



39th
Annual Report
2014-2015



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

C-4, District Centre, Saket, New Delhi-110017
Tel.: +91-11-29565666, Fax : +91-11-26522000 / 26854000
E-mail: info@ircon.org Website: www.ircon.org CIN: U45203DL1976GOI008171

Joint Statutory Auditors

M/s. Vinod Kumar & Associates
Chartered Accountants
&
M/s. T. R. Chadha & 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

(As on the date of AGM 22.12.2015)

Chairman & Managing Director



Mohan Tiwari

Other Whole-time Directors



K. K. Garg
Director Finance



Deepak Sabhlok
Director Projects



Hitesh Khanna
Director Works

Part-time (Official) Directors



H. K. Kala



Anjum Pervez

Chairman's Address



Distinguished Shareholders,

It gives me immense pleasure in welcoming you all to this 39th Annual General Meeting of IRCON. This journey of 39 years was quite an eventful one, with moments witnessing landmarks achieved and milestones crossed.

I would now like to brief you about few highlights of the year 2014-15, and recent developments in the Company.

Financials

During 2014-15, your Company has achieved a turnover of ₹3122 crore and profit before tax of ₹844 crore, which is lower by 28% and 32% respectively as compared to previous financial year. The decline had been primarily on account of delay in start of few major projects in domestic sector due to various clearances, and also lower contribution from foreign projects after the completion of major foreign projects which had high margins as compared to domestic projects.

Dividend

Despite reduction in profitability, your Company proposes to maintain the total dividend for 2014-15 at ₹ 182.12 crore i.e. 920% of the paid-up share capital, which is 31.43% of post-tax profits. The cumulative dividend paid by the Company would stand at ₹ 939 crore.

Authorized Equity Share Capital

In view of business/ investment opportunities available in public private partnership (PPP) / BoT model, it is considered appropriate to broaden the capital base of

the Company. Therefore, proposal for enhancing the authorised share capital from present ₹ 25 crore to ₹ 100 crore has been included in the agenda for this AGM.

New projects secured

During the year 2014-15, your Company has secured three metro contracts, one for Delhi metro viz. Ballastless track at Mukundpur to Lajpat Nagar section (CT-1) valued at ₹ 198 crore, and two for Kochi metro viz. Track works in two sections (KT-4 and KT-5R1) valued at ₹ 178 crore; two highway projects of NHAI viz. four laning of Bikaner-Phalodi section of NH-15 in the State of Rajasthan, valued at ₹ 646 crore and Shivpuri-Guna section of NH-3 in the State of Madhya Pradesh, valued at ₹ 721 crore; and two electrical projects under Restructured Accelerated Power Development and Reforms Programme (R-APDRP) in Uttar Pradesh, at a value of ₹ 731 crore.

After the close of the financial year, your Company has secured its first ever projects in two countries viz., a turn-key project of Railway electrification and signalling systems for the Majuba Rail, in South Africa, at a value of ₹ 346 crore; and sub-station project in Bhutan at a value of ₹ 23 crore. In addition, one project has been secured in Bangladesh, which is for construction of Khulna-Mongla Port Rail Line, at a value of ₹ 971 crore. Your Company has also secured two projects from Dedicated Freight Corridor Corporation of India Limited in Western Corridor viz. CTP-12 and CTP-13 with Ircon's share of ₹ 2596 crore, and another project from NMDC Limited for construction of railway siding in the State of Chhattisgarh at a value of ₹ 283 crore.

Incorporation of new Companies

During the period starting from 1st April 2014, two wholly owned subsidiaries (WOS) and two joint venture companies (JVCs) have been formed.

'Ircon PB Tollway Limited' and 'Ircon Shivpuri Guna Tollway Limited' have been incorporated as WOS on 30th September 2014 and 12th May 2015 respectively, to execute road projects of National Highways Authority of India on Build-Operate-Transfer (BoT) basis in the State of Rajasthan and Madhya Pradesh.

'Mahanadi Coal Railway Limited' and 'Jharkhand Central Railway Limited' have been incorporated as JVCs on 31st August 2015, to implement coal connectivity projects in the State of Odisha and Jharkhand. Another JVC, in association with NMDC Limited and Steel Authority of India Limited, in the State of Chhattisgarh is in the process of being incorporated. Ircon will have equity investment of 26% in all these JVCs.

As of now, Ircon Group comprises four subsidiaries (viz. Ircon Infrastructure & Services Limited, Indian Railway Stations Development Corporation Limited, Ircon PB Tollway Limited, Ircon Shivpuri Guna Tollway Limited) and five JVCs in India (viz. Ircon-Soma Tollway Private Limited, Chhattisgarh East Railway Limited, Chhattisgarh East-West Railway Limited, Mahanadi Coal Railway Limited, and Jharkhand Central Railway Limited). Your Company's equity stake of 25% in Companhia Dos Caminhos De Ferro Da Beira SA (CCFB), a joint venture company which was formed for execution of Beira Rail Concession Project in Mozambique, would be divested in favour of entity owned by Government of Mozambique.

Corporate Governance, CSR and Sustainability

Your Company remains committed to good governance, and complies with the requirements under the DPE Corporate Governance Guidelines, and other legal requirements, except for appointment of independent directors and woman director which falls in the domain of the Government.

Your Company has spent an amount of ₹ 6.72 crore towards Corporate Social Responsibility (CSR) initiatives. The CSR initiatives, aimed at conducting business in a sustainable manner, broadly comprise of activities in the field of health, education, rural infrastructure development, environment, sanitation and cleanliness, socio-economic development, and relief measures.

Future Outlook

The initiatives of the Government in the arena of infrastructure development like capacity augmentation of rail infrastructure, high speed railway lines, modernization of stations, dedicated freight corridor projects, and opportunities in road sector would open up new vistas of growth for your Company.

The new projects already secured in the ongoing year (i.e. 2015-16) have taken the order book of the Company to ₹19000 crore. This sizeable order book, coupled with opportunities in offing in infrastructure sector, is likely to give impetus to growth of the Company in the coming years.

Acknowledgements

I, on behalf of the Board of Directors, take this opportunity to record our earnest thanks to all our shareholders, customers, Railway Board and other Ministries, Embassies, Bankers, and all other stakeholders for their valuable advice, support, and trust. To conclude, I would also like to express our appreciation for the sincere and dedicated services rendered by the employees of the Company, whose untiring efforts have been instrumental in the growth of your Company.

Mohan Tiwari

Chairman & Managing Director
(DIN 00191363)

Place: New Delhi

Date : 22.12.2015

Directors' Report

Distinguished Shareholders

The Directors of your Company have pleasure in presenting their 39th Report on the affairs of the Company for the financial year 2014-15.

PERFORMANCE HIGHLIGHTS

During the financial year 2014-15, your Company achieved a total operating income of ₹ 2950 crore and profit before tax of ₹ 844 crore as compared to operating income of ₹ 4067 crore and profit before tax of ₹ 1249 crore achieved during the previous financial year.

The decline of about 27.46% in operating income is mainly on account of completion of foreign projects in Sri Lanka and Malaysia, though operating income from Indian projects has registered an increase of 7.40% from ₹ 1930 crore in 2013-14 to ₹ 2073 crore in 2014-15. Accordingly, profit, being a function of turnover, has also decreased.

FINANCIAL HIGHLIGHTS

Some important indicators of financial performance of the Company for the year 2014-15 vis-à-vis 2013-14 are given below:

A. Financial Performance Indicators:

(₹ in Crore)

Sl. No.	Particulars	2014-15	2013-14	Increase/ (Decrease) [in %]
1.	Total income (Gross Sales)	3122	4307	(27.52)
2.	Total Operating income	2950	4067	(27.46)
3.	Operating income from Foreign Projects	877	2137	(58.95)
4.	Operating income from Indian Projects	2073	1930	7.40
5.	Profit before tax	844	1249	(32.40)
6.	Profit after tax	579	907	(36.08)
7.	Net worth	3354	2993	12.05
8.	Dividend	182.12	182.12	Nil

B. Foreign Exchange Earnings and Outgo:

The Company has earned a foreign exchange of ₹ 842 crore during 2014-15 as compared to ₹ 2185 crore earned during 2013-14. The foreign exchange outgo stood at ₹ 424 crore during 2014-15 as compared to ₹ 1143 crore during 2013-14. Thus, the net foreign exchange earnings have decreased by 59.91% from ₹ 1042 crore in 2013-14 to ₹ 418 crore in 2014-15 due to completion of foreign projects as stated above.

C. Dividend:

The Board of Directors (BoD) had declared in January 2015 an interim dividend of ₹ 79.184 crore @ ₹ 40/- per share i.e. 400% on the paid-up share capital of ₹ 19.796 crore, which was paid to the shareholders in February 2015. The BoD has recommended dividend @ ₹ 52 per share i.e. 520% on the paid-up share capital for declaration by the shareholders, which would amount to ₹ 102.94 crore. With this, the total dividend for the year 2014-15 would amount to ₹ 182.12 crore @ ₹ 92.00 for every ₹ 10 share which works out to 31.43% of the post-tax profits of ₹ 579.39 crore. After approval and payment of the proposed dividend, the cumulative dividend to shareholders up to 2014-15 will stand at ₹ 939.25 crore.

D. Appropriations / Tax Provisions / Reserves:

(₹ in Crore)

Sl. No.	Particulars	2014-15	2013-14
1	Interim Dividend	79.18	100.96
2	Proposed Final Dividend	102.94	81.16
3	Tax on Interim Dividend	15.83	17.16
4	Tax on Proposed final dividend	20.96	14.56
5	Transfer to / (from) CSR Activities Reserve	(1.71)	(1.19)
6	Transfer to General Reserve	362.19	693.85

ORDER BOOK

The Company secured works worth ₹ 5039 crore during the year 2014-15. The work load as on 31st March 2015 stood at ₹ 13293 crore as compared to ₹ 12071 crore as on 31st March 2014.

OPERATIONAL PERFORMANCE

A. Foreign Projects Completed:

Your Company completed following three projects in Sri Lanka during 2014-15:

1. Re-construction of railway line from Pallai to Kankesanthurai in Northern province of Sri Lanka, at a value of ₹ 815 crore.
2. Re-construction of Railway Line from Madhu Road to Talai Mannar in Northern Province of Sri Lanka, at a value of ₹ 793 crore.
3. Design, supply, installation, testing, and commissioning of signaling and telecommunication system for the entire railway network in northern province of Sri Lanka (from Anuradhapura to Kankesanthurai and from Medawachchiya to Talaimannar Pier), at a value of ₹ 550 crore.

B. New / On-going Foreign projects:

Following four major projects, two in Bangladesh and one each in Algeria and Malaysia are in progress.

Bangladesh

1. Construction of 2nd 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 total value of ₹ 223 crore (Ircon's share).
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 ₹ 60 crore.

Algeria

3. Installation of a double track line (93 km) in Algeria awarded by ANESRIF, Government of Algeria, at a value of ₹ 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 the contract



Inauguration of Madhu Road - Talai Mannar section in Sri Lanka

including additional works for realisation of double line has been revised to ₹ 1882 crore.

Malaysia

4. Your Company continued to operate meter gauge diesel electric locomotives on Malaysian Railway System (KTMB) as per the lease and maintenance contract at annual value of USD 6.988 million. The contract has been extended up to 31st December 2015 at a total contract value of ₹ 84 crore.

C. Likely Foreign projects:

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

D. Projects Completed in India:

During the year 2014-15, following three projects were completed in India:

1. Construction of Multi-functional complexes (MFCs), assigned by Ircan Infrastructure & Services Limited (IrcanISL), at a value of ₹ 94 crore.
2. Design, Engineering, manufacturing, supply to site, construction, installation and Commissioning of Railway siding for Kalisindh Power Project, Stage – I, Jhalawar for Rajasthan Rajya Vidyut Utpadan Nigam Limited (RVUN), at a value of ₹ 165 crore.
3. Consultancy work for evaluation of assets installed by DAMPEL on Airport Express Line of Delhi MRTS, for Delhi Metro Rail Corporation Limited (DMRC), at a value of ₹ 8.55 crore.



Opening of Multi Functional Complex at Udaipur

E. New Projects in India:

During 2014-15 your Company secured following major projects in India:

1. 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, at a value of ₹ 72 crore.
2. 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 Ircan PB Tollway Limited, at a value of ₹ 646 crore.



Rail- cum-Road Bridge at Patna, Bihar

3. 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, at a value of ₹ 721 crore.
4. Detailed Project Report & Detailed Engineering Project Management & Construction of Coal Transportation System including associated Electrical Package for Darlipali Super Thermal Power project, Stage-I (2×800 MW), for NTPC Limited, at a value of ₹ 26 crore.
5. The work of establishment of SCADA compatibility and improving quality of consumer supply in Meerut Town, Ghaziabad Town, Moradabad Town, and Saharanpur Town to be carried out under R-APDRP Part B scheme on turnkey basis including supply of material, for Paschimanchal Vidyut Vitran Nigam Limited (PVVNL), at a value of ₹ 539 crore.
6. 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 R-APDRP Part-B scheme on turnkey basis including supply of material, for PVVNL, at a total value of ₹ 566 crore.
7. Contract KT-4: Design, Supply, Installation, Testing and Commissioning of Ballastless Track of Standard Gauge in elevated section of Aluva to Petta corridor of Kochi Metro Rail Limited, at a value of ₹ 162 crore.
8. 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, at a value of ₹ 198 crore.
9. Carrying out Topographical and Geo-Technical Survey, Preparation of Master Plan for proposed campus, planning, designing and construction of boundary wall and allied preparatory works, for the National

Institute of Technology, Aizwal, Mizoram, at a value of ₹ 61 crore.

F. On-going major Projects in India:

The following are the on-going projects:

1. Design, and Construction of BG New Railway line from Dharam to Qazigund (Dharam Qazigund) Km 100.88 to Km 168 in the State of Jammu & Kashmir (J&K), including additional works, for Northern Railway, at a value of ₹ 6743 crore.
2. Setting up of new Rail Coach Factory at Rae Bareli, including additional works, for Ministry of Railways, at a value of ₹ 2297 crore.
3. Construction of Corridor-I of East Corridor between Kharsia to Dharamjaygarh in the State of Chhattisgarh, for Chhattisgarh East Railway Limited, at a value of ₹ 1430 crore.
4. Construction of steel super-structure and other ancillary work of rail cum road bridge across river Ganga at Patna, for East Central Railway, at a value of ₹ 1570 crore.
5. Sivok-Rangpo New Rail Line Project, for North Frontier Railway, at a value of ₹ 1339 crore.
6. Construction of Road Over Bridges (RoBs) in Bihar (Phase – II) and Rajasthan, for Ministry of Railways and Government of Rajasthan or its various department/ local bodies respectively, at a value of ₹ 1159 crore and ₹ 507 crore respectively.
7. Construction / upgradation of Rural roads and bridges in 5 districts (Garhwa, Gumla, Ranchi, Lohardaga and Simdega) of Jharkhand – PMGSY Project at a value of ₹ 525 crore for Ministry of Rural Development, Government of India and State Government of Jharkhand.
8. R-APDRP – Part B Project under Jammu province (Cluster – I, Jammu left), (Cluster-II, Jammu Right), and (Cluster IV) (Akhnoor, Rajouri, Poonch, Udhampur,



A view of Rail Coach Factory, Rae Bareli

- Doda, Kishtwar & Baderwah), for J&K Power Development Department, at a total value of ₹ 682 crore.
9. Construction of rail link between Jayanagar (India) – Bijalpura (Nepal) (Gauge conversion) with extension up to Bardibas on India-Nepal Border, for East Central Railway, at a value of ₹ 447 crore.
 10. Construction of Rail Link between Jogbani (Bihar) India to Biratnagar (Nepal), for North Frontier Railway, at a value of ₹ 239 crore.
 11. Railway Electrification work for Banihal-Baramulla section (137.73 Kms) part of Udhampur-Srinagar-Baramulla Rail Link Project (USBRL), for Northern Railway, at a value of ₹ 144 crore.
 12. 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 at a value of ₹ 234 crore.
 13. 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), at a value of ₹ 234 crore.
 14. Development of circulating area at Santragachi and essential passenger amenities and road connectivity to Kona Expressway, for South Eastern Railway, at a value of ₹ 210 crore.
 15. Development of coaching terminal at Shalimar by provision of essential passenger amenities, for South Eastern Railway, at a value of ₹ 205 crore.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

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

A. Subsidiary Companies:

1. Ircan Infrastructure & Services Limited (IrcanISL)

IrcanISL, a wholly owned subsidiary of Ircan, was incorporated on 30th September 2009 and obtained a Certificate of Commencement of Business on 10th November 2009. The main object of IrcanISL 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 immoveable 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 2014-15, in addition to two consultancy projects secured from Ministry of External Affairs viz. preparation of feasibility report and Detailed Project Report for Road and Bridge Projects in Myanmar, IrcanISL executed the work for construction of toilets blocks (4786 toilets) under Swachh Bharat Abhiyan for PSUs like Ircan International Limited, Power Grid Corporation of India Limited, Power Finance Corporation Limited, Indian Renewable Energy Development Agency Limited, and South Eastern Coalfields Limited. The work was completed after the close of the year. Out of 23 MFCs undertaken by IrcanISL, 19 MFCs have been sub-leased to operators.

Financials of IrcanISL:

During the year 2014-15, IrcanISL has increased its authorised share capital from ₹ 40 crore to ₹ 65 crore. Ircan has subscribed to the additional share capital of ₹ 25 crore on 31st March 2015. The shares for the said amount were allotted on 25th May 2015, after the close of the year. Therefore, share application money pending allotment, as on 31st March 2015, stood at ₹ 25 crore. The present subscribed and paid-up share capital of IrcanISL stands at ₹ 65 crore.

The operating income of IrcanISL during 2014-15 has been ₹ 36.39 crore and profit before tax has been ₹ 20.29 crore.

2. Indian Railway Stations Development Corporation Limited (IRSDC)

IRSDC, a subsidiary company of Ircan and JV Company with Rail Land Development Authority (RLDA), was incorporated on 12th April 2012 and it obtained a Certificate of Commencement of Business on 9th May 2012. The main object 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 Ircan and RLDA in IRSDC is in the ratio of 51:49 respectively.

IRSDC has been entrusted with 6 stations located at Chandigarh, Habibganj (Bhopal), Shivaji Nagar (Pune), Bijwasan (New Delhi), Anand Vihar (Delhi), and Surat (Gujarat) for development/re-development. The projects will be implemented on Self Development Model or Third Party Development or combination of both wherein IRSDC would be granted leasehold rights of the site for Commercial Development, Right of Way, and Licence for the purpose of undertaking station development and re-development Works.

Financials of IRSDC:

The authorised share capital of IRSDC is ₹ 100 crore and subscribed & paid-up share capital is ₹ 40 crore.

IRSDC is in construction phase and yet to achieve any operating turnover. During the year, IRSDC earned a profit before tax of ₹ 1.98 crore mainly on account of interest income.

3. Ircon PB Tollway Limited (IrconPBTL)

During the year 2014-15, your Company had formed another wholly-owned subsidiary by the name "Ircon PB Tollway Limited" (IrconPBTL) incorporated as a Special Purpose Vehicle on 30th September 2014, pursuant to conditions of award of project viz. widening and strengthening of Bikaner-Phalodi section in the State of Rajasthan, by National Highways Authority of India (NHAI). IrconPBTL has obtained approval for commencement of business from the Registrar of Companies on 14th 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 the NHAI.

