore and accordingly, the same has not been charged to the Statement of Profit & Loss for the year ended 31<sup>st</sup> March 2016. The same shall be accounted for in the Books of Accounts in the year of assessment.

**53.** Previous year's figures have been regrouped, rearranged and recast wherever necessary to make it comparable to the current year's classification. Also, previous year figures are shown under bracket () to differentiate from current year figures.

**As per our Report of even date attached**

**For V.K. Dhingra & Co.**  
Chartered Accountants  
FRN 000250N

**Vipul Girotra**  
Partner  
M. No. 084312

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

**M. K. Singh**  
Director Finance  
DIN - 06607392

**Sumita Sharma**  
Company Secretary

**Mohan Tiwari**  
Chairman & Managing Director  
DIN - 00191363

Place : New Delhi

Date : 2<sup>nd</sup> September 2016

## **COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF IRCON INTERNATIONAL LIMITED FOR THE YEAR ENDED 31 MARCH 2016.**

The preparation of consolidated financial statements of **IRCON INTERNATIONAL LTD.** for the year ended 31 March 2016 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139 (5) read with section 129(4) of the Act are responsible for expressing opinion on the financial statements under Section 143 read with section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 02 September 2016.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) read with section 129(4) of the Act of the consolidated financial statements of **IRCON INTERNATIONAL LTD.** for the year ended 31 March 2016. We conducted a supplementary audit of the financial statements of two subsidiaries namely Ircon PB Tollway Limited and Ircon Shivpuri Guna Tollway Limited, but did not conduct supplementary audit of the financial statements of Subsidiaries and Jointly Controlled Entities (as per Annexure) for the year ended on that date. Further, section 139(5) and 143 (6)(b) of the Act are not applicable to Companhia Dos Caminhos De Ferro De Beira, SA being private entity incorporated in Foreign country under the respective laws, for appointment of their Statutory Auditor nor for conduct of supplementary audit. Accordingly, C&AG has neither appointed the Statutory Auditors nor conducted the supplementary audit of this company. 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 & Auditor General of India**

**(Meenakshi Mishra)**

Director General of Audit  
Railway Commercial, New Delhi

Place: New Delhi  
Dated: 27<sup>th</sup> September 2016

## ANNEXURE

### List of subsidiaries and Joint Ventures of IRCON INTERNATIONAL LIMITED, New Delhi for which supplementary audit was not conducted under section 143 (6)(a) read with section 129(4) of the Companies Act, 2013 for the year 2015-16

#### Subsidiaries:

1. Ircon Infrastructure and Services Limited (IISL).
2. Indian Railway Station Development Corporation Limited (IRSDC).

#### Joint Ventures

1. RICON
2. Ircon-Soma Tollway Private Limited (ISTPL).
3. International Metro Civil Contractor (IMCC).
4. Metro Tunnelling Group (MTG).
5. Ircon-SPSCL.
6. Ircon-Afcons JV.
7. Chattisgarh East Railway Limited (CERL).
8. Chattisgarh East-West Railway Limited (CEWRL).
9. Mahanadi Coal Rail Ltd. (MCR).
10. Jharkhand Central Railway Ltd. (JCR).

Audit Officer







## IRCON INTERNATIONAL LIMITED

(A Government of India Undertaking)

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CIN : U45203DL1976GOI008171