IrconPBTL has signed the concession agreement with NHAI for executing the project on 7th November 2014. IrconPBTL has submitted relevant documents to NHAI to achieve financial close. Execution of the project would be taken up after intimation of appointed date by NHAI.

Financials of IrconPBTL:

The authorized share capital of IrconPBTL is ₹175 crore. Ircon has subscribed to the additional share capital of ₹ 85 crore on 31st March 2015. The shares for the said amount were allotted on 29th April 2015, after the close

of the year. Therefore, share application money pending allotment, as on 31st March 2015, stood at ₹ 85 crore. The present subscribed and paid-up share capital of IrconPBTL stands at ₹ 90 crore. IrconPBTL is yet to start its operations.

4. Ircon Shivpuri Guna Tollway Limited (IrconSGTL)

After the close of the year, your Company has formed another wholly-owned subsidiary company by the name 'Ircon Shivpuri Guna Tollway Limited' (IrconSGTL) on 12th 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 27th May 2015.

The main object 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 in accordance with the terms of the Concession Agreement, signed with NHAI, and other ancillary works relating thereto.

IrconSGTL has signed the Concession Agreement with NHAI on 15th June 2015. IrconSGTL is yet to submit relevant documents to NHAI to achieve financial close. Execution of the project would be taken up after achieving financial close and intimation of appointed date by NHAI.

Financials of IrconSGTL:

The authorized share capital of IrconSGTL is ₹ 150 crore and its subscribed and paid-up share capital is ₹ 3 crore.

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

5. Ircon-Soma Tollway Private Limited (ISTPL)

A joint venture company (JVC) called 'Ircon-Soma Tollway Private Limited' (ISTPL) was incorporated on 19th 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 project was completed in 2010-11 and ISTPL is earning toll on the entire stretch of 118.158 km.

Financials of ISTPL:

The authorized share capital of ISTPL is ₹ 130 crore and its subscribed and paid-up share capital is ₹ 127.74 crore.

During the year, ISTPL has achieved operating turnover of ₹ 155.34 crore and incurred a loss of ₹ 15.67 crore.

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 ₹ 521.53 crore availed by ISTPL in 2011-12. The outstanding balance of this loan as on 31st March 2015 is ₹ 325.20 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 (JVC) called 'Chhattisgarh East Railway Limited' (CERL) was incorporated on 12th March 2013, with equity participation by South Eastern Coalfields Limited, Irecon, and Chhattisgarh State Industrial Development Corporation Limited [nominee of Govt. of Chhattisgarh (GoCG)] 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 the Certificate for Commencement of Business on 7th May 2013.

CERL has signed concession agreement for Phase I (comprising 104 km) of the East Corridor Coal connectivity project on 12th June 2015 with Ministry of Railways. Phase I of the project is being implemented on Build, Own, Operate, and Transfer (BOOT) model for PPP projects. Physical work has started after acquisition of 64 km of

land, for which about ₹ 100 crore had been invested.

Financials of CERL:

As on 31st March 2015, the authorized share capital of CERL is ₹ 5 crore and subscribed and paid-up share capital ₹ 4.055 crore. CERL is yet to start commercial operations.

7. Chhattisgarh East-West Railway Limited (CEWRL)

A joint venture company (JVC) called 'Chhattisgarh East-West Railway Limited' (CEWRL) was incorporated on 25th March 2013, with equity participation by South Eastern Coalfields Limited, Irecon, and Chhattisgarh State Industrial Development Corporation Limited (CSIDC) (nominee of GoCG) 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 7th May 2013.

Detailed Project Report (DPR) has been approved by the concerned Railway during July 2015, and implementation work has started.

Financials of CEWRL:

The authorized share capital of CEWRL is ₹ 5 crore and its subscribed and paid-up share capital is ₹ 4.055 crore. CEWRL is yet to start commercial operations.

C. Joint Venture Companies (JVCs) – Outside India

8. 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.



Signing of MOU with Government of Chhattisgarh

Your Company has 25% equity stake in CCFB along with RITES having 26%, and CFM, a railway undertaking of Mozambique, having 49% equity stake.

Financials of CCFB:

Your Company's equity stake of 25% in CCFB is represented by USD 1.25 million (₹ 5.53 crore). CCFB had been granted following loans by your Company:

Sl. No.	Particulars	Amount as on 31.03.2015	
		(USD million)	(in ₹ crore)
1	Loan	5.083	22.48
2	Conditional shareholders loan	15.041	66.53
3	Shareholders loan	1.1422	7.115
	Total	21.266	96.125

The details of loan have been disclosed in Note no. 34 forming part of the Standalone Financial Statements.

Though track rehabilitation work had been completed and trains started un-interrupted movements for carrying coal, however, the Conceding Authority (Minister of Transport and Communications, Government of Mozambique) had terminated and took over the Concession in December 2011. Efforts were made for amicable settlement which did not succeed. Accordingly, CCFB had initiated arbitration proceedings against Government of Mozambique under International Chamber of Commerce Rules, and filed request for Arbitration with International Court of Arbitration. A suitable provision has been made against the investment following a conservative approach. Efforts for amicable settlement of the dispute were also going on simultaneously and an agreement to settle the dispute has been signed with Govt. of Mozambique on 21st October, 2015 as per which the Company will be able to retrieve its entire investment in installments over a period of time. Accounting adjustments will be made on receipt of amount of 1st installment.

D. Unincorporated Joint Ventures (UJVs)- For projects in operation:

9. 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 27th August 2010 at a value of ₹145.43 crore.

The overall progress of the project as on 31st March 2015 is 83.67% and the work is likely to be completed in December 2015.

Financials:

During the year, this UJV has achieved operating turnover of ₹ 82.33 crore and profit before tax of ₹ 6.47 crore.

10. 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 2nd Bhairab Railway Bridge with approach Rail Lines in Bangladesh. The agreement for the project was signed on 10th September 2013 at a value of BD Taka 567.17 crore.

The overall progress of the project is 48% as on 31st July 2015, and the work is likely to be completed in September 2016.

Financials:

During the year, this UJV has achieved operating turnover of ₹ 94.13 crore and profit before tax of ₹ 8.45 crore.

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

11. 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 ₹ 0.74 crore.

12. 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 made 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, Irrcon, and Shimizu is 29%, 26%, 26%, 9.5%, and 9.5% respectively.

The project awarded to this UJV 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 had incurred a loss of ₹ 0.40 crore.

12. 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), Irrcon, and Shimizu Corporation (Shimizu), Japan, was made 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, Irrcon, 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 ₹ 4.30 crore which mainly consists of interest income.

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 three subsidiaries viz. IrrconISL, IRSDC, and IrrconPBTL, and four joint venture companies viz. ISTPL, CERL, CEWRL, and CCFB; and five un-incorporated Joint Ventures viz. RICON, IMCC, MTG, IRCON-SPSCPL, and IRCON-AFCONS JV. The Board of Directors of your Company has, at its meeting held on 28th July 2015, approved the Standalone Financial Statements for 2014-15. The Consolidated Financial Statements were approved at a meeting of the Board of Directors held on 14th August 2015.

All the above said subsidiaries, joint venture companies, and un-incorporated Joint Ventures in India have financial year ending on 31st March except CCFB (Joint Venture Company in foreign country) which is having a financial year ending on 31st December.

Your Company would make available audited financial statements (standalone and consolidated financial statements) and accounts of its subsidiaries (IrrconISL, IRSDC, and IrrconPBTL), joint venture companies (ISTPL, CERL, CEWRL, and CCFB), and un-incorporated joint ventures (RICON, IMCC, MTG, IRCON-SPSCPL, and IRCON-AFCONS) at its website (www.ircon.org). Further, the accounts of these subsidiaries and joint ventures would 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. Disclosure of Accounting Treatment:

Dues of Beira Rail Concession Project – The principal and interest accrued on loan extended to CCFB have been translated at the exchange rate prevailing as on 31st March 2011 (i.e. 1 USD = ₹ 44.23), based on prudence, instead of rates on the date of balance sheet as required under the provisions of AS-11. The details are given in Note no. 34 forming part of the Standalone Financial Statements.

B. Presidential Directive:

No Presidential directive was received during the year 2014-15.

C. 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 Irrcon's intranet for use by the employees. As initiative for pervasive use of Hindi, daily, a thought and a word in Hindi is displayed at the reception.

D. 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 Irrcon'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, 156 queries out of 170 applications (inclusive of 1st and 2nd appeal) were processed / disposed off.

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 ₹ 60 lakhs or more or ₹ 5 lakhs or more per month during the year 2014-15, except Chairman and Managing Director who has drawn salary of ₹ 60.70 lakhs during the year 2014-15, details of which are given in para 4.1 of the Corporate Governance Report.

2. Deposits

During the year under review, your Company did not accept any deposits from public.

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 31st March 2015 are as under:

Sl. No.	Name of the Company	Amount (₹ in Crore)	
		Committed	Actually invested
Equity Investment:			
a)	Subsidiary Companies		
	i) IrconISL	65.00	65.00
	ii) IRSDC	40.80	20.40
	iii) IrconPBTl	165.00	90.00
b)	Joint Venture companies		
	i) ISTPL	63.87	63.87
	ii) CERL	1.30	1.17
	iii) CEWRL	1.30	1.17
	iv) CCFB	5.53	5.53
Loan :			
a)	Subsidiary Companies		

Sl. No.	Name of the Company	Amount (₹ in Crore)	
		Committed	Actually invested
	i) IrconISL (See Note no. 2)	64.90	64.90
	ii) IrconPBTl (See Note no. 3)	352.00	Nil
b)	Joint Venture Companies		
	i) CERL (See Note no. 4)	39.00	30.00
	ii) CEWRL (See Note no. 5)	39.00	Nil
	iii) CCFB (See Note no. 6)	101.88	95.94
c)	Unincorporated Joint Ventures		
	IRCON-AFCONS JV (See Note no. 7)	18.15	18.11
Guarantee:			
a)	Joint Venture Companies		
	ISTPL	162.60	162.60
Bonds:			
a)	IRFC Bonds (See Note no. 8)	-	166.18

Notes -

- Apart from the above, your Company has extended following financial assistance to its wholly owned subsidiary (WOS) companies and unincorporated joint ventures (UJV):
 - Allocation of ₹ 150 crore (revolving) of Ircon's non-funded credit limits sanctioned by Indian Overseas Bank to be utilized by three WOS viz. IrconISL, IrconPBTl, and IrconSGTL for facilitating issue of bank guarantee(s) by the Banker in favour of their client as may be required by them to carry on their business.
 - Allocation of ₹ 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 guarantee(s) by the Banker in favour of their client as may be required by them to carry on their business.
- Loan (a) (i) Loan was extended for meeting capital expenditure on construction of multi-functional complexes (MFC). After part repayment, the outstanding loan as on date is ₹ 31.50 crore.
- Loan (a) (ii): Loan is to be utilized for execution of Bikaner – Phalodi Highway project in the State of Rajasthan.

4. Loan (b) (i): Loan has been extended for construction of a Rail line project from Kharsia to Dhramjaigarh in the State of Chhattisgarh.
5. Loan (b) (ii): 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.
6. Loan (b) (iii): Details have been disclosed under the heading 'CCFB' (under Subsidiaries, Joint Ventures, and Associate Companies at para C8) of this Report, and also disclosed in note no. 34 forming part of the Standalone Financial Statements.
7. Loan (c): Loan has been extended for working capital requirement in connection with construction of 2nd Bhairab Railway Bridge project in Bangladesh.
8. Bonds: Details of investments are disclosed in note no. 12 forming part of the Standalone Financial Statements. The BoD had accorded approval in July 2014 for further investment, up to ₹ 150 crore in bonds of public sector undertakings, to be utilised on or before 31st July 2015 against which no investment was made.

After the close of the financial year, your Company has further made/ committed following investments and loan to its subsidiaries and proposed joint ventures companies, up to 31st July 2015:

Sl. No.	Name of the Company	Amount (₹ in Crore)	
		Committed	Actually invested
Equity Investment:			
a)	Subsidiary Companies		
	IrconSGTL	150.00	3.00
b)	Proposed Joint Venture Companies		
	i) In Jharkhand	1.30	Nil
	ii) In Odisha	1.30	Nil
	iii) In Chhattisgarh	1.30	Nil
Loan :			
a)	Subsidiary Companies		
	IrconSGTL (see note no. 1)	722.11	Nil

Note:

1. Loan to IrconSGTL has been approved for execution of Shivpuri Guna Highway project in the State of Madhya Pradesh.

4. Related Party Transactions

The related party transactions entered during the year had been in the ordinary course of business and on arm's length basis. Form AOC-2 in terms of section 134(3) (h) of the Companies Act, 2013, read with rule 8 (2) of the Companies (Accounts) Rules, 2014, is placed as Appendix-F.

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 been 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 31st March 2015 stood at 1472, which included 88 deputationists majority of whom (i.e. 68) were deployed on foreign projects. 1271 were regular employees out of which 1114 were employed on Indian projects. The total number of women employees was 69, out of which 41 were executives. 884 employees of the Company were technically and professionally qualified. There are a total of 225 scheduled caste/ scheduled tribe employees as on 31st March 2015.

Your Company has been continuously taking steps for building capacity of its human resources 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 2014-15, a total 1240 man-days training was imparted to officials of Ircon through workshops, seminars, conferences, etc. in external institutes, in-house trainings, 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, educational assistance to the wards of deceased employees, assistance for marriage of daughters and dependent sisters of group 'C' and 'D' employees, etc.

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. Gym facilities are also available in corporate office and Rae Bareli 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. During the year 2014-15, no complaint relating to sexual harassment has been received by the Company.

Your Company is gradually moving towards a competency based framework for managing Human Resources. The first step in this direction was Get Ready To Outperform and Win (GROW) project with the aim of building competency map for the organization while also identifying the competency pool for all employees at all levels of organization. During the year, 151 man-days training in behavioral and leadership areas was imparted under GROW project. During the year the Company developed succession planning framework policy for senior management levels (E7 to E9) to ensure a steady flow of future leaders from within the organization. Online grievance redressal system has been introduced in the Company for effective redressal of employees' grievances.

The 39th Annual Day was celebrated on 28th April 2015 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 Sueddeutschland 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

initiated knowledge sharing by disseminating information on concrete work as per latest amendment to IS 456:2000, Rebar and Rebar work for improvement in reinforcement work for construction projects, information on spurious TMT bars in market, etc.

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. In addition, the Company has a fully operational environmental lab in Jammu for study of impacts on environment by the construction activities.

The Company has started monitoring of wastage of water, air quality and noise quality at its various construction sites and residential complexes. Environmental friendly equipments such as solar heater/ solar lights are also being installed at various projects. Waste water is recycled through Sewage Treatment Plant (STP), and the same is used for horticulture work.

Your Company has also been certified for **Occupational Health & Safety Management System (OHSAS – BS 18001:2007)** in December 2012 by TUV SUD South Asia. This certificate is valid till December 2015.

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 are also conducted on safety against fire, environmental protection, identification of hazards, accidental/ incident reporting system, etc.

Conservation of Energy and Technology Absorption

On energy conservation front, your Company 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 cost of ₹ 15.60 crore. On being fully operational, this solar power plant would meet about one fourth of power requirement for the factory.

Your Company has also undertaken installation of LED light fittings at its Corporate Office as energy conservation measure.

Technology absorption has been undertaken through execution of following works:

1. Geographical Information System (GIS) based Overhead Equipment (OHE) Design for Railway Electrification work of Banihal-Baramulla section in USBRL project in the State of J&K.
2. In CE-6 project of DMRC your Company has used following for the first time:
 - a) 66KV cable with VCV manufacturing process from Indian vendor
 - b) 25 KV CB with current rating of 3000 Amperes

New Austrian 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. During the year the Company has developed Layout Plan (LOP) using software for work of GIS OHE design for Railway Electrification work of Banihal-Baramulla section of USBRL project in the State of J&K.

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.

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.

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

Vigilance Activities

The 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 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. Chief Technical Examiner’s Office (CTEO) has also conducted inspections of three major projects of IRCON. 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, HRM, 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 taken steps like 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; E-procurement has already been started 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.

The tenure of the previous CVO ended on 5th June 2015 and pending appointment of a new CVO, the functions are being discharged by Executive Director (Projects) of the Company.

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 22nd April 2014 for adoption and implementation of Integrity Pact.

Accordingly, Integrity Pact has been implemented for tenders / contract for works and supply valuing of ₹ 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:

1. Asia Pacific HRM Congress Award 2014 for 'Organisation with innovative HR Practices'. The award was received by Mr. H.D. Doddaiiah, Addl. General Manager (Southern Region), Ircon, at a function held in Bengaluru on 11th September 2014.
2. Dun and Bradstreet Infra Awards 2014, in the category of 'Construction and Infrastructure Development (Railways)'. The award was received by Mr. Mohan Tiwari, Chairman & Managing Director, Ircon, at a function held in Mumbai on 30th October 2014.



D&B Infra Awards 2014 in Construction & Infrastructure Development (Railways)

3. SCOPE Meritorious Award under the category of 'Corporate Social Responsibility & Responsiveness' for the year 2012-13. The Commendation certificate was received by Mr. Mohan Tiwari, Chairman & Managing Director, Ircon, from Mr. Anant Geete, Union Minister of Heavy Industries & Public Enterprise, Government

of India, in the presence of President of India, Mr. Pranab Mukherjee, at a function held in New Delhi on 5th November 2014.



SCOPE Commendation Certificate for CSR & Responsiveness

4. National Award for Excellence in Cost Management – 2013 instituted by Institute of Cost Accountants of India for 'Excellence in Cost Management – Public Service Sector (Large)'. The award was presented by Mr. Jayant Sinha, Minister of State for Finance, to Mr. Mohan Tiwari, Chairman & Managing Director, Ircon, at a function held in New Delhi on 25th November 2014.



ICAI National Awards for Excellence in Cost Management

5. Vishwakarma Award 2015 from Construction Industry Development Council (CIDC) in the category of best professionally managed company with a turnover of more than ₹1,000 crore. The award was presented by Mr. Satyendra Jain, Minister of Health, Power and Public Works Department, Government of NCT of

Delhi, to Mr. K.K. Garg, Director Finance, Irecon, at a function held in New Delhi on 14th March 2015.

Your Company received following awards after the close of the financial year 2014-15:

6. 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, Irecon, at a function held in New Delhi on 4th June 2015.
7. 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, Irecon, at a function held in New Delhi on 23rd July 2015.

Integral Reports

“Annual Report on CSR and Sustainability Activities”, “Management Discussion and Analysis Report”, “Corporate Governance Report”, “Secretarial Auditor Report”, “Extract of Annual Return”, and “Form AOC-2” and “Management replies to qualification contained in the Auditor’s Report on Standalone and Consolidated Financial Statement” with relevant sub-appendices form an integral part of this Directors’ Report, and have been placed as **Appendix – A, B, C, D, E, F, G and H** respectively.

“Annual Report on CSR and Sustainability Activities” provides a brief outline of the company’s CSR and Sustainability policy, the composition of CSR 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 – A**].

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

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 2014-15 and thereafter, attendance and remuneration of directors etc., other relevant disclosures, CMD / DF Certification, and general information for shareholders [**Appendix – C**]. 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 2014-15 (placed at **Annexure – C1**);
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 – C2**); and
3. Certificate of compliance of Corporate Governance provisions signed by a practising company secretary (placed at **Annexure – C3**).

Pursuant to the provision of Section 204 of the Companies Act, 2013 and the Companies (Appointment and



India Pride Award for Excellence in Infrastructure Development

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. The Secretarial Audit Report from the auditor is placed at **Appendix – D**.

The Secretarial Auditor as well as the Auditor 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 has been requested to appoint requisite number of Independent Directors and Woman Director on the Board of Ircon.

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**” is placed at **Appendix – E**.

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 placed at **Appendix – F**.

The replies of the Management on the Qualifications contained in the Auditors’ Report on Standalone as well as consolidated financial statements is placed at **Appendix G and H** respectively.

Directors’ Responsibility Statement

The Board of Directors of the Company confirms:

- 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;
- 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 31st March 2015 and of the profit of the Company for the financial year 2014-15;
- that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 and the Companies Act, 2013 (where applicable), for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

- that the financial statements have been prepared on a going concern basis; and
- 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 2014 to March 2015, six meetings of the Board of Directors were held with one meeting each in the quarter ended on June 2014 and December 2014, two meetings each in the quarters ended on September 2014 and March 2015. The details of the meetings are furnished in the Corporate Governance Report under heading ‘Board Procedure’.

- The following Directors are holding office as on date;

a)	Mr. Mohan Tiwari Chairman and Managing Director [DIN 00191363]	w.e.f. 01.02.2009
b)	Mr. K.K. Garg Director Finance [DIN 01495050]	w.e.f. 03.11.2009
c)	Mr. Deepak Sabhlok Director Projects [DIN 03056457]	w.e.f. 16.04.2010
d)	Mr. Hitesh Khanna Director Works [DIN 02789681]	w.e.f. 07.03.2011
e)	Mr. Anjum Pervez Part-time Director (Official) [DIN 06682287]	w.e.f. 15.07.2013
f)	Mr. H.K. Kala Part-time Director (Official) [DIN 07200108]	w.e.f. 02.06.2015

- The following Directors ceased to hold office during 2014-15:

1	Prof. (Dr.) S.S. Chatterji* Independent Director [Part-time (non-official)] [DIN 03546195]	Ceased to be Director on completion of 3 year tenure on 15.09.2014
2	Mr. B.M. Sharma* Independent Director [Part-time (non-official)] [DIN 00779026]	Ceased to be Director on completion of 3 year tenure on 18.09.2014
3	Mr. A.K. Rawal Part-time Director (official) [DIN 06806261]	Ceased to be Director due to his superannuation as Additional Member (Planning), Railway Board, on 31.03 2015

* Both the Independent Directors of the Company have declared, at the first board meeting held during 2014-15, that they meet the criteria of Independence in terms of Section 149(6) of the Companies Act, 2013.

Auditors

A. Statutory and Branch Auditors

The Auditors of the Company appointed by the Comptroller & Auditor General of India for 2014-15 are:-

Joint Statutory Auditors:

Vinod Kumar & Associates, and T. R. Chadha & Co.	For Company as a whole
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Branch Auditors for projects in India:

Jindal & Co., New Delhi	All projects under Northern Region and Western 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 and one project of Western Region.

Branch Auditors for projects Abroad:

Vinod Kumar & Associates and T. R. Chadha & Co.	All projects in Malaysia
Cabinet de Audit et CAC, Algeria	Algeria
Gajma & Co., Sri Lanka	Sri Lanka
MABS & J Partners, Bangladesh	Bangladesh

B. Cost Auditor

The Board of Directors have appointed M/s. Chandra Wadhwa & Co., Cost Accountants, as Cost Auditor of the Company for conducting the audit of cost records of the Company maintained under the segment 'Road and other infrastructure projects'.

C. Secretarial Auditor

The Board of Directors have appointed M/s. Vishal Agarwal & Associates, Practising Company Secretary, to conduct Secretarial Audit of the Company for the financial year 2014-15.

D. Internal Auditors

The Board of Directors has appointed following Internal Auditors for 2014-15:-

Auditors for Indian Projects:

Bansal Sinha & Co., New Delhi	Northern Region
N.C. Mittal & Co.	Jammu & Kashmir Region
Ray & Co.	Eastern Region
SBA Associates	Southern Region
R.C. Jain & Co.	Western Region
N.C. Mittal & Co.	Corporate Office

Auditors for projects abroad:

KERBAL Athmam, Alger	Algeria
Jayasinghe & Co.,	Sri Lanka
Ahsan Zamir & Co.	Bangladesh

Apart this, two officials of Ircon were nominated to conduct the internal audit of Malaysia projects of your Company for 2014-15, in terms of the decision of the Board of Directors.

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 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 : 6th November 2015

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 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 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 **around 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 this company rightfully claim for attention before others. Not only it makes easier to mobilize resources required for execution of CSR projects, but it also offer an advantage of executing regular progress in implementation of planned activities.

The **thrust areas for CSR activities** are capacity building, empowerment of communities, inclusive socio-economic growth, environment protection, promotion of green and energy efficient technologies, development of backward regions, and upliftment of the marginalized and under-privileged.

The policy also provides for **stakeholder engagement** by involving State Government / Local Administration and Gram Sabhas at village level in rural areas, at the initial stage of planning and selection of CSR activities.

During the financial year 2014-15, the Company has undertaken CSR and Sustainability activities in the field of health, education, rural infrastructure development, environment (solar energy), sanitation and cleanliness, art and culture, and socio-economic development. In

addition, the Company has also contributed to relief fund established by Government to mitigate the sufferings of people affected by natural calamities in the State of Jammu & Kashmir. To achieve the objective of Clean India (Swachh Bharat) through promotion of sanitation, the Company has also contributed an amount of ₹ 1.87 crore to Swachh Bharat Kosh.

The CSR and Sustainability Policy of the Company, along with the projects / activities as approved by the Board of Directors is available at the **web-link** -- <http://www.ircon.org/content.aspx?Title=178>.

2. Composition of CSR Committee:

Presently your Company has a three-tier structure comprising Board level Committee; Nodal officer and his team; and project level CSR implementation committee; for undertaking the CSR and Sustainability activities / projects.

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, its mandate, along with details of meetings held during 2014-15 are given in para 7.4 of the Corporate Governance Report. Presently, the Committee is headed by Mr. H. K. Kala, Part-time (Official) Director, Addl. Member (Planning), Railway Board; with Mr. K. K. Garg, Director Finance; Mr. Deepak Sabhlok, Director Projects; and Mr. Hitesh Khanna, Director Works; as its members.

b) The Committee is assisted by Mr. A. K. Goyal, Executive Director (Projects), **Nodal Officer and his team**.

The **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.

c) At each project of the Company, a **project level CSR implementation committee** is constituted headed by project head and supported by two other senior

officers from the project. This committee submits proposals to the Nodal officer for undertaking CSR and Sustainability projects; arranges implementation of the approved activities / projects; and submits monthly progress reports to the Nodal Officer.

3. **The average net profit of the Company from Indian projects in the last three financial years is ₹ 246.57 crore.**
4. **The CSR Budget for the financial year 2014-15 has been ₹ 4.93 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 2014-15, the Company has spent ₹ 6.72 crore on CSR activities, which includes ₹ 1.71 crore carried forward from the CSR budget of previous years. Thus, the unspent amount for the year 2014-15 is 'Nil'.**



Water Treatment Plant at North 24 Parganas (WB)

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

(₹ in Lakhs)

Sl. No.	CSR Project or 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 2014-15		Total Expenditure for the year 2014-15	Cumulative expenditure up to 2014-15	Amount Spent (Direct or through implementing agency)
				Total	During 2014-15	(1) Direct expenditure on projects or programs	(2) Over-heads			
1	Drinking water treatment facility for removal of arsenic	Health [S. No. (i) of Schedule VII]	(1) Local Area (2) West Bengal, Berhampore	40.00	35.00	21.33	-	21.33	26.33	Through M/s SATHEE, an NGO of West Bengal
2	Improving health care infrastructure by construction of health post with Porta Cabins (10Ft x 12Ft), supply of medical equipments and construction of sanitized toilets in Banihal Division	Health [S. No. (i) of Schedule VII]	(1) Local (2) J&K, Ramban	25.40	16.87	17.76	-	17.76	26.22	Through Ircan Infrastructure & Services Limited
3	Running and maintenance cost of the 3 existing health units at Banihal, Lalganj, Sivok \$	Health [S. No. (i) of Schedule VII]	(1) Local Area (2) J&K, Ramban; UP, Raebareli; and West Bengal, Sivok	30.00	30.00	23.54	-	23.54	23.54	Direct

Sl. No.	CSR Project or Activity identified	Sector in which the Project is covered	Projects or Programs	Amount outlay (Budget) Project or Programs wise		Amount Spent on the Projects or Programs during 2014-15		Total Expenditure for the year 2014-15	Cumulative expenditure up to 2014-15	Amount Spent (Direct or through implementing agency)
				(1) Local area or other	Total	(2) State and District where projects or programs was undertaken	During 2014-15			
4	Augmentation of Drinking water supply to Kohli and Soomber villages	Health [S. No. (i) of Schedule VII]	(1) Local Area (2) J&K, Ramban	13.50	13.50	12.79	-	12.79	12.79	Direct
5	Eye & Health Check up camps for school children \$	Health [S. No. (i) of Schedule VII]	(1) Local Area (2) New Delhi	5.00	1.65	0.83	-	0.83	0.83	Through M/s Mahavir International (an NGO)
6	Drinking water supply to the village of Peerpora, Tethar-Banihal	Health [S. No. (i) of Schedule VII]	(1) Local Area (2) J&K, Ramban	9.00	9.00	8.94	-	8.94	8.94	Direct
7	Providing one ambulance for state health department at District Ramban	Health [S. No. (i) of Schedule VII]	(1) Local Area (2) J&K, Ramban	10.00	10.00	9.46	-	9.46	9.46	Direct
8	Contribution to Swachh Bharat Kosh	Sanitation [S. No. (i) of Schedule VII]	Swachh Bharat Kosh, Deptt. of Expenditure (Ministry of Finance)	187.00	187.00	187.00	-	187.00	187.00	Direct
9	Providing infrastructure works for Girls Inter college under municipality of Raebareli	Education [S. No. (ii) of Schedule VII]	(1) Local Area (2) UP, Raebareli	97.50	22.50	22.50	-	22.50	97.50	Through Municipality of Raebareli
10	Up gradation of school and other facilities in village Bhauri (Gwalior) \$	Education [S. No. (ii) of Schedule VII]	(1) Local Area (2) MP, Gwalior	20.00	15.00	13.77	-	13.77	18.77	Through MP Laghu Udyog Nigam Ltd.
11	Up gradation of School Building at Inarwa-Kamala village*	Education [S. No. (ii) of Schedule VII]	(1) Local Area (2) Nepal, Inarwa	12.50	10.19	8.64	-	8.64	10.95	Direct
12	Toilet block with Porta Cabins, SDPE septic tanks, water storage tanks in Banihal Division (18 Schools)	Education [S. No. (ii) of Schedule VII]	(1) Local Area (2) J&K, Ramban	57.20	27.13	21.18	-	21.18	51.25	Through Irecon Infrastructure & Services Limited
13	Contribution for the education & Welfare of the street children in Godhuli Schools	Education [S. No. (ii) of Schedule VII]	(1) Local Area (2) New Delhi	2.36	2.36	2.36	-	2.36	2.36	Through M/s GODHULI, an NGO

Sl. No.	CSR Project or Activity identified	Sector in which the Project is covered	Projects or Programs	Amount outlay (Budget) Project or Programs wise		Amount Spent on the Projects or Programs during 2014-15		Total Expenditure for the year 2014-15	Cumulative expenditure up to 2014-15	Amount Spent (Direct or through implementing agency)
				(1) Local area or other	Total	(2) State and District where projects or programs was undertaken	During 2014-15			
14	Development works for Govt. School, Soomber \$	Education [S. No. (ii) of Schedule VII]	(1) Local Area (2) J&K, Banihal	10.00	10.00	5.13	-	5.13	5.13	Direct
15	Additional works at Sant Ravidas Sr Secondary School, Bhadvasia, Jodhpur	Education [S. No. (ii) of Schedule VII]	(1) Local Area (2) Rajasthan, Jodhpur	4.80	4.80	8.92	-	8.92	8.92	Direct
16	Up gradation of school building of Janta Adarsh Andh Vidyalaya, Sadiq Nagar	Education [S. No. (ii) of Schedule VII]	(1) Local Area (2) New Delhi	3.00	3.00	3.35	-	3.35	3.35	Direct
17	Providing ceiling fans to Govt. Primary School in Aihar	Education [S. No. (ii) of Schedule VII]	(1) Local Area (2) UP, Raebareli	1.00	1.00	0.94	-	0.94	0.94	Direct
18	Providing furniture for student hostel at HSS, Ukheral	Education [S. No. (ii) of Schedule VII]	(1) Local Area (2) J&K, Ramban	10.00	10.00	6.73	-	6.73	6.73	Direct
19	Improvement to school infrastructure by providing fencing, pathway and drinking water facilities \$	Education [S. No. (ii) of Schedule VII]	(1) Local Area (2) J&K, Ramban	7.00	7.00	1.92	-	1.92	1.92	Direct
20	Vocational cum skill development training \$	Skill Development [S. No. (ii) of Schedule VII]	(1) Local Area (2) Rajasthan, Dholpur	20.00	14.94	2.00	-	2.00	7.06	Through ITI Dholpur
21	Vocational training centers for women at Bankoot (Banihal) for tailoring and embroidery \$	Skill Development [S. No. (ii) of Schedule VII]	(1) Local Area (2) J&K, Ramban	5.00	2.57	1.51	-	1.51	3.94	Direct
22	Conservation of Energy by replacing CFL Lights with LED Lights	Environment [S. No. (iv) of Schedule VII]	(1) Local Area (2) New Delhi	80.00	40.00	42.61	-	42.61	42.61	Direct

Sl. No.	CSR Project or Activity identified	Sector in which the Project is covered	Projects or Programs	Amount outlay (Budget) Project or Programs wise		Amount Spent on the Projects or Programs during 2014-15		Total Expenditure for the year 2014-15	Cumulative expenditure up to 2014-15	Amount Spent (Direct or through implementing agency)
				Total	During 2014-15	(1) Direct expenditure on projects or programs	(2) Over-heads			
23	Use of Renewable Energy by installing Solar Panel \$	Environment [S. No. (iv) of Schedule VII]	(1) Local Area (2) New Delhi	110.00	18.61	22.05	-	22.05	113.44	Direct
24	Provision of Mokshda Green cremation system (Mokshda PEVSS) near Lalganj \$	Environment [S. No. (iv) of Schedule VII]	(1) Local Area (2) UP, Raebareli	79.00	47.39	39.52	-	39.52	71.13	Through M/s MOKSHDA PEVSS (Paryavaran Evam Van Suraksha Samiti)
25	Mechanized Cleaning of Track Surrounding areas at Railway Stations	Environment [S. No. (iv) of Schedule VII]	(1) Local Area (2) New Delhi	65.00	5.00	4.87	-	4.87	64.87	Through Northern Railway
26	Providing solar lights in various villages of J&K, Bihar and UP #	Environment [S. No. (iv) of Schedule VII]	(1) Local Area (2) J & K, Ramban; Bihar, Patna; UP, Raebareli	10.00	-	4.47	-	4.47	4.47	Through Ircon Infrastructure & Services Limited
27	Up-gradation of Rail Museum at Chanakyapuri, New Delhi (Jointly with other PSUs)	Art & Culture [S. No. (v) of Schedule VII]	(1) Local Area (2) New Delhi	51.68	51.68	51.68	-	51.68	51.68	Through RITES Limited
28	Contribution to PM/CM relief fund	Relief Fund [S. No. (viii) of Schedule VII]	(1) Local Area (2) J&K	50.00	50.00	50.00	-	50.00	50.00	Direct
29	Protection works for Public graveyard, Banihal	Rural Development [S. No. (x) of Schedule VII]	(1) Local Area (2) J&K, Ramban	10.00	10.00	10.10	-	10.10	10.10	Direct
30	Construction of Concrete Pathway from Kaskoot Village (Eastern side) up to the West side boundary wall of Banihal Station yard \$	Rural Development [S. No. (x) of Schedule VII]	(1) Local Area (2) J&K, Banihal	4.50	4.50	2.67	-	2.67	2.67	Direct
31	Construction of pre-fabricated bus shelter at Lalganj	Rural Development [S. No. (x) of Schedule VII]	(1) Local Area (2) UP, Raebareli	10.00	10.00	9.79	-	9.79	9.79	Direct

Sl. No.	CSR Project or Activity identified	Sector in which the Project is covered	Projects or Programs	Amount outlay (Budget) Project or Programs wise		Amount Spent on the Projects or Programs during 2014-15		Total Expenditure for the year 2014-15	Cumulative expenditure up to 2014-15	Amount Spent (Direct or through implementing agency)
				Total	During 2014-15	(1) Direct expenditure on projects or programs	(2) Over-heads			
32	Providing infrastructure facilities in Dulhapur village \$	Rural Development [S. No. (x) of Schedule VII]	(1) Other (2) UP, Ghazipur	25.00	5.00	6.09	-	6.09	6.09	Direct
33	Community hall under Zila Panchayat in Kila bazaar	Rural Development [S. No. (x) of Schedule VII]	(1) Local Area (2) UP, Raebareli	92.50	17.50	17.50	-	17.50	92.50	Through Zila Panchayat of Raebareli
34	Up gradation of pathways in hilly villages of Soomber and Dudda-Urnihal	Rural Development [S. No. (x) of Schedule VII]	(1) Local Area (2) J&K, Ramban	30.00	15.00	27.40	-	27.40	27.40	Direct
35	Disaster Management in Banihal (J&K)	Relief Measure [S. No. (viii) of Schedule VII]	(1) Local Area (2) J&K, Banihal	0.20	0.20	0.13	-	0.13	0.13	Direct
36	Evaluation for CSR projects executed during the year 2013-14	Health, Education, Rural Development, Skill Development, Environment	(1) Local Area (2) J&K, Ramban, Jammu; UP, Raebareli, Noida, Gr Noida; Rajasthan, Dholpur, Jodhpur, Bikaner, Hindaun; Delhi*	2.70	2.70	-	2.83	2.83	2.83	Through Irecon Infrastructure & Services Limited
Total				1190.84	711.09	669.48	2.83	672.31	1063.64	

(*) The CSR activity is in continuation since 2013-14 i.e. before the Companies Act, 2013 was made applicable.

(#) Release of final payments for the CSR activities undertaken during the previous years for Providing solar lights in various villages of J&K, Bihar and UP.

(§) CSR activities / projects continuing in the year 2015-16 also.

- 6 The BOD, at its meeting held on 28.07.2015, had approved provisional CSR Budget, for the financial year 2015-16, of ₹ 6.03 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)

H.K. Kala

Part-time (Official) Director &
Chairman, CSR and Sustainability Committee
(DIN 07200108)

Mohan Tiwari

Chairman & Managing Director
(DIN 00191363)

Place : New Delhi

Date : 6th November 2015

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 and 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 39 years both in the Country 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 projects in more than 22 countries across the globe, and 373 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

During 2014-15 Indian economy grew at 7.3 per cent as per the new series of national accounts, adopted by the Central Statistical Organization, with base year of 2011-12 in place of earlier base of 2004-05. The perceptible improvement in economic growth resulted from improved performance of both services as well as manufacturing sectors. Encouraged by the macro-economic stability coupled with improved business sentiments in the country, the International Monetary Fund (IMF) and the World Bank have presented an optimistic growth outlook for India for the year 2015 and beyond.

Government has undertaken various initiatives to sustain this momentum of growth. The major ones, which would afford **business opportunities** to your Company, **are as follows:**

1. Railways:

The key focus areas for Indian Railways presently are creation of capacity; modernization of network and rolling stock; dedicated freight corridor (DFC); high speed rail; last mile linkage; port connectivity; etc. Accordingly, an investment of about ₹ 8,56,020 crore is planned over a span of next five years i.e. 2015-19 for:

- Network decongestion in the form of Doubling and DFCs;
- Taking up National Projects in North Eastern States and in the State of J&K;
- Track renewal, bridge works;
- Road over bridges, Rail under Bridges;
- Production and maintenance of Rolling Stock in the form of locomotives, coaches, wagons, etc.;
- Augmentation of passenger amenities and stations re-development;
- High Speed Rail and Elevated Corridors.

In addition to putting up rail connectivity projects for coal movement in the State of Jharkhand, Odisha, and Chhattisgarh on fast track, Railways has sanctioned

77 projects covering 9400 km of doubling/tripling/quadrupling works along with their electrification at a total cost of ₹ 96182 crore.

Ministry of Railways has also taken initiative for introduction of High Speed Bullet Trains on the Mumbai-Ahmedabad corridor, and also high speed corridor on Diamond Quadrilateral network connecting major metros and growth centers in the Country.

2. Roads:

The Government has approved a scheme for development of 1,126 km of national highways and 4,351 km of state roads in left-wing extremism (LWE) affected areas as a special project with an estimated cost of about ₹ 7,300 crore. In addition, the National Highways and Infrastructure Development Corporation Limited, has been created to expedite development of highways in the North-Eastern region and border areas.

Government has also taken steps to resolve problems being faced by BOT - PPP projects (like developers having negligible equity to contribute and lenders unwillingness to provide debt funds) by rescheduling premium payment in BOT projects. The rescheduling would be available to concessionaires experiencing revenue shortfall so as to ensure that project execution does not suffer owing to cash flow constraints. These initiatives would give a boost to highway projects being offered on BOT basis.

3. Electrical Projects:

In addition to railways electrification works, work for railway sidings/workshops, tunnel ventilation, industrial electrification, distribution works, smart grid technologies for power sector utility, sub-station/transmission/high voltage cable laying works are in the offing.

Government has introduced 'Integrated Power Development Scheme (IPDS)' with an outlay of ₹ 32612 crore for strengthening the sub-transmission and distribution network in urban areas, metering of distribution/feeders/transformers/consumers in urban areas and roof top solar panels. The IPDS scheme would subsume the presently continuing Restructured Accelerated Power Development and Reforms Programme (R-APDRP).

4. Urban Infrastructure Projects:

Urban infrastructure in the form of smart cities having intelligent physical, social, institutional, and economic infrastructure to improve public services.

5. Signalling & Telecommunication Projects:

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

In **foreign countries opportunities exist** in countries like Oman, Ethiopia, Bangladesh, Sri Lanka, Malaysia, and Myanmar.

Present Project Profile:

Your Company is executing projects for 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 Rai Bareli; electric loco sheds; Road over Bridges in Bihar and Rajasthan; Pradhan Mantri Gram Sadak Yojna (PMGSY) in Jharkhand and Bihar; and electrical works under R-APDRP in the State of Jammu & Kashmir and Uttar Pradesh.

Additionally, the Company is a stakeholder in two Special Purpose Vehicle (SPV) companies to undertake rail connectivity projects for coal movement in the State of Chhattisgarh. MoUs have also been signed for taking up such works in the State of Odisha and Jharkhand. Subsequent to the signing of MoUs, two more Joint Venture Companies have been incorporated on 31st August 2015, viz. 'Mahanadi Coal Railway Limited' in the State of Odisha, and 'Jharkhand Central Railway Limited' in the State of Jharkhand.

The Company has also formed two SPV companies for execution of road projects viz. Ircon PB Tollway Limited [for 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 BOT (Toll) basis in the State of Rajasthan] and Ircon Shivpuri Guna Tollway Limited [for four laning of Shivpuri-Guna section of NH-3 from 236.00 km to 332.1 km on BOT (Toll) basis on DBFOT pattern under NHDP Phase-IV in the State of Madhya Pradesh].

Your Company is executing projects in Malaysia, Bangladesh, Myanmar, Bhutan and Algeria.

OUTLOOK

The Vision, Mission, and Objectives 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 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.

C. Objectives

- i) To enhance the size and value of business activities of the Company so as to achieve a turnover of ₹ 5500 crore by the year 2016-17.
- ii) To achieve reasonable returns on the capital employed.

FINANCIAL PERFORMANCE

In the year 2014-15, the Company has registered total income of ₹ 3122 crore, as compared to the total income of ₹ 4307 crore achieved in 2013-14. About 95% of the total operating income i.e. ₹ 2950 crore, has arisen from operations, out of which about 30% i.e. ₹ 877.52 crore has been contributed by foreign projects. Operating income from foreign projects has decreased by 59% over the previous year. The main reason for lower income during the year is completion of projects in Malaysia and Sri Lanka which had contributed substantial income during the previous year. There had been a corresponding reduction in Profit before tax which has decreased by 32.40% from ₹ 1249 crore in 2013-14 to ₹ 844.29 crore in 2014-15, and Profit after Tax has also decreased by 36.08% from ₹ 907 crore in 2013-14 to ₹ 579 crore in 2014-15. Net Worth has increased by 12.04% during the year, whereas earnings per share have decreased by 36.08% from ₹ 457.92 in 2013-14 to ₹ 292.68 in 2014-15.

Although turnover of the Company has shown declining trend, the Company has secured new projects which have increased order book by ₹ 5039 crore approx. Consequently, the Company is hopeful to reverse the trend and achieve turnover as per objectives.

The Board of Directors has recommended a dividend @ ₹ 52 per share (520% on the paid-up share capital) for consideration and declaration by the shareholders. The Company has already paid an interim dividend @ ₹ 40 per share (400%) in February 2015. The dividend of ₹ 102.94 crore payable after declaration at the Annual General Meeting together with the interim dividend already paid (₹ 79.184 crore) would take the total dividend pay-out for the year 2014-15 to ₹ 182.12 crore, which is 920% of the existing paid-up share capital of the Company.

OPERATIONAL PERFORMANCE

A. Sectoral Performance:

Railways continued to be the primary sector of interest contributing highest to the operating income. During 2014-15, Railways accounted for 91.12% of operating income, Highways accounted for 7.72%, and the balance 1.16% resulted from buildings, electrical projects, etc. A sector-wise comparative position is given below. The table below shows the proportion of operating income from railway construction works has decreased from 96% in 2013-14 to 91.12% in 2014-15, whereas the proportion of income from highway sector has increased from 3% in 2013-14 to 7.72% in 2014-15.

(₹ in Crore)

Sectors	2012-13		2013-14		2014-15	
	Operating Income	%	Operating Income	%	Operating Income	%
Railways	3906	92	3884	96	2688	91.12
Highways	225	5	136	3	228	7.72
Buildings	42	1	24	0.5	19	0.63
Others*	59	2	23	0.5	15	0.53
Total	4232		4067		2950	

* Includes income from Electrical Projects (₹ 52 crore during 2012-13, ₹ 21 crore during 2013-14, and ₹ 13.43 crore during 2014-15).

B. Segment-wise Performance:

Foreign projects contributed 45% and 50% to total income during 2012-13 and 2013-14 respectively as compared to 28% in 2014-15. A comparative position for the last three years is given below:

(₹ in Crore)

Segments	2012-13		2013-14		2014-15	
	Total Income	%	Total Income	%	Total Income	%
Foreign	1995	45	2146	50	868	28
Domestic	2476	55	2161	50	2254	72
Total	4471		4307		3122	

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 to be utilized for upcoming EPC and DBFOT 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 has geared itself to benefit from the opportunity presented by EPC and DBFOT projects both in Railways and Highways by leveraging its financial strength.

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. Availability of soft credit with overseas competitors and flexibility in procurement and operations with private competitors are some of the other factors.

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 in order to increase their order book and to capture a sizeable portion of the market.

Ircon 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, with the Employer(s) diluting the qualification requirement a large number of highway contractor are diversifying in this segment thereby increasing the competition for Ircon.

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. 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.

RISKS AND CONCERNS

A. Project Risk Management:

A formal Risk Management framework is in place from August 2007. 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.

The Company's employees and projects have been and are exposed to risks and threats to life, liberty, and property while operating in risky geographical areas. It however takes pride in executing prestigious works in the nation building task. The Company has taken measures with the help of the Government to provide adequate security, facilities, and also insurance coverage in such places. Policies and procedures are in place for ensuring health and safety. Construction industry is highly susceptible to variation in commodity prices and interest rates.

Quality department has issued Guidelines on Hazard Identification and Risk Analysis due to construction activities, plant and machinery, vehicles, etc. for projects, and suggested operational control procedures to minimize the identified hazards.

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 (earlier denoted as 'PR1+', and has now been standardized in accordance with circular dated 15th June 2011 issued by SEBI) 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 November 2014.

Ircon 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 had been issued with guidelines for 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 a structured organizational chart and a system of delegation of powers. This coupled with robust internal MIS systems (online reporting format), ensures appropriate information flow to facilitate effective monitoring. Adherence to these processes is monitored through internal audits in two phases during every financial year. 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 accountants directly reporting to the Management which also ensures their independence. Reports of the Internal Auditors are reviewed, compliances are ensured, and synopses 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 make them more in line with the overall strategy of the Company. Training programmes are designed so as to enhance both technical and managerial skills of employees.

A Performance Management System based on the 2nd Pay Revision Committee recommendations is in place which focuses on Key Result Areas for all projects and functions in line with the goals, objectives, and targets of the Company under the Memorandum of Understanding signed with the Ministry of Railways.

The Company offers the benefits of Contributory Provident Fund, Gratuity, and Post retirement Indoor Medical benefits through a Medical Trust. The Company has also formulated a Defined Contribution Pension Scheme, based on the recommendation of 2nd Pay Revision Committee, which has been approved by the Ministry of Railways. The Trust Deed for the said scheme is being registered with the Commissioner of Income tax.

For and on behalf of the Board of Directors

Mohan Tiwari
Chairman & Managing Director
(DIN 00191363)

Place : New Delhi

Date : 6th November 2015

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:
- Constructive approach
 - Working as a team
 - Excellence in performance
 - Probity in work and dealings
 - Being responsible and accountable

2. BOARD OF DIRECTORS

2.1 Composition of Board of Directors

Present strength of the Board of Directors of Ircon is six comprising four whole-time directors (Chairman & Managing Director, Director Finance, Director Projects, and Director Works) and two government nominated [part-time (official)] directors.

During 2014-15, the tenure of two independent directors on the Board of Ircon [i.e. Prof. (Dr.) S.S. Chatterji and Mr. B.M. Sharma] concluded on 15th September 2014 and 18th September 2014 respectively. Representations have been made to the Ministry of Railways for appointing requisite number of independent directors as well as women director on the Board of Ircon. In addition, a monthly report on the position of vacancies at Board level is regularly sent to the Ministry of Railways with special request to expedite appointment of requisite independent and women directors.

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

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)	No. of 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	1

Directors	Whole-time / Part-time (Official) / Independent	Directorships held in Companies/ Body Corporates (excluding Ircon)	No. of Committee Memberships held in Companies / Body Corporates (including Ircon)	
			As Chairman	As Member
K.K. Garg [DIN 01495050]	Director Finance – Whole-time	1 [CCFB]	1	2
Deepak Sabhlok [DIN 03056457]	Director Projects – Whole-time	5 [ISTPL, IRSDC, IrconPBTL, IrconSGTL and JCRL]	1	3
Hitesh Khanna [DIN 02789681]	Director Works – Whole-time	1 [IrconISL]	Nil	1
Anjum Pervez [DIN 06682287]	Part-time (official)	1 [RVNL]	Nil	3
H.K. Kala [w.e.f. 02.06.2015] [DIN 07200108]	Part-time (official)	1 [MRVC]	3	2

Directors who Ceased to Hold Office (During 2014-15 and thereafter till the date of this report)

Directors	Whole-time / Part-time (Official) / Independent	Directorships held in Companies/ Body Corporates (excluding Ircon)	No. of Committee Memberships held in Companies / Body Corporates (including Ircon)	
			As Chairman	As Member
S.S. Chatterji [up to 15.09.2014] [DIN 03546195]	Independent – Part-time (non-official)	1 [RVNL]	3	4
B.M. Sharma [Up to 18.09.2014] [DIN 00779026]	Independent – Part-time (non-official)	1 [OPDPL]	1	3

Directors	Whole-time / Part-time (Official) / Independent	Directorships held in Companies/ Body Corporates (excluding Ircon)	No. of Committee Memberships held in Companies / Body Corporates (including Ircon)	
			As Chairman	As Member
A.K. Rawal [Up to 31.03.2015] [DIN 06806261]	Part-time (official)	1 [MRVC]	2	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) 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 joint venture 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) CCFB – Companhia Dos Caminhos De Ferro Da Beira, a JV Company in Mozambique in which Ircon has 25% equity participation
- vii) JCRL – Jharkhand Central Railway Limited a JV Company in Jharkhand (India) in which Ircon has 26% equity participation
[CIN U45201JH2015GOI 003139]
- viii) MRVC – Mumbai Railway Vikas Corporation Limited
[CIN U45203MH1999GOI120765]
- ix) RVNL – Rail Vikas Nigam Limited
[CIN U74999DL2003GOI118633]
- x) OPDPL - Omni-Protech Drugs Private Limited
[CIN U24239PN1993PTC071120]

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 directors (part-time official) 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 2/3rd 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 Board of your Company is done through Memorandum of Understanding entered with Ministry

of Railways and submitted to Department of Public Enterprises by the Administrative Ministry.

3.1 Brief Resume of Directors who joined the Company

No director joined the Company during the year.

However, after the close of the year, Mr. Hari Krishna Kala (H.K. Kala) (DIN 07200108), Additional Member (Planning), Railway Board, joined Ircan as part-time Official Director w.e.f. 2nd June 2015 (date of his consent), in terms of Presidential Order dated 26th May 2015 issued by the Ministry of Railways.

Born on 22nd June 1956, Mr. Kala is an Indian Railway Service of Mechanical Engineers (IRSME) Officer and joined Railways in February 1979. He has over 36 years of experience of working in various capacities in the Indian Railways including Research and Development, Operation and maintenance of rolling stock, manufacture of wheels, axles, springs, and locomotives and also general administrative responsibilities. He had undergone training in 'Heavy Haul Operations' in US, 'Coach Design' in Japan and Germany, and 'Strategic Management' in France.

As an Additional Member (Planning), Railway Board, he is responsible for planning and investment decisions in Railways.

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 31st Annual General Meeting held on 26th 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 215th meeting held on 28th January 2015, fixed the sitting fee 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 2014-15:

(Amount in ₹)

Sl. No.	Name of the Directors	Salary & Allowances	Other Benefits & Perks	Performance Linked Incentive	Retirement Benefits	Bonus/ Commission/ Ex-gratia	Stock Option during the year	Total
1	Mr. Mohan Tiwari*, Chairman & Managing Director (throughout 2014-15)	29,05,779	7,36,259	21,60,440	2,67,560	--	--	60,70,038
2	Mr. K.K. Garg, Director Finance (throughout 2014-15)	33,87,317	7,43,272	14,49,947	2,39,473	--	--	58,20,009
3	Mr. Deepak Sabhlok Director Projects (throughout 2014-15)	25,03,058	5,80,575	14,30,520	2,36,194	--	--	47,50,347
4	Mr. Hitesh Khanna Director Works (throughout 2014-15)	28,86,339	6,48,497	14,07,743	2,32,475	--	--	51,750,54

*Mr. Mohan Tiwari, born on 1st October 1956, qualified as B.E. Civil (Hons.), M.Tech (Structures) and PGDIM, joined Ircan on 25th June 1998 on deputation from Ministry of Railways and got absorbed in 2002 as General Manager. He was a Director (Projects) from 8th August 2003 to 31st January 2009. He assumed tenure post as Managing Director on 1st 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. 5th March 2013. His tenure of appointment has been extended beyond 31st January 2014 till 30th September 2016, i.e. the date of his superannuation, vide order dated 15th May 2014 by Ministry of Railways. He has over 36 years of experience in infrastructure sector.

4.2 Details of payments made to Independent Directors / Part-time (Non-official) Directors during 2014-15:

(Amount in ₹)

Sl. No.	Name of the Independent Directors / Part-time (Non-official) Directors	Sitting Fee		Total
		Board Meetings	Committee Meetings	
1	Prof. (Dr.) S.S. Chatterji (Up to 15.09.2014)	30,000	1,00,000	1,30,000
2	Mr. B.M. Sharma (Up to 18.09.2014)	30,000	60,000	90,000

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).
- 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 in the registered office of the Company has been earmarked for them.

5.2 BoD Meetings and Attendance during 2014-15:

- The Board of Directors met 6 times during the financial year 2014-15 on:
30th April 2014, 31st July 2014 (adjourned and resumed on 1st August 2014), 11th September 2014, 28th November 2014, 28th January 2015, and 23rd February 2015.
- Leave of absence was granted in terms of section 167(1)(b) of the Companies Act, 2013.
- Details of attendance of the Directors and Company Secretary during 2014-15:

Directors	No. of Board Meetings during 2014-15		Attended last Annual General Meeting
	Held (during their respective tenures)	Attended	
Mohan Tiwari	6	6	YES
K.K. Garg	6	6	YES

Directors	No. of Board Meetings during 2014-15		Attended last Annual General Meeting
	Held (during their respective tenures)	Attended	
Deepak Sabhlok	6	6	YES
Hitesh Khanna	6	6	YES
S.S. Chatterji	3	3	NA
B.M. Sharma	3	3	NA
Anjum Pervez	6	5	YES
A.K. Rawal	6	5	YES
H.K. Kala	NA	NA	NA
Lalitha Gupta	1	1	NA
Iti Matta	2	2	YES
Sumita Sharma	3	3	NA

NA- Not Applicable

During 2014-15 Ms. Lalitha Gupta, Company Secretary & GM (Law), superannuated on 30th April 2014. From 1st May 2014 to 30th September 2014, Ms. Iti Matta, Asst. Manager/ Company Affairs, was appointed to perform the functions of Company Secretary, till a candidate is selected and appointed at a higher level. Ms. Sumita Sharma is the Company Secretary of the Company w.e.f. 30th September 2014.

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. These Codes came into effect from 1st 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 2014-15 is placed as **Annexure – C1.**

7. COMMITTEES OF BOD

7.1 Audit Committee:

7.1.1 Terms of Reference:

The Company has revised terms of reference for Audit Committee in line with the Companies Act, 2013; DPE CG

Guidelines, 2010; and clause 49 of the Listing Agreement. The core areas in the revised Terms of Reference for Audit Committee include 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) Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient, and credible;
- 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) Management Discussion and analysis of financial conditions and results of operations;
- j) Discussion with the auditors – both internal and statutory auditors – to address significant issues and areas of concern;

- k) 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;
- l) 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 2014-15, the declaration of due compliance by Chairman & Managing Director and Director Finance, internal control systems, etc. before recommending the Financial Statements for 2014-15 for approval by the Board of Directors. The Audit Committee had also reviewed the financial statements and performance of subsidiary companies of Ircon.

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 28th April 2000 with the approval of Board of Directors pursuant to 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.

Pending appointment of requisite number of independent directors by the Ministry of Railways, the Audit Committee was last re-constituted in June 2015, as under, with two part-time (official) directors and one whole-time director:

Mr. H.K. Kala, Part-time (Official) Director – Chairman
 Mr. Anjum Pervez, Part-time (Official) Director – Member
 Mr. Deepak Sabhlok, Director Projects – Member

The Audit Committee met 8 times during the financial year 2014-15 on:

30th April 2014, 22nd May 2014, 31st July 2014, 11th September 2014, 23rd December 2014, 28th January 2015, 23rd February 2015, and 30th March 2015.

The attendance details of meetings held during 2014-15 are:

Member	Status	Meetings held (during their respective tenures)	Meetings attended
B. M. Sharma	Chairman (Up to 18.09.2014)	4	4
S.S. Chatterji	Member (Up to 15.09.2014)	4	4

Member	Status	Meetings held (during their respective tenures)	Meetings attended
A. K. Rawal	Chairman (13.11.2014 to 31.03.2015)	4	4
Anjum Pervez	Member (throughout 2014-15)*	8	8
Deepak Sabhlok	Member (w.e.f. 13.11.2014)	4	4
Mohan Tiwari	Member (from 29.04.2015 to 14.06.2015)	NA	NA
H.K. Kala	Chairman (w.e.f. 14.06.2015)	NA	NA

* Mr. Anjum Pervez was the Chairman of Audit Committee from 29.04.2015 to 14.06.2015, and he continues as a member of Audit Committee thereafter.

Company Secretary of Ircan is the Secretary of this Committee. All the said meetings were attended by Company Secretary of the Company (held during their respective tenure).

7.2 Shareholders' / Investors' Grievance Committee

The Company constituted a Shareholders / Investors Grievance Committee of directors on 6th June 2001. The Committee has been re-constituted from time to time due to change in directorships.

Company Secretary is the Compliance Officer of this Committee.

No complaint has been received so far and no share transfer is pending. A half yearly report stating that 'there has been no investor grievance regarding transfer of shares, non-receipt of balance sheet, or non-receipt of declared dividend' is circulated to all the members of the Committee.

The Committee was last re-constituted in July 2013 as under:

Mr. Anjum Pervez, Part-time Official Director – Chairman
 Mr. K.K. Garg, Director Finance – Member
 Mr. Deepak Sabhlok, Director Projects – Member

After the close of the year, Board of directors of Ircan, at its meeting held on 28th July 2015, had dissolved the Shareholders' / Investors' Grievance Committee in view of the provisions contained in section 178 of the Companies Act, 2013. After dissolution of the said Committee, the

power to consider and resolve grievances of security holders of the Company now vest with the Board of Directors.

7.3 Remuneration Committee

The Company has a Remuneration Committee in place since 20th April 2009 pursuant to para 5.1 of the DPE CG Guidelines, 2010 for deciding the annual bonus/ variable pay pool and policy for its distribution across executives and non-unionized supervisors. It has been reconstituted as and when there has been a change in directorships.

The Committee had a meeting on 11th September 2014 for payment of PRP for 2013-14, which was attended by all the then members of the Committee and the then Company Secretary of the Company. The Committee was last re-constituted in November 2014 as under:

Mr. Anjum Pervez, Part-time Official Director – Chairman
 Mr. Deepak Sabhlok, Director Projects – Member
 Mr. Hitesh Khanna, Director Works – Member

In July 2015, the existing Remuneration Committee has been renamed as **Nomination and Remuneration Committee** and its terms of reference has been widened so as to include area as specified by section 178 of the Companies Act, 2013, along with existing terms of reference under DPE OM dated 26th 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 26th November 2008.
2. To review the policies for selection and removal of persons in senior management 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.

Presently, Nomination and Remuneration Committee comprises of Mr. H.K. Kala, Part-time Official Director, as its Chairman along with Mr. Anjum Pervez, Part-time Official Director, and Mr. Mohan Tiwari, Chairman & Managing Director, as its members.

7.4 CSR and Sustainability Committee

An integrated Board Committee for CSR and Sustainable Development (CSR-SD Committee) had been constituted in April 2013, in terms of DPE CSR and Sustainability Guidelines, 2013.

After the implementation of new Companies Act, 2013, the CSR-SD Committee was renamed as 'CSR Committee' in July 2014. Later DPE revised Guidelines on CSR and Sustainability (in line with the Companies Act, 2013 and Rules thereunder). These Guidelines were effective from 1st April 2014. Accordingly, CSR and Sustainability Committee has been constituted (in supersession of CSR Committee) in November 2014, 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 re-constituted as and when there has been a change in independent directors. Pending appointment of requisite number of independent directors by the Ministry of Railways, the CSR and Sustainability Committee was last re-constituted in June 2015, as under:

Mr. H. K. Kala, Part-time Official Director	-	Chairman
Mr. K.K. Garg, Director Finance	-	Member
Mr. Deepak Sabhlok, Director Projects	-	Member
Mr. Hitesh Khanna, Director Works	-	Member

The Committee met 6 times during the financial year 2014-15 on: 28th April 2014, 22nd May 2014, 30th July 2014, 11th September 2014, 30th December 2014 and 23rd February 2015. The attendance details are:

Member	Status	Meetings held (during their respective tenures)	Meetings attended
S.S. Chatterji	Chairman (Up to 15.09.2014)	4	4
A.K. Rawal	Chairman (from 13.11.2014 to 31.03.2015)	2	2
H.K. Kala	Chairman (w.e.f. 14.06.2015)	NA	NA
K.K. Garg	Member	6	6
Deepak Sabhlok	Member	6	6
Hitesh Khanna	Member	6	5

All the said Committee meetings were attended by Company Secretary of the Company (held during their respective tenure).

7.5 Independent Directors Committee

Independent Directors Committee (known as 'ID

Committee') has been constituted in October 2013 pursuant to DPE – OMs dated 28th December 2012 (amended vide DPE-OM dated 20th June 2013) on 'Role & responsibilities of Non-official Directors' in October 2013 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, para VII of Schedule IV of the Companies Act, 2013, provides that Independent Directors of the Company shall hold one meeting in a year without the attendance of non-independent directors and members of Management

The Committee had a meeting on 10th September 2014, which was attended by both the Independent Directors of the Company without the attendance of non-independent directors and members of management in compliance with the DPE-OMs and Companies Act, 2013.

The tenure of the two independent directors concluded in September 2014. Accordingly, the constitution of this Committee would be taken up as and when new independent directors join the Board of Ircon.

7.6 Committee for Issue of Renewed/Duplicate Share Certificates.

The Company 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 constituted in January 2015 as under:

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

Company Secretary is the Secretary of this Committee.

7.7 Share Issue Committee

BoD, at its meeting held on 28th January 2015, had dissolved the Share Issue Committee in view of the fact that issue of share certificates on sub-division, consolidation, etc. under the Common Seal of the Company, shall be done by the Board of Directors by means of a resolution passed at the meeting of the Board in terms of the section 179(3)

(c) of the Companies Act, 2013, read with rule 5(1) of the Companies (Share Capital and Debentures) Rules, 2014, as amended from time to time.

No meeting was held during the year 2014-15, before the dissolution of the said Committee.

8. COMPLIANCE OF PROVISIONS RELATING TO SUBSIDIARY (IES)

Presently, Ircon has following 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 (incorporated during the year on 30th September 2014).
- Ircon Shivpuri Guna Tollway Limited (IrconSGTL) is a 100% subsidiary company of Ircon (incorporated after the close of the year on 12th May 2015).

None of the aforesaid companies are listed.

Turnover/Net Worth of IrconISL, IRSDC, and IrconPBTL did not exceed 20% of the turnover or net worth of Ircon (holding company) during 2014-15. Therefore, none of IrconISL, IRSDC, or IrconPBTL is a 'material subsidiary' under the Listing Agreement or a 'subsidiary' as per the DPE CG Guidelines.

9. GENERAL BODY MEETINGS

9.1 The last three Annual General Meetings were held as under:

Financial Year	Date of holding meeting	Time	Location/ Venue
2013-14	25th September 2014	5 P.M.	Company's Registered Office, Delhi
2012-13	3rd September 2013	5 P.M.	Company's Registered Office, Delhi
2011-12	25th September 2012	5 P.M.	Company's Registered Office, Delhi

9.2 Only one special resolution was passed in the last Annual General Meeting held on 25th September 2014, and that no special resolution was passed in the Annual General Meeting for the year 2011-12 and 2012-13.

9.3 No special resolution is proposed to be conducted through Postal Ballot in the ensuing Annual General Meeting of Ircon.

10. DISCLOSURES

10.1 During the year, there was no transaction of material nature with the directors or their relative that had potential conflict with the interest of the Company.

10.2 The Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India in the preparation of Financial Statements. Deviations from Accounting Standards have been explained in self explanatory notes given at note no. 34 forming part of the Financial Statements and also in Directors' Report under the heading 'Compliances'.

10.3 During 2014-15, there are no items of expenditure debited in books of accounts, other than for the business purposes of the Company. Also, no expenses have been incurred by the Company which are personal in nature for the Directors and Top Management except for the remuneration paid to Directors, which is as per Government approved pay and perks (Details given in para 4 of this report and also disclosed in Note no. 41 forming part of the Stand-alone Financial Statements).

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

Particulars	2014-15	2013-14	Remarks
Administrative expenses (₹ in crore)	30.60	35.84	Nil
Bank & Other Finance Charges (₹ in crore)	8.93	38.45	
Total Expenses (₹ in crore)	2277.45	3057.51	
Administration expenses/ Total expenses (in %)	1.34%	1.17%	
Bank & Financial Charges/ Total expenses (in %)	0.39%	1.26%	

10.5 The Company periodically informs the Board about the risks associated with its projects in risky areas and foreign exchange management. Details pertaining to risk management have been given in Management Discussion and Analysis Report under the heading 'Risks and Concerns'.

10.6 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.

10.7 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 or ethics policy. 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 2014-15.

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 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 2013-14.

10.13 Ircon has secured, based on self-evaluation, an annual score of '91.25' out of 100 which falls under 'Excellent' grade for compliance of DPE Corporate Governance Guidelines for the year 2014-15.

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; from 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 – C2** 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 2014-15 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, Detection, and Control Policy; and Whistle Blower Policy along with confidential e-mail-ids of nodal officers/ CMD/ Chairman, Audit Committee.
 - iii) CSR and Sustainability Policy and the CSR Activities for 2014-15.
 - 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" for creating investor awareness.

12.2 Annual General Meeting of the Current Year

Date : 22nd December, 2015

Time : 17.00 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 2014-15 to all such shareholders whose name appear in the Register of Members as on the date of Annual General Meeting i.e. 22nd December, 2015, 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
Total	1,97,96,000	100

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 more than eleven different States in the Country and in five other countries. A list of the units 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: 91-11-26545265 / 26530456;
Fax: 91-11-26522000 / 26854000
E-Mail: sumita.sharma@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, latest unaudited financial results, Corporate Plan with MoU targets and achievements, and related provisions on Duties, Responsibilities, etc. of Directors.

13.2 The Board members, based on their requirement attended various seminars, conferences, training programs from time to time. During the year, Ircon's Directors were nominated / had attended training programs organized by ASSOCHAM, Indian Research Centre, SCOPE, Northern Railway, 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 2014-15.

Certificate obtained from a Practising Company Secretary regarding compliance of the conditions of Corporate Governance is placed as **Annexure – C3** to this Report.

For and on behalf of the Board of Directors

Mohan Tiwari
Chairman & Managing Director
(DIN 00191363)

Place : New Delhi

Date : 6th November 2015

DECLARATION BY CHAIRMAN & MANAGING DIRECTOR REGARDING COMPLIANCE WITH THE CODE OF CONDUCT BY BOD MEMBERS AND SENIOR MANAGEMENT DURING THE FINANCIAL YEAR 2014-15.

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 2014-15.

Mohan Tiwari
Chairman & Managing Director
(DIN 00191363)

Place : New Delhi

Date : 21st May 2015

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 2014-15 and to the best of our knowledge and belief:

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

K. K. Garg
Director Finance
(DIN 01495050)

Mohan Tiwari
Chairman & Managing Director
(DIN 00191363)

Place : New Delhi

Date : 28th July 2015

M. Bangia & Associates
Company Secretaries

B-152 Dayanand Colony, Lajpat Nagar-IV
New Delhi-110 024 Tel.: 011-41625462
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
Ircan International Limited
New Delhi

In respect of the compliance of the conditions of Corporate Governance for the year ended 31st March, 2015, by Ircan 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 (after conclusion of the tenure of two independent directors on 15.09.2014 and 18.09.2014 respectively) and a Woman Director (during the year under review) on the Board of the Company, which we understand is done by the Government.

FOR M. BANGIA & ASSOCIATES
COMPANY SECRETARIES

Place: NEW DELHI
Dated: 06.11.2015

MANOJ BANGIA
Proprietor
CP NO.3655

CS Vishal Agarwal & Associates
Company Secretaries

39/2068, Naiwala, 315, Dakha Chambers
Karol Bagh, New Delhi - 110005
Tel.: 28755638, Mobile: 9313835638
E-mail: csvishal21@gmail.com

Secretarial Audit Report (For the Financial year ended on 31st March 2015)

Form No. MR-3

[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 31st March 2015, 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 2015 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 Investment and 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
 - Maternity Benefits Act, 1961
 - Minimum Wages 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 further report that no observation in respect of compliances by the Company with the following is required:

- (a) The Secretarial Standards issued by the Institute of Company Secretaries of India as they had not been notified by the Central Government up to March 31st 2015.

(b) 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.
4. We further report that the Company has, in our opinion, complied with the provisions of the Companies Act, 1956 and the Rules made under that Act and the provisions of Companies Act, 2013 as notified by Ministry of Corporate Affairs and the Memorandum and Articles of Association of the Company without any material non-compliance.

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.

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, 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)

FCS No.: 7242

C P No. : 7710

Place: New Delhi
Date : 05.11.2015

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.

Vishal Agarwal & Associates Company Secretaries

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, Cost Auditors and C & AG 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. Where ever 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

(CS Vishal Agarwal)

Place: New Delhi
Date : 05.11.2015

FCS No.: 7242
C P No. : 7710

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
 As on the financial year ended on 31.03.2015

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of Main Products / Services	NIC Code of the Product/service	% to total turnover of the Company
1	Railways	4210	86.11%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

[No. of Companies for which information is being filled - 12 Companies]

Sl. No.	Name and Address of the Company	CIN/ GLN	Holding/ subsidiary/ Associate	% of shares held	Applicable section
1	Ircon Infrastructure & Services Limited Plot No. C-4, District Centre, Saket, New Delhi -110017.	U45400DL2009GOI194792	Wholly owned subsidiary	100%	2(87)
2	Ircon PB Tollway Limited C-4, District Centre, Saket, New Delhi -110017	U45400DL2014GOI272220	Wholly owned subsidiary	100%	2(87)
3	Indian Railway Stations Development Corporation Limited 4th Floor, Palika Bhawan, Sector-XIII, R. K. Puram, New Delhi- 110066.	U45204DL2012GOI234292	Subsidiary	51%	2(87)
4	Ircon-Soma Tollway Private Limited C-4, District Centre, Saket, New Delhi-110017.	U74999DL2005PTC135055	Associate	50%	2(6)

Sl. No.	Name and Address of the Company	CIN/ GLN	Holding/ subsidiary/ Associate	% of shares held	Applicable section
5	Chhattisgarh East Railway Limited Mahadev Ghat Road, Raipura Chowk, Raipur-492013, Chhattisgarh.	U45203CT2013GOI000729	Associate	26%	2(6)
6	Chhattisgarh East-West Railway Limited Mahadev Ghat Road, Raipura Chowk, Raipur-492013, Chhattisgarh.	U45203CT2013GOI000768	Associate	26%	2(6)
7	Companhia Dos Caminhos De Ferro Da Beira, SARL, Largo do CFM, edificio da Estacao Central, Beira, Mozambique	Foreign Company	Associate	25%	2(6)
8	IRCON-SPSCPL JV 47, Sector - 9, Panchkula, 134113, Haryana	Unincorporated Joint Venture	Associate	50%	2(6)
9	IRCON-AFCONS JV Second Floor, C-4, District Centre, Saket, New Delhi-110017.	Unincorporated Joint Venture	Associate	53%	2(6)
10	RICON Rites Bhawan, 1, Sector - 29, Gurgaon - 122001, Haryana	Unincorporated Joint Venture	Associate	49%	2(6)
11	International Metro Civil Contractor 8, Jantar Mantar Road, Connaught Place, New Delhi - 110001	Unincorporated Joint Venture	Associate	9.50%	2(6)
12	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	
A.	Promoters									
(1)	Indian									
a)	Individual/ HUF		-	-			-	-		
b)	Central Govt		1,97,42,400	1,97,42,400	99.729		1,97,42,400	1,97,42,400	99.729	Nil
c)	State Govt(s)		-	-			-	-		
d)	Bodies Corp.		-	-			-	-		
e)	Banks / FI		-	-			-	-		
f)	Any Other		-	-			-	-		
	Sub-total (A) (1)	Not Applicable	1,97,42,400	1,97,42,400	99.729	Not Applicable	1,97,42,400	1,97,42,400	99.729	Nil
(2)	Foreign									
a)	NRIs - Individuals		-	-			-	-		
b)	Other- Individuals		-	-			-	-		
c)	Bodies Corp.		-	-			-	-		
d)	Banks / FI		-	-			-	-		
e)	Any Other		-	-			-	-		
	Sub-total (A) (2)		-	-			-	-		
	Total Shareholding of Promoter (A) = (A)(1)+(A)(2)		1,97,42,400	1,97,42,400	99.729		1,97,42,400	1,97,42,400	99.729	Nil
B.	Public Shareholding									
(1)	Institutions									
a)	Mutual Funds		-	-			-	-		
b)	Banks/ FIs --									
	Bank - Bank of India		4,800	4,800	0.024		4,800	4,800	0.024	Nil
	FIs - Indian Railway Finance Corporation Limited		48,800	48,800	0.247		48,800	48,800	0.247	Nil
c)	Central Govt		-	-			-	-		
d)	State Govt(s)		-	-			-	-		
e)	Venture Capital Funds		-	-			-	-		
f)	Insurance Companies		-	-			-	-		
g)	FIs		-	-			-	-		
h)	Foreign Venture Capital Funds		-	-			-	-		
i)	Others (specify)		-	-			-	-		
	Sub-total (B)(1):	Not Applicable	53,600	53,600	0.271	Not Applicable	53,600	53,600	0.271	Nil

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		
(2)	Non- Institutions	Not Applicable				Not Applicable					
a)	Bodies Corp.:										
i)	Indian		-	-			-	-			
ii)	Overseas		-	-			-	-			
b)	Individuals		-	-			-	-			
i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh		-	-			-	-			
ii)	Individual shareholders holding nominal share capital in excess of Rs 1 lakh.		-	-			-	-			
c)	Others (specify)		-	-			-	-			
	Sub-total (B)(2):		-	-			-	-			
	Total Public Shareholding (B) = (B)(1) + (B)(2)		53,600	53,600	0.271		53,600	53,600	0.271	Nil	
C.	Shares held by Custodian for GDRs & ADRs	Not Applicable	-	-		Not Applicable	-	-			
	Grand Total (A + B + C)	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 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
	Total	1,97,42,400	99.729		1,97,42,400	99.729		

* List of holdings by the President of India and his nominees annexed.

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			
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
For each of the top 10 Shareholders					
1	Indian Railway Finance Corporation Limited				
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	Nil	Nil
c)	At the End of the year	48,800	0.247	48,800	0.247
2	Bank of India				
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	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
For each of the Directors and KMP					
1	At the beginning of the year	Not Applicable		Not Applicable	
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):				
3	At the End of the year				

Note:

- 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
Indebtedness at the beginning of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i + ii + iii)				
Change in Indebtedness during the financial year				
- Addition				
- Reduction				
Net Change			Nil	
Indebtedness at the end of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i + ii + iii)				

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in ₹)

SI No.	Particulars	Name of Whole-time Director (throughout 2014-15)				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	2,905,779	3,387,317	2,503,058	2,886,339	11,682,493
b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	736,259	743,272	580,575	648,497	2,708,603
c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-
2	Stock option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission					
	- as % of profit	-	-	-	-	-
	- others, specify					
5	Others, please specify:					
	- Performance Linked Incentive	2,160,440	1,449,947	1,430,520	1,407,743	6,448,650
	- Retirement Benefits	267,560	239,473	236,194	232,475	975,702
	Total	6,070,038	5,820,009	4,750,347	5,175,054	
	Total (A)					21,815,448
	Ceiling as per the Act (See Note below)					

B. Remuneration to other directors:

(Amount in ₹)

Sl No.	Particulars of Remuneration	Name of Directors		Total Amount
		Prof. (Dr.) S.S. Chatterji (Up to 15.09.2014)	B.M. Sharma (Up to 18.09.2014)	
1	Independent Directors			
a)	Fee for attending board/ committee meetings			
	- Board meetings	30,000	30,000	60,000
	- Committee meetings	100,000	60,000	160,000
b)	Commission	-	-	-
c)	Others (please specify)	-	-	-
	Total	1,30,000	90,000	
	Total (B1)			220,000
2	Other Non-executive Directors			
		Anjum Pervez (throughout 2014-15)	A.K. Rawal (throughout 2014-15)	
a)	Fee for attending board/ committee meetings	-	-	
b)	Commission			
c)	Others (please specify)			
	Total (B2)	-	-	0
	Total [B= B1 + B2]			220,000
			Total Managerial Remuneration [A + B]	22,035,448
	Overall ceiling as per the Act (See Note below)			

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

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel				Total Amount	
		CEO*	Company Secretary				CFO*
			Lalitha Gupta (Up to 30.04.2014)	Iti Matta (from 01.05.2014 to 30.09.2014)	Sumita Sharma (w.e.f. 30.09.2014)		
1	Gross salary						
a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		166,263	267,947	503,428	937,638	
b)	Value of perquisites u/s 17(2) Income-tax Act, 1961		41,642	15,400	-	57,042	
c)	Profits in lieu of salary under section 17(3) Income- tax Act, 1961		-	-	-		
2	Stock option		-	-	-		
3	Sweat Equity		-	-	-		
4	Commission						
	- as % of profit		-	-	-	-	
	- others, specify						
5	Others, please specify:						
	- Performance Linked Incentive (for FY 2012-13)		566,188	17,012	141,721	724,921	
	- Retirement Benefits		449,611			449,611	
	Total (C)		1,223,704	300,359	645,149	2,169,212	
	Ceiling as per the Act (See Note below)						

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

Note

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

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

**List of Shareholdings by President of India and its nominees
(As on 31st March 2015)**

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. Arunendra Kumar* Chairman, Railway Board	400	0.002
3	Ms. Rashmi Kapoor* Addl. Memer / Finance [Looking After Financial Commissioner (Railways)], Railway Board	400	0.002
4	Mr. V.K. Gupta* Member Engineering, Railway Board	400	0.002
5	Mr. D.P. Pande* Member Traffic, Railway Board	400	0.002
6	Mr. A.K. Mital* Member Staff [Looking After Member Electrical], Railway Board	400	0.002
7	Mr. Alok Johri* Member Mechanical, Railway Board	400	0.002
8	Mr. A.K. Mital* Member Staff, Railway Board	400	0.002
9	Mr. A.K. Rawal* Addl. Member (Planning), Railway Board	400	0.002
10	Ms. Saroj Rajware* Addl. Member (Budget), Railway Board	400	0.002
11	Mr. Pramod Sharma* Executive Director (PSU), Railway Board	400	0.002
	Total	1,97,42,400	99.729

* 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 2014-15 (for the period 1st April 2014 to 31st March 2015).

- 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 paid as advances, if any
1	Ircon Infrastructure & Services Limited (IrconISL) Wholly owned subsidiary company	Execution of Corporate Social Responsibility works for Ircon.	MOU dated 8th June 2012 Duration - Continuing.	CSR Works relating to construction of toilets at schools, solar lights, etc. IrconISL is paid actual cost of work plus specified percentage of contract addition towards overheads and profit.	Not Applicable	Nil
2	Ircon PB Tollway Limited (IrconPBTCL) Wholly owned subsidiary company	Execution of Engineering Procurement Construction (EPC) Contract of Bikaner-Phalodi project for IrconPBTCL.	EPC Agreement dated 19th January 2015 Duration -- EPC work is 30 months from the appointed date intimated by NHAI or handing over of land by IrconPBTCL.	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 IrconPBTCL with NHAI.	Not Applicable	Nil
3	Chhattisgarh East Railway Limited (CERL) A Joint Venture Company	Execution of East Corridor Rail project in Chhattisgarh for CERL.	Project Execution Agreement dated 18th January 2014. Duration -- Till the Railway corridor becomes operational in line with the Concession Agreement.	The contract is in terms of the Concession Agreement signed by CERL with South Eastern Railways. Ircon would be paid actual cost of work plus specified percentage of contract addition towards overheads and profit.	Not Applicable	Nil
4	Chhattisgarh East-West Railway Limited (CEWRL) A Joint Venture Company	Execution of East-West Corridor Rail project in Chhattisgarh for CEWRL.	Project Execution Agreement dated 5th April 2014. Duration -- Till the Railway corridor becomes operational in line with the Concession Agreement.	The contract is in terms of the Concession Agreement signed by CEWRL with South Eastern Railways. Ircon would be paid actual cost of work plus specified percentage of contract addition towards overheads and profit.	Not Applicable	Nil
5	Ircon Infrastructure & Services Limited (IrconISL) Wholly owned subsidiary company	a) Work for Detailed Design for bridges & Supervision of Geo – Technical investigations in Myanmar for IrconISL.	Letter of award dated 20th March 2015 to Ircon. Duration -- 6 months from date of mobilization to site or 3 months from date of providing all relevant details for design of bridges, whichever is later.	The work has been awarded at a total price of ₹ 32.06 lakhs. The same has been awarded to Ircon at internal cost including overheads and profits calculated and quoted by IrconISL in its bid submitted to Government of Myanmar.	Not Applicable	Nil

Sl. No.	Name of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of contracts / arrangements / transactions	Salient terms of contracts / arrangements / transactions, including the value, if any	Date of approval by the BoD, if any	Amount paid as advances, if any
		b) IrconISL to provide manpower for Ircon's project in Malaysia	Agreement dated 1st April 2013 Duration: 2 years from the date of signing [Unless terminated by either party with prior 30 days written notice, this agreement will remain valid for 2 years. Unless either party so notifies the other of the termination of this agreement, it shall be renewed every 2 years].	The rates for provision of various categories of manpower stipulated in the Agreement are comparable with those charged by manpower supply agencies for international projects for similar type of manpower.	Not Applicable	Nil
		c) IrconISL to provide manpower for Ircon's project in Sri Lanka.	a) MoU signing date 21.09.2012 b) Agreement signed on 26.12.2012 Duration: 2 years from the date of signing [Unless terminated by either party with prior 30 days written notice, this agreement will remain valid for 2 years. Unless either party so notifies the other of the termination of this agreement, it shall be renewed every 2 years].	Same as above	Not Applicable	US\$ 2,50,000 to be recovered from the bills @20%
		d) Work related to design and construction of MFC in station premises for IrconISL [for construction work carried out in 2014-15].	Letter of award dated 3rd June 2010	Construction of MFCs at 24 identified stations, after feasibility study. Ircon is paid actual cost of work plus specified percentage of contract addition towards overheads and profits.	Not Applicable	Nil
		e) Duomatic on Line Track Tamping Machine' leased from IrconISL.	Letter dated 31st March 2014 Duration: 24 months commencing from commissioning of Machine in Sri Lanka.	The machine has been leased on monthly hire charge basis. The agreed lease charges are comparable with those charged by International leasing companies for similar machines.	Not Applicable	Nil

Sl. No.	Name of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of contracts / arrangements / transactions	Salient terms of contracts / arrangements / transactions, including the value, if any	Date of approval by the BoD, if any	Amount paid as advances, if any
6	Indian Railway Stations Development Corporation Limited (IRSDC) Subsidiary and Joint Venture Company with RLDA.	a) Sub-Leasing of office premises at Palika Bhawan, Sector- XIII, R.K. Puram, New Delhi – 110066.	Lease Agreement dated 25th March 2014 Duration -- 11 months.	Arrangement is on reimbursement of actual expenditure basis.	Not Applicable	Nil
		b) Sub-Leasing of office premises at Palika Bhawan, Sector- XIII, R.K. Puram, New Delhi – 110066.	Lease Agreement dated 25th March 2015 Duration -- 11 months.	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 companies (viz. IrconISL, IrconPBT, and IRSDC), joint venture companies (viz. Ircon-Soma Tollway Private Limited (ISTPL)), and unincorporated joint ventures (viz. IRCON-AFONS JV). Deputation of employees is on actual cost (CTC) basis.
 - (ii) Miscellaneous expenses such as advertisement cost, etc. incurred on behalf of subsidiaries IrconISL and IRSDC is reimbursed on actual basis.
 - (iii) Office space provided to the wholly owned subsidiary companies (viz. IrconISL, IrconPBT, and Ircon Shivpuri Guna Tollway Limited) and joint venture company (viz. ISTPL) is charged at the same rate as that of other tenants in the same building.
2. All the above said transactions has been approved by the Audit Committee of Ircon.

For and on behalf of the Board of Directors

Mohan Tiwari
 Chairman & Managing Director
 (DIN 00191363)

Place : New Delhi

Date : 6th November 2015

ANNEXURE TO DIRECTORS REPORT
(Replies to comments in Auditors' Report on Standalone Financial Statements)

Auditors' Report

Para	Management Replies
4 (a)	The comments in the Auditors' Report inter-alia refer to Note 34 incorporated by the Company in the Accounts. The Note is self-explanatory.
4 (b)	<p>Auditors' opinion is in respect of agreements signed in the year 2007 & 2009 and ignores the factual position as per documents provided to them. The payments pertain to 8 projects for the period from 2007-08 to 2014-15 and were as a fixed %age (within the limit as per RBI) of actual payments received by the Company. Selection of these agencies & appointments were made by following the process laid down by the Company and availing of agency services is as per guidelines & industry practices. These projects have also been substantially completed. Entering into such agreements and release of payments do not require approval of the Board or that of Audit Committee as per Company's delegation of powers. All the payments were made through banking channels only after receipt of payments by the Company & certification of satisfactory services by the Project Heads.</p> <p>Documents for legal compliances were also shown to the auditors. No specific non-compliance has been reported by the auditors under Para 4(b) or Para 8 relating to 'Report on Other Legal and Regulatory Requirements'.</p> <p>Further, as reported by the auditors in the "Matter of Emphasis" in the report on previous year's financial statements that the 'Company has initiated steps to strengthen the policies, procedures and documentation in this regard', the Board of Directors of the Company has already approved comprehensive guidelines on the matter.</p> <p>The Company has conveyed Management's view to the office of C&AG and requested them to examine relevant documents and give their comments/ advice on the above qualification.</p>
8 (f)	The Company does not agree to the view that it will have any adverse effect on functioning of the Company.

Annexure to Auditors' Report:

Para	Management Replies
(iv)	<p>Comprehensive guidelines as mentioned in Para 4(b) above have already been approved by the Board of Directors of the Company to strengthen the policies, procedures and documentation.</p> <p>The scope, coverage and reporting requirements for internal audit are as per the Auditing Standards and Accounting Standards prescribed by the Institute of Chartered Accountants of India.</p> <p>External firms of Chartered Accountants are engaged for Internal Audit of various units except for one foreign project which was done by qualified officers of the Company as in earlier years. Internal audit reports are reviewed by the Audit Committee on regular basis. There is no adverse comment on internal audit by the branch auditors. The Company is of the view that internal audit system is commensurate with size and nature of its business. However, improvement in Internal Audit System is a continuous process in the Company.</p>

For and on behalf of the Board of Directors

Mohan Tiwari
Chairman & Managing Director
(DIN 00191363)

Place : New Delhi

Date : 6th November 2015

ANNEXURE TO DIRECTORS REPORT
(Replies to comments in Auditors' Report on Consolidated Financial Statements)

Auditors' Report

Para	Management Replies
4 (a)	The comments in the Auditors' Report inter-alia refer to Note 36 incorporated by the Company in the Accounts. The Note is self explanatory.
4 (b)	<p>Auditors' opinion is in respect of agreements signed in the year 2007 & 2009 and ignores the factual position as per documents provided to them. The payments pertain to 8 projects for the period from 2007-08 to 2014-15 and were as a fixed %age (within the limit as per RBI) of actual payments received by the Company. Selection of these agencies & appointments were made by following the process laid down by the Company and availing of agency services is as per guidelines & industry practices. These projects have also been substantially completed. Entering into such agreements and release of payments do not require approval of the Board or that of Audit Committee as per Company's delegation of powers. All the payments were made through banking channels only after receipt of payments by the Company & certification of satisfactory services by the Project Heads.</p> <p>Documents for legal compliances were also shown to the auditors. No specific non compliance has been reported by the auditors under Para 4(b) or Para 8 relating to 'Report on Other Legal and Regulatory Requirements'.</p> <p>Further, as reported by the auditors in the "Matter of Emphasis" in the report on previous year's financial statements that the 'Company has initiated steps to strengthen the policies, procedures and documentation in this regard', the Board of Directors of the Company has already approved comprehensive guidelines on the matter.</p> <p>The Company has conveyed Management's view to the office of C&AG and requested them to examine relevant documents and give their comments/ advice on the above qualification.</p>
8 (f)	The Company does not agree to the view that it will have any adverse effect on functioning of the Company.

Annexure to Auditors' Report:

Para	Management Replies
(iv)	<p>Comprehensive guidelines as mentioned in Para 4(b) above have already been approved by the Board of Directors of the Company to strengthen the policies, procedures and documentation.</p> <p>The scope, coverage and reporting requirements for internal audit are as per the Auditing Standards and Accounting Standards prescribed by the Institute of Chartered Accountants of India.</p> <p>External firms of Chartered Accountants are engaged for Internal Audit of various units except for one foreign project which was done by qualified officers of the Company as in earlier years. Internal audit reports are reviewed by the Audit Committee on regular basis. There is no adverse comment on internal audit by the branch auditors. The Company is of the view that internal audit system is commensurate with size and nature of its business. However, improvement in Internal Audit System is a continuous process in the Company</p>

For and on behalf of the Board of Directors

Mohan Tiwari
Chairman & Managing Director
(DIN 00191363)

Place : New Delhi

Date : 6th November 2015

AWARDS & CERTIFICATES

Awarding Authority	Nature of Award	Years
Ministry of Commerce Government of India Ministry of Programme Implementation, Department of Public Enterprises	National Export Award *(Received from the President of India) “Award for Excellence” in performance as leading international Railway and Road construction company	1983, 1984 1991 & 1993* 1988
EEPC India previously known as Engineering Export Promotion Council (EEPC) (25 Awards in all since inception)	<ul style="list-style-type: none"> i. All India Top Exporters Shield for Export Excellence ii. Regional Top Exporters shield-civil engg. Contractors iii. All India Special Shield in the field of export iv. All India Trophy for Highest Exports (Turnkey Industrial Project Exporters NON-SSI) v. All India Trophy for Top Exporters in the category of “Merchant Exporters” vi. All India Shield for Star performer as Large Enterprise in the field of Project Exports vii. Silver Trophy for Top Exporters as Medium Enterprises viii. Gold Trophy for Top Exporters in the category of “Top Exporters as Merchant Exporters” ix. All India Export Award x. Silver Trophy in the category of Top Merchant Exporter for 2010-11 and 2011-12 xi. Gold Trophy for Export Excellence in the category of Top Merchant Exporter for 2012-13 	1986 to 1993 1995 & 1996 1994, 1997 1997 1998 1999 to 2002 2004 & 2007 2005 2006 2008 2009 2011 & 2013 2014
Project Export Promotion Council of India (PEPC) (previously known as Overseas Construction Council of India OCCI) (45 Awards in all since inception)	<ul style="list-style-type: none"> i. Maximum foreign exchange earned and repatriated to India ii. Second Best Performance in maximum foreign exchange earned and repatriated in India iii. Maximum turnover in overseas construction Projects iv. Second Best performance in turnover from overseas projects v. Maximum foreign works secured in new areas in construction contracts vi. Maximum foreign business attempted 	1985, 1989 to 1993, 1995 1997, 2000 to 2004 1994, 2001, 2003 & 2005 to 2007 1985 to 1989, 1992 to 1994, 1996, 1999, 2001 & 2002 1990, 1991, 1995 & 2000 1995, 1996, 2000 & 2001 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
‘India Pride Awards’ by Dainik Bhaskar and Daily News & Analysis (DNA)	<ul style="list-style-type: none"> i. Silver Trophy for Excellence in Central PSUs in Transport ii. Gold Trophy for excellence in Central PSUs in Infrastructure Development iii. Excellence in Central PSUs in India Image Enhancement iv. Excellence in Public Sector Undertaking-Central in Infrastructure Development 	2010 2011 2013 2015

AWARDS & CERTIFICATES

Awarding Authority	Nature of Award	Years
Construction Industry Development Council (CIDC)	CIDC Vishwakarma Award in the categories of: a) Best professionally managed company with a turnover of over ₹ 1,000 Crore b) Best Construction Project for Pir Panjal Railway Tunnel, J&K	2012, 2014 & 2015 2014
Dun & Bradstreet	i. India's Top PSU Award 2012 in Engineering & Construction ii. Silver Trophy for Top Infrastructure Company under the category Construction - Infrastructure Development - Mid iii. Best Project under the category 'Railway' for Qazigund - Banihal section of J&K rail link Project iv. Infra Awards, in the category of 'Construction and Infrastructure Development (Railways) v. Best Infrastructure Project for Rail cum Road Bridge across river Ganga at Patna	2012 2013 2013 2014 & 2015 2015
Institute of Public Enterprises	i. "Global HR Excellence" Award for "CEO with HR Orientation presented to Mr. Mohan Tiwari, CMD, Irecon ii. "Asia Pacific HRM Congress Award 2013" for "CEO with HR Orientation" presented to Mr. Mohan Tiwari, CMD, Irecon iii. Asia Pacific HRM Congress Awards for Organisation with innovative HR practices	2013 2013 2014
SCOPE Meritorious Award	Corporate Social Responsibility & Responsiveness for the year 2012-13	2014
National Award for Excellence in Cost Management-2013 by Institute of Cost Accountants of India (ICAI)	Excellence in Cost Management - Public Service Sector (large)	2014

Financial Highlights of Iicon

S. No.	Particulars	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06
1	Operating Income	2,950	4,067	4,232	3,601	3,182	3,153	2,654	1,968	1,475	1,058
2	Company Share of Turnover in Integrated JVs	89	(9)	(13)	(23)	(7)	(13)	(27)	(65)	(11)	(29)
3	Company Share of Profit / (loss) in Integrated JVs	2	(1)	1	2	7	2	7	(7)	1	1
4	Net Operating Income	2,864	4,057	4,220	3,580	3,182	3,142	2,634	1,896	1,465	1,030
5	Other Income	258	250	251	181	72	64	85	81	68	55
6	Total Income	3,122	4,307	4,471	3,761	3,254	3,206	2,719	1,977	1,533	1,085
7	Expenditure (Incl. increase / decrease in stock)	2,267	3,024	3,412	3,102	2,816	2,901	2,487	1,776	1,398	954
8	Operating Margin (PBDIT)	854	1,283	1,059	659	438	305	232	201	135	131
9	Interest Expenses	-	-	-	-	-	-	-	-	-	-
10	Depreciation	10	34	44	57	37	41	44	41	24	20
11	Profit Before Tax	844	1,249	1,015	602	401	264	188	160	111	111
12	Profit After Tax	579	907	730	470	241	182	140	114	76	81
13	Dividend	182	182	148	94	49	37	30	30	26	26
14	General Reserves	3,334	2,971	2,277	1,733	1,372	1,181	1,012	903	824	768
15	Foreign Project Reserve	-	-	-	-	-	3	28	30	33	44
16	Other Reserves	-	2	3	-	-	5	25	6	7	7
17	Total Reserves & Surplus	3,334	2,973	2,280	1,733	1,372	1,189	1,065	939	864	819
18	Net Fixed Assets	163	170	180	196	244	236	260	279	260	160
19	Inventories	114	119	125	135	165	373	430	159	89	42
20	Foreign Exchange Earnings (net)	418	1,042	822	444	428	264	96	37	51	56
21	Share Capital	20	20	20	10	10	10	10	10	10	10
22	Capital Employed	3,354	2,993	2,300	1,743	1,382	1,205	1,078	951	876	830
23	Government Investments	-	-	-	-	-	-	-	-	-	-
24	Net Worth	3,354	2,993	2,300	1,743	1,382	1,199	1,075	949	874	829
25	Profit Before Tax to Capital Employed (%)	25	42	44	35	29	22	17	17	13	13
26	Operating Margin to Capital Employed (%)	26	43	46	38	32	25	22	21	15	16
27	Profit After Tax to Share Capital (%)	2,924	4,578	3,687	4,747	2,429	1,841	1,416	1,150	765	815
28	Expenditure to Income (%)	73	70	76	82	87	90	91	90	91	88
29	Number of Employees	1,472	1,579	1,704	1,703	1,678	1,751	1,964	1,978	1,830	1,723
30	Income per Employee	2.12	2.73	2.62	2.21	1.94	1.83	1.39	1.00	0.84	0.63
31	Foreign Exchange Earning per Employee	0.28	0.66	0.48	0.26	0.25	0.15	0.05	0.02	0.03	0.03
32	Current Ratio	1.72	1.81	1.61	1.47	1.53	1.31	1.24	1.21	1.25	1.41
33	Debt/Equity Ratio	-	-	-	-	-	-	-	-	-	-
34	Investments	737	494	295	208	185	130	234	246	234	213

Notes

- * 25 to 28 are in percentage
- ** 29,32 & 33 are not in crore rupees



Standalone

Financial Statements

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Vinod Kumar & Associates

Chartered Accountants
909, Chiranjiv Tower,
43, Nehru Place,
New Delhi-110019

T. R. Chadha & Co.

Chartered Accountants
B-30, Connaught Place
Kuthiala Building,
New Delhi-110001

**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 31st March, 2015, the Statement of Profit & 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 and Sri-Lanka.

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 judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

4. Basis for Qualified Opinion

- a. The company has been carrying balances at exchange rate prevalent on 31st March, 2011, of shareholder's loan and interest accrued thereon, due from Joint Venture Company, Companhia Dos Caminhos De Ferro Da Beira SARL (CCFB), and not translating at rates prevalent on 31st March, 2015 is not in conformity with Accounting Standard - 11. As a result, Long term loan and advances is lower by ₹ 25.74 crore and Profit before tax is lower by ₹ 25.74 crore (current year ₹ 5.59 crore and earlier years ₹ 20.15 crore). (Refer Note No. 34). This matter was also qualified in the report of the auditors on the financial statements for the year ended 31st March, 2014.

Had the effect of the above been given, the Long term loan and advances and Profit Before Tax would be higher by ₹ 25.74 crore.

- b. An amount of ₹ 12.74 Crore, in the nature of commission has been debited to the statement of profit and loss for the year ended 31st March, 2015 (previous year ₹ 37.91 Crore), as included in "Operating and administrative expenses" in Note No. 24 as "Design, Drawing, Business Development, Agency and Consultancy Charges" in respect of projects in two countries. The total amount so far debited to the statement of profit and loss, in this regard, since inception of these projects, has been ₹ 422.43 Crore. The said amount is paid/ to be paid towards commission to the Foreign Agents appointed by the Company, to secure orders and provide other services for foreign projects, being implemented in these countries for the respective Government/ Government Agencies.

The foreign commission agents are registered in Singapore (for Project in one country) and Hong Kong (for Project in another country). The company did not obtain any financial statements, tax returns, profile of the agent, details of their experience, standing and track record at the time of appointment of the foreign agents. The appointment of and payments to foreign agents was not approved by the Audit Committee or by the Board of directors. We are not satisfied regarding the process followed for selection and appointment of the commission agents, documents in respect of their real identity, standing, expertise and experience of the agents.

No evidence or document has been provided to us in respect of legal compliances in respect of these payments. We are also not satisfied about the genuineness of services received by the company from foreign agents, in the absence of any satisfactory evidence or communication in respect of actual services rendered.

Emphasis was also drawn by auditors in this matter in the Audit Report in respect of financial statements for the year ended 31st March, 2014.

5. Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the Basis for Qualified Opinion paragraph above, 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 31st March, 2015, and its profit and its cash flows for the year ended on that date.

6. Emphasis of Matters

- (a) We draw attention to Note No. 31 to the financial statements regarding admissibility of certain expenditures amounting to ₹ 1099.25 crore in executing a Broad Gauge Rail Link Project called "Udhampur-Srinagar-Baramulla Rail Link Project" (USBRL) in the state of Jammu & Kashmir by the Client, Northern Railways. The Company has suitably replied to the matter and does not expect any liability on this account.

- (b) We draw attention to Note No. 33 to the 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.

Our opinion is not qualified in respect of these matters.

7. Other Matters

We did not audit the financial statements/ information of 7 branches included in the standalone financial statements of the Company whose financial statements/financial information reflect total assets of ₹ 2,459.71 crore as at

31st March, 2015 and total revenues of ₹ 2,140.59 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 report of such branch auditors.

The financial statements include the Company's share in Profit/ Loss of Joint Venture (JVs) accounts out of which 4 JVs accounts have been certified by other firms of Chartered Accountants and 1 JV (IRCON-SPSCPL) has been certified by the management.

Our opinion is not qualified in respect of this matter.

8. Report on Other Legal and Regulatory Requirements

- I. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure - A, a statement on the matters specified in paragraphs 3 and 4 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) Except for the effects of the matter described in the clause 4(a) on Basis for Qualified opinion paragraph above, in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purposes 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 and 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) Except for the effects of the matter described in the clause 4(a) of 'Basis for Qualified Opinion' paragraph above, 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) The matter described in clause 4(b) of Basis for Qualified opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
 - g) Being a Government Company, pursuant to the notification no. G.S.R. 463(E) dated 5th June, 2015 issued by the Central Government of India, provisions of Section 164(2) of the Act are not applicable.
 - h) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in clause 4(a) of the 'Basis for Qualified Opinion' paragraph above.
 - i) 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:
 - a) The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note No. 29, 33 and 34 to the financial statements.
 - b) 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.
 - c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- III. As required by Section 143(5) of the Act and as per directions and sub-directions issued by Comptroller and Auditor General of India, we report that:

Sr. No.	Directions	Auditors Replies
1.	If the company has been selected for Disinvestment, a complete status report in terms of valuation of Assets (including intangible assets and land) and liabilities (including committed & General Reserves) may be examined including the mode and present stage of disinvestment process.	Not applicable.
2.	Please report whether there are any cases of waiver/ write off of debts/ loans/ interest etc., if yes, the reasons therefor and the amount involved.	The Company has written-off bad debts of ₹ 2.37 crore on account of final settlement of old dues, advances of ₹ 0.97 crore on account of non-recovery and assets of ₹ 0.01 crore during the FY 2014-15 after taking required approvals from competent authorities.
3.	Whether proper records are maintained for inventories lying with third parties & assets received as gift from Government or other authorities.	Proper records are maintained for inventories lying with third parties. The Company has not received any assets as gift from Government or other authorities during the FY 2014-15.
4.	A report on age-wise analysis of pending legal/ arbitration cases including the reasons of pendency and existence/ effectiveness of a monitoring mechanism for expenditure on all legal cases (foreign and local) may be given.	Refer Annexure B for age-wise analysis of pending legal/ arbitration cases. As per information provided by the Company, the legal/ arbitration cases have been handled through advocates empanelled by the Company. The fees payable/ paid for legal/ arbitration cases have been approved by the respective authority in place based on powers delegated by the Company as per "Schedule of Power" of the company.

For Vinod Kumar & Associates
Chartered Accountants
FRN 002304N

For T. R. Chadha & Co.
Chartered Accountants
FRN 006711N

Mukesh Dadhich
Partner
Membership No. 511741

Neena Goel
Partner
Membership No. 057986

Place: New Delhi
Date: 13th October 2015

ANNEXURE - A TO THE AUDITORS' REPORT

(Referred to in paragraph – 8(I) thereof)

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:

- i. 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.
- ii. a. The inventory has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of verification is reasonable.
b. In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
c. On the basis of our examination of records of inventory, we are of the opinion that the Company is maintaining proper records of inventory. The discrepancies noticed on comparison of physical verification results with the book records are not material and have been properly dealt with in the books of account.
- iii. 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. Thus, the requirements under para 3(iii) (a) & (b) of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business, for purchase of inventory and fixed assets and for the sale of goods and services except as described in paragraph no. – 4(b) of Basis of Qualified Opinion in the main report. During the course of our audit, we have not observed any continuing failure to correct major weakness in the internal control system. In our opinion, the internal audit system needs to be strengthened to make it commensurate with its size and nature of the business.
- v. 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.
- vi. 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.
- vii. a. The Company is generally regular in depositing undisputed statutory dues including provident fund, Income tax, sales tax, wealth-tax, service-tax, custom duty, excise duty, value added tax, cess and any other statutory dues applicable with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise. According to the information and explanation given to us, there are no undisputed statutory dues which were outstanding as on 31.03.2015 for a period of more than six months from the date the same become payable.
b. According to information and explanation given to us, and as per our examination of records of the Company, following are the particulars of dues on account of sales tax, entry tax, trade tax, Income tax, custom duty, royalty, wealth tax, provident fund, excise duty and cess matters that have not been deposited on account of dispute as on 31.3.2015.

Name of the statute	Nature of disputed Dues	Amount outstanding (₹ in Crore)	Period to which the amount relates	Forum where dispute is pending
Customs Act, 1962	Custom Duty levied for work executed in IA-Hanger, Bombay.	5.81	1989-90	Dy. Commissioner (Custom), Mumbai
Income Tax Act, 1961	Disallowance of expenses	11.89*	2008-09	Commissioner of Income Tax (Appeals), New Delhi
Income Tax Act, 1961	Penalty against disallowance of expenses	32.97*	2010-11	Commissioner of Income Tax (Appeals), New Delhi
Income Tax Act, 1961	Disallowance of deduction u/s 80-IA, taxing of Foreign income and other disallowances	43.50*	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	1.53	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	0.13	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	0.22	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
Uttar Pradesh VAT Act, 2008	Demand raised for Sales Tax	0.91	2008-09 & 2009-10	Dy. Commissioner, Sales Tax, Noida
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

Name of the statute	Nature of disputed Dues	Amount outstanding (₹ in Crore)	Period to which the amount relates	Forum where dispute is pending
Uttar Pradesh VAT Act, 2008	Demand Raised for Sales Tax	0.08	1982-83 & 1989-90	Appellate Authority, Jhansi
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 Appeals, 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 Appeals, Jhansi
Uttar Pradesh VAT Act, 2008	Demand raised for VAT	1.30	2008-09	Jt. Commissioner Appeals, Jhansi
Uttar Pradesh VAT Act, 2008	Demand raised for Entry Tax	0.22	2008-09	Jt. Commissioner Appeals, Jhansi
Uttar Pradesh VAT Act, 2008	Demand raised for VAT	1.38	2009-10	Jt. Commissioner Appeals, Jhansi
Uttar Pradesh VAT Act, 2008	VAT	1.23	2009-10	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 (Appeals) 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-Kahalgaoon
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 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	129.77**	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	5.55	A/y 2011-12	Tax Appellate Tribunal, Bangladesh
Algeria Corporate Taxation Laws	Corporate Taxes	5.45	2010,2011, 2012 & 2013	DGE Tax Office
Finance Act, 1994	Service Tax	19.95	2001-02 to 2006-07	CESTAT, New Delhi

* Subsequent to 31st March, 2015, the Income Tax Department has adjusted the refund of ₹ 54.76 crore of other years against the total demand of ₹ 88.36 crore and the same is under protest.

** The company has deposited ₹ 112.44 crore against the demand of ₹ 135.75 crore and the same is under protest.

- c. According to the information and explanation given to us, no amount was required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.
- viii. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
- ix. The Company did not have any outstanding dues to financial institutions, banks or debenture holders during the year. Accordingly, the clause 3(ix) of the Order is not applicable to the Company.
- x. In our opinion, the terms and conditions on which the Company has given guarantees for loans taken by others from banks or financial institutions are not prejudicial to the interest of the Company.
- xi. The Company did not have any term loans during the year. Accordingly, the clause 3(xi) of the Order is not applicable to the Company.
- xii. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For Vinod Kumar & Associates

Chartered Accountants
FRN 002304N

Mukesh Dadhich

Partner
Membership No. 511741

Place: New Delhi

Date: 13th October 2015

For T. R. Chadha & Co.

Chartered Accountants
FRN 006711N

Neena Goel

Partner
Membership No. 057986

ANNEXURE - B TO THE AUDITORS' REPORT

(Referred to in paragraph – 8(III) thereof on age-wise analysis of pending legal/arbitration cases)

1. Direct Taxes

Sr. No.	Ageing (in Years)	Amount involved (₹ in Crore)	Major reasons for pendency
1.	Upto 1 year	172.89	Disallowance of deduction claimed u/s 80 IA, disallowance of elimination method for income earned by foreign projects, disallowance u/s 14A for interest free income, etc.
2.	1 to 3 years	57.17	
3.	More than 3 years	137.17	
	Total	367.23	

2. Indirect Taxes

Sr. No.	Ageing (in Years)	Amount involved (₹ in Crore)	Major reasons for pendency
1.	Upto 1 year	0.50	Various demands raised under Sales Tax, VAT, Entry Tax, Customs etc. on account of pending litigation at different authority levels.
2.	1 to 3 years	-	
3.	More than 3 years	195.70	
	Total	196.20	

3. Sub-Contractor Claims

Sr. No.	Ageing (in Years)	Amount involved (₹ in Crore)	Major reasons for pendency
1.	Upto 1 year	165.62	Various claims raised by the sub-contractors on or by the company on account of issues like liquidated damages, quality issues, escalation claims etc.
2.	1 to 3 years	915.60	
3.	More than 3 years	276.17	
	Total	1357.39	

For Vinod Kumar & Associates
Chartered Accountants
FRN 002304N

For T. R. Chadha & Co.
Chartered Accountants
FRN 006711N

Mukesh Dadhich
Partner
Membership No. 511741

Neena Goel
Partner
Membership No. 057986

Place: New Delhi
Date: 13th October 2015

Balance Sheet

as at 31st March, 2015

(₹ in Crore)

	Particulars	Note No.	As at 31st March 2015		As at 31st March 2014	
I.	EQUITY AND LIABILITIES					
1	Shareholders' funds					
	(a) Share capital	2	19.80		19.80	
	(b) Reserves and surplus	3	3,333.71	3,353.51	2,973.23	2,993.03
2	Non-current liabilities					
	(a) Long term liabilities	4	178.08		172.22	
	(b) Long term provisions	5	351.03	529.11	407.15	579.37
3	Current liabilities					
	(a) Trade payables	6	450.85		594.50	
	(b) Other current liabilities	7	1,586.75		1,178.01	
	(c) Short-term provisions	8	828.42	2,866.02	812.65	2,585.16
	TOTAL			6,748.64		6,157.56
II.	ASSETS					
1	Non-current assets					
	(a) Fixed assets					
	(i) Tangible assets	9	157.24		153.09	
	(ii) Intangible assets	9	0.03		0.01	
	(iii) Intangible assets under development	10	1.01		1.01	
	(iv) Capital work-in-progress	11	5.20		-	
	(v) Machinery in Transit		-		15.64	
	(b) Non-current investments	12	671.15		318.21	
	(c) Deferred tax assets (Net)	13	274.31		301.37	
	(d) Long-term loans and advances	14	640.78		632.36	
	(e) Other non-current assets	15	66.18	1,815.90	43.85	1,465.54
2	Current assets					
	(a) Current investments	16	66.06		176.02	
	(b) Inventories	17	114.29		118.80	
	(c) Trade receivables	18	571.50		778.40	
	(d) Cash and Bank balances	19	3,202.83		2,675.36	
	(e) Short-term loans and advances	20	342.87		445.09	
	(f) Other current assets	21	635.19	4,932.74	498.35	4,692.02
	TOTAL			6,748.64		6,157.56
III.	Summary of Significant Accounting Policies	1				
IV.	Notes forming part of Financial Statements	2-49				

As per our Report of even date attached

For Vinod Kumar & Associates

Chartered Accountants
FRN 002304N

For T.R.Chadha & Co.

Chartered Accountants
FRN 006711N

For and on behalf of the Board of Directors

K.K.Garg

Director Finance
DIN 01495050

Mohan Tiwari

Chairman & Managing Director
DIN 00191363

Mukesh Dadhich

Partner
M. No. 511741

Neena Goel

Partner
M. No. 057986

Sumita Sharma

Company Secretary

Place : New Delhi

Date : 13.10.2015

Place : New Delhi

Date : 28.07.2015

Statement of Profit and Loss

For the Year ended 31st March, 2015

(₹ in Crore)

Particulars		Note No.	For the year ended 31st March 2015	For the year ended 31st March 2014
I.	Revenue:			
	Revenue from operations	22	2,950.22	4,066.82
	Less :- Company share of turnover in Integrated Joint Ventures		88.62	8.81
	Add:- Company share of profit / (loss) in Integrated Joint Ventures		2.39	(0.81)
			2,863.99	4,057.20
	Other income	23	257.75	249.37
	Total Revenue		3,121.74	4,306.57
II.	Expenses:			
	Operating and administrative expenses :	24		
	- Operating Expenses		2,039.50	2,728.51
	- Administrative Expenses		30.60	35.84
	Employee benefits expenses	25	188.36	221.07
	Finance costs	26	8.93	38.45
	Depreciation, amortization and impairment	9	10.06	33.64
	Total Expenses		2,277.45	3,057.51
III.	Profit Before Tax (I - II)		844.29	1,249.06
IV.	Tax expense:			
	(1) Current tax			
	- For the year		196.95	348.20
	- For earlier years (net)		40.89	26.75
	(2) Deferred tax (net)	13	27.06	(32.39)
	Total Tax Expense		264.90	342.56
V.	Profit for the year (III - IV)		579.39	906.50
VI.	Earnings per equity share - Basic and Diluted (in ₹)	48	292.68	457.92
VII.	Significant Accounting Policies	1		
VIII.	Prior period adjustments	28		
IX.	Notes forming part of Financial Statements	2-49		

As per our Report of even date attached

For Vinod Kumar & Associates

Chartered Accountants
FRN 002304N

Mukesh Dadhich

Partner
M. No. 511741

For T.R.Chadha & Co.

Chartered Accountants
FRN 006711N

Neena Goel

Partner
M. No. 057986

For and on behalf of the Board of Directors

K.K.Garg

Director Finance
DIN 01495050

Mohan Tiwari

Chairman & Managing Director
DIN 00191363

Sumita Sharma

Company Secretary

Place : New Delhi

Date : 13.10.2015

Place : New Delhi

Date : 28.07.2015

Cash Flow Statement

For the Year ended 31st March, 2015

(₹ in Crore)

Particulars	Note No.	For the year ended 31st March 2015	For the year ended 31st March 2014
CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before taxation & extraordinary items		844.29	1,249.06
Adjustment for:			
Depreciation, amortization and impairment		10.06	33.64
Amortisation of premium on investment		0.01	0.35
Loss / (Profit) on sale of assets(net)		1.41	(0.19)
Interest Income		(217.81)	(229.51)
Provisions - (Additions - Write back) (Net)		(26.44)	140.02
Effect of Exchange differences on translation of Foreign Currency Cash & Cash Equivalents		(19.90)	7.72
Operating Profit before working capital changes	(1)	591.62	1,201.09
Adjustment for:			
Decrease / (Increase) in Trade Receivables/Loans & Advances		221.78	585.67
Decrease / (Increase) in Inventories		4.51	5.76
Decrease / (Increase) in Other Assets		(177.03)	(252.57)
(Decrease) / Increase in Trade Payables		(143.65)	(39.21)
(Decrease) / Increase in Other Liabilities & Provisions		134.67	(1,202.14)
	(2)	40.28	(902.49)
Cash generated from operation	(1+2)	631.90	298.60
Income Tax Paid		(145.43)	(234.95)
NET CASH FROM OPERATING ACTIVITIES	(A)	486.47	63.65
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets including Capital WIP		(7.48)	(26.50)
Purchase of Investment Property		(15.85)	(245.55)
Sale of Fixed Assets		2.32	0.91
Loan to Subsidiaries & Joint Ventures		(43.62)	(27.84)
Repayment of Loan from Subsidiaries & Joint Ventures		23.15	13.70
Interest Received		236.08	250.66
Investment in Equity and Bonds		(117.32)	(135.14)
(Investment)/Maturity of Bank Deposits (having maturity of more than 3 months)		(863.64)	366.09
(Purchase) / Sale of Current Investment (Net)		134.96	(61.42)
NET CASH FROM INVESTING ACTIVITIES	(B)	(651.40)	134.91
CASH FLOW FROM FINANCING ACTIVITIES			
Dividend (including Dividend Distribution Tax) paid		(190.73)	(233.16)
NET CASH FROM FINANCING ACTIVITIES	(C)	(190.73)	(233.16)
Effect of Exchange differences on translation of Foreign Currency Cash & Cash Equivalents	(D)	19.90	(7.72)
NET DECREASE IN CASH & CASH EQUIVALENT	(A+B+C+D)	(335.76)	(42.32)
CASH AND CASH EQUIVALENT (OPENING)	(E)	1,524.81	1,567.13
CASH AND CASH EQUIVALENT (CLOSING)	(F)	1,189.05	1,524.81
NET DECREASE IN CASH & CASH EQUIVALENT	(F - E)	(335.76)	(42.32)

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 ₹ 679.68 crore (₹ 272.31 crore) against advances from clients on which interest is passed on to them.

As per our Report of even date attached

For Vinod Kumar & Associates

Chartered Accountants
FRN 002304N

Mukesh Dadhich

Partner
M. No. 511741

Place : New Delhi

Date : 13.10.2015

For T.R.Chadha & Co.

Chartered Accountants
FRN 006711N

Neena Goel

Partner
M. No. 057986

For and on behalf of the Board of Directors

K.K.Garg

Director Finance
DIN 01495050

Mohan Tiwari

Chairman & Managing Director
DIN 00191363

Sumita Sharma

Company Secretary

Place : New Delhi

Date : 28.07.2015

1. Significant Accounting Policies

(i) Corporate Information

Ircan 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 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 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.

(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 ₹ 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.

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

- (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.

(xii) 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.

(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 & Amortization

Tangible Assets

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

Intangible Assets

Software cost exceeding ₹ 25 lakhs each is amortised over a period of 36 months on straight line basis from the date of successful commissioning of the software subject to review at each financial year end. Software cost up to ₹ 25 Lakhs in each case is fully amortised in the year of purchase, by keeping ₹ 1 as token value for identification

(xvi) Impairment

An Asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Statement 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.

(xvii) 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.

(xviii) 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) Long Term Employee Benefits

- (i) Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the provident fund trust are charged to the statement to the Profit and loss for the year when the contributions are due.
- (ii) The Company operates gratuity defined benefit plan for its employees. The cost of providing benefit is determined on the basis of actuarial valuation using the projected unit credit method at each year-end and is charged to the Statement of Profit & Loss.
- (iii) Provision for long term Leave Encashment & 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 ₹ 50000/- 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

(₹ in Crore)

Particulars	As at 31st March 2015	As at 31st March 2014
Authorized 2,50,00,000 Equity shares of ₹10 each (2,50,00,000 Equity shares of ₹10 each)	25.00	25.00
Issued, Subscribed & Paid-up 1,97,96,000 Equity shares of ₹10 each-fully paid (1,97,96,000 Equity shares of ₹10 each-fully paid)	19.80	19.80
Total	19.80	19.80

i) Distribution of number of shares held:

Particulars	As at 31st March 2015		As at 31st March 2014	
	No. of Shares	% age	No. of Shares	% age
Government of India in the name of the President of India and Government nominees	19,742,400	99.729%	19,742,400	99.729%
Indian Railway Finance Corporation Limited	48,800	0.247%	48,800	0.247%
Bank of India	4,800	0.024%	4,800	0.024%
Total	19,796,000	100%	19,796,000	100%

ii) Shares issued other than cash

Bonus share issued during last five years: 98,98,000 Equity shares of ₹ 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 ₹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 ensuing 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 2015		As at 31st March 2014	
	No. of Shares	₹ Crore	No. of Shares	₹ 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

3. Reserves and surplus

(₹ in Crore)

Particulars	Foot Note	As at 31st March 2015	As at 31st March 2014
a. CSR Activities Reserve			
Opening Balance		1.71	2.90
Less :- Transfer to Statement of Profit & Loss	(i)	1.71	1.19
		-	1.71
b. General Reserve			
Opening Balance		2,971.52	2,277.67
Add: Transfer from surplus in statement of profit and loss (Refer (c) below)		362.19	693.85
		3,333.71	2,971.52
c. Surplus in Statement of Profit and Loss			
Net Profit for the current year		579.39	906.50
Appropriations			
Add :-			
- Transfer from CSR Activities Reserve		1.71	1.19
Less :-			
- Interim Dividend [Dividend per share ₹ 40 /- (₹ 51/-)]		79.18	100.96
- Proposed Dividend [Dividend per share ₹ 52 /- (₹ 41/-)]		102.94	81.16
- Tax on Interim Dividend		15.83	17.16
- Tax on Proposed Dividend		20.96	14.56
- Transfer to General Reserve		362.19	693.85
		-	-
Total		3,333.71	2,973.23

Foot Notes:-

- (i) Company has spent an amount of ₹ 6.72 crore (₹ 8.49 crore) during the year as against requirement of ₹ 4.93 crore (₹ 7.30 crore) and ₹ 1.71 crore towards earlier years carried forward balance.(Refer Note 47)

4. Long term liabilities

(₹ in Crore)

Particulars	Foot Note	As at 31st March 2015	As at 31st March 2014
(a) Trade Payables			
- Micro, Small & Medium Enterprises (Refer Note 46)		-	-
- Others		8.38	2.46
(b) Other Liabilities			
- Advance from clients	(i)	69.24	49.48
- Retention Money /Security Deposit		100.46	120.28
Total		178.08	172.22

Foot Notes:-

- i) Includes Interest payable on advances from clients ₹ 12.40 Crore (₹ 2.13 Crore)

5. Long term provisions

(₹ in Crore)

Particulars	As at 31st March 2015	As at 31st March 2014
(A) Provisions for employee benefits: (Refer Note 27 & 44)		
i) Gratuity	61.79	57.76
ii) Leave Salary	75.85	73.54
iii) Settlement Allowance on Retirement	1.20	1.20
iv) Post Retirement Medical Benefits	1.36	-
v) Leave Travel Concession	0.12	0.13
	140.32	132.63
(B) Other Provisions : (Refer Note 27)		
i) Demobilisation	7.89	24.01
ii) Maintenance	96.87	55.37
iii) Design Guarantee	105.36	172.20
iv) Other Expenses	0.59	22.94
	210.71	274.52
Total	351.03	407.15

6. Trade payables

(₹ in Crore)

Particulars	Foot Note	As at 31st March 2015	As at 31st March 2014
Trade Payables			
- Micro, Small & Medium Enterprises (Refer Note 46)		-	-
- Others			
(a) Contractors & Suppliers		434.65	576.65
(b) Related Parties		16.20	17.85
Total		450.85	594.50

7. Other current liabilities

(₹ in Crore)

Particulars	Foot Note	As at 31st March 2015	As at 31st March 2014
(a) Advance Contract Receipts		24.63	109.77
(b) Advances from Client	(i)	1,030.37	604.59
(c) Deposits & Retention Money		490.50	412.16
(d) Statutory Dues		209.81	196.09
Less :- Deposited under Protest		(184.31)	(168.80)
(e) Book Overdraft		0.10	0.24
(f) Staff		0.98	2.82
(g) Others	(ii)	14.67	21.14
Total		1,586.75	1,178.01

Foot Notes:-

- i) Includes Interest payable on advances from clients ₹ 69.47 Crore (₹ 67.96 Crore)
- ii) Includes Outstanding and Other Liabilities.

8. Short-term provisions

(₹ in Crore)

Particulars	As at 31st March 2015		As at 31st March 2014	
(A) Provisions for employee benefits: (Refer Note 27 & 44)				
i) Gratuity	4.52		4.09	
ii) Leave Salary	6.95		6.56	
iii) Settlement Allowance on Retirement	0.08		0.09	
iv) Post Retirement Medical Benefits	5.97		17.50	
v) Pension	26.18		23.61	
vi) Performance Related Pay	18.82		22.42	
vii) Leave Travel Concession	0.01	62.53	0.01	74.28
(B) Other Provisions : (Refer Note 27)				
i) Demobilisation	40.59		23.92	
ii) Maintenance	37.01		161.37	
iii) Foreseeable Loss	12.55		10.12	
iv) Design Guarantee	52.72		56.99	
v) Legal Cases	72.05		47.93	
vi) Other Expenses	49.68		28.05	
vii) Income tax and Wealth tax	901.96		868.46	
Less: Advance Tax (including TDS)	(524.57)	377.39	(553.43)	315.03
viii) Dividend (Proposed)	102.94		81.16	
ix) Tax on Dividend (Proposed)	20.96	765.89	13.80	738.37
Total		828.42		812.65

9. Fixed assets

(₹ in Crore)

Fixed Assets	Foot Note	Gross Block				Accumulated Depreciation				Impairment	Net Block	
		As at 01.04.2014	Additions	Sales/ Adjustments	As at 31.03.2015	Upto 31.03.2014	For the year	Sales/ Adjustments	Upto 31.03.2015	As at 31.03.2015	As at 31.03.2015	As at 01.04.2014
A Tangible Assets												
Freehold Land		2.30	-	-	2.30	-	-	-	-	-	2.30	2.30
Lease hold Land	(v)	36.39	-	-	36.39	0.18	0.01	-	0.19	-	36.20	36.21
Lease hold Buildings	(iv)	42.44	-	-	42.44	5.79	0.77	-	6.56	-	35.88	36.65
Freehold Buildings / Flats-Residential	(i)	9.30	-	(0.57)	8.73	2.69	0.14	(0.14)	2.69	-	6.04	6.61
Freehold Buildings/Flats-Non-Residential		10.64	-	(3.52)	7.12	1.72	0.16	(0.74)	1.14	-	5.98	8.92
Plant and Machinery	(i & ii)	341.75	16.28	(6.16)	351.87	283.14	6.89	(5.82)	284.21	0.87	66.79	58.61
Survey Instruments		3.46	0.08	(0.20)	3.34	3.25	0.02	(0.17)	3.10	-	0.24	0.21
Computers		8.43	0.41	(0.44)	8.40	7.69	0.35	(0.42)	7.62	-	0.78	0.74
Mobile Handset		0.22	0.02	(0.03)	0.21	0.19	0.02	(0.03)	0.18	-	0.03	0.03
Office Equipments		7.21	0.42	(0.65)	6.98	6.44	0.24	(0.64)	6.04	-	0.94	0.77
Furniture, Fixtures, Furnishings		8.06	0.38	(0.45)	7.99	7.56	0.15	(0.43)	7.28	-	0.71	0.50
Caravans, Camps and Temporary Sheds		6.00	0.11	(1.41)	4.70	5.99	0.02	(1.42)	4.59	-	0.11	0.01
Vehicles	(i)	14.63	-	(0.69)	13.94	13.10	0.18	(0.58)	12.70	-	1.24	1.53
Current Year Total		490.83	17.70	(14.12)	494.41	337.74	8.95	(10.39)	336.30	0.87	157.24	153.09
Previous Year		495.71	10.60	(15.48)	490.83	317.78	33.60	(13.64)	337.74	-	153.09	177.93
B Intangible Assets												
Softwares		1.76	0.22	-	1.98	1.75	0.20	-	1.95	-	0.03	0.01
Current Year Total		1.76	0.22	-	1.98	1.75	0.20	-	1.95	-	0.03	0.01
Previous Year		1.71	0.05	-	1.76	1.71	0.04	-	1.75	-	0.01	-
GRAND TOTAL CURRENT YEAR		492.59	17.92	(14.12)	496.39	339.49	9.15	(10.39)	338.25	0.87	157.27	153.10
PREVIOUS YEAR		497.42	10.65	(15.48)	492.59	319.49	33.64	(13.64)	339.49	-	153.10	177.93

Foot Notes:-

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

(₹ in Crore)

Block of assets	As at March 2015		As at March 2014	
	Gross Block	Net Block	Gross Block	Net Block
Plant and Machinery	-	-	7.69	0.57
Freehold Building - Residential	0.38	0.28	-	-
Vehicles	-	-	0.04	-
Total	0.38	0.28	7.73	0.57

ii) Includes Locomotives provided on short term operating lease and standby. (Refer Note 37 II)

iii) Depreciation, amortization and impairment for the year debited to Statement of Profit and Loss are as follows:-

(₹ in Crore)

Description	2014-15	2013-14
Depreciation on Tangible & Intangible Assets	9.15	33.64
Impairment Loss	0.87	-
Depreciation on Investment Property	0.04	-
Total	10.06	33.64

iv) Includes lease hold building on Railways land for 30 years lease (Gross value ₹ 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 ₹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 provisions/rates containing in Schedule II of the Companies Act, 2013. Due to this change, depreciation for the year is lower by ₹ 23.06 crore & PBT is higher by ₹23.06 crore.

10. Intangible asset under development

(₹ in Crore)

Particulars	As at 31st March 2015	As at 31st March 2014
Implementation of SAP		
Opening Balance	1.01	0.80
Additions during the year:	-	0.21
Total	1.01	1.01

11. Capital work-in-progress*

(₹ in Crore)

Particulars	As at 31st March 2015	As at 31st March 2014
Opening Balance	-	0.88
Additions during the year:		
- Work Expenses	0.43	0.73
- Consultancy Charges	0.31	-
- Rates & Taxes	4.40	-
- Vehicle Operation and Maintenance	0.04	-
- Power, Electricity and Water charges	0.01	-
- Advertisement & Publicity	0.01	-
	5.20	0.73
Less: Capitalised during the year	-	1.61
Total	5.20	-

*Break-up of Capital Work in progress

1. Office Building at CCM, Gurgaon	4.82	-
2. Work of Fire Fighting & Civil Construction at CIC Noida	0.12	-
3. Office Building at Kolkata	0.26	-
	<u>5.20</u>	<u>-</u>

12. Non current investments

	Particulars	Foot Note	As at 31st March 2015		As at 31st March 2014	
			Nos.	Amount (₹ in Crore)	Nos.	Amount (₹ in Crore)
A	Investment Property					
	SRO Building at Old Airport Road, Bangalore			3.00		2.73
	Land at Noida			260.36		-
	Total (A)			263.36		2.73
B	Trade Investments (At Cost)					
	Un-Quoted					
	Investment in Fully Paid up Equity Shares: In Subsidiaries					
	Ircon Infrastructure & Services Limited (iii)		65,000,000	65.00	4,00,00,000	40.00
	6,50,00,000 equity shares of ₹ 10 each					
	Indian Railway Stations Development Corporation Limited 2,04,00,000 equity shares of ₹10 each		20,400,000	20.40	20,400,000	20.40
	Ircon PB Tollway Limited 9,00,00,000 equity shares of ₹10 each (iv)		90,000,000	90.00	-	-
	In Incorporated Joint Venture/s					
	CCFB, Mozambique					
	12,50,000 equity shares of meticals 24000 each fully paid (i)		12,50,000	5.53	12,50,000	5.53
	Less : Provision for diminution in value (Refer Note No. 34)			5.53		5.53
	Ircon-Soma Tollway Private Limited (ISTPL) (iia & b)		6,38,70,000	63.87	6,38,70,000	63.87
	6,38,70,000 equity shares of ₹ 10 each fully paid.					
	Chhattisgarh East Railway Limited		1,170,000	1.17	13,000	0.01
	11,70,000 equity shares of ₹ 10 each fully paid.					
	Chhattisgarh East-West Railway Limited		1,170,000	1.17	13,000	0.01
	11,70,000 equity shares of ₹ 10 each fully paid.					
	Total (B)			241.61		124.29
C	Other Investments (At Cost)					
	Quoted					
	Investment in Bonds					
	8.00% Tax Free Indian Railway Finance Company Limited (IRFC) Bonds of ₹1,000 each		163,131	16.31	163,131	16.31
	7.21% Tax Free Indian Railway Finance Company Limited (IRFC) Bonds of ₹10,00,000 each		500	49.96	500	49.96
	8.23% Tax Free Indian Railway Finance Company Limited (IRFC) Bonds of ₹1,000 each		500,000	50.00	500,000	50.00
	8.35% Tax Free Indian Railway Finance Company Limited (IRFC) Bonds of ₹ 10,00,000 each		500	49.92	500	49.92
	Less : Amortization of Premium			0.01		49.92
	Investment in Mutual Fund					
	SBI Debt Fund Series - A -14			-	25,000,000	25.00
	Total (C)			166.18		191.19
	Total			671.15		318.21

Disclosure regarding Quoted/Unquoted Investments:

	₹ in Crore	₹ in Crore
Aggregate of Unquoted investments - Book value	241.61	124.29
Aggregate of Quoted investments - Book value	166.18	191.19
- Market value	175.61	190.95

Foot Notes:-

- The value of one equity share of Meticals 24000 was equivalent to ₹ 44.27.
- (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 31.03.2015 is ₹ 325.20 crore. 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.
- ₹ 25.00 crore has been invested in Ircon Infrastructure & Services Limited for which allotment of equity shares was pending on reporting date. Share were allotted on 25.05.2015.
- ₹ 85.00 crore has been invested in Ircon PB Tollway Limited for which allotment of equity shares was pending on reporting date. Share were allotted on 29.04.2015.

13. Deferred tax assets (Net)

(₹ in Crore)

Particulars	As at 1st April 2014	Addition (Deletion) during the year	As at 31st March 2015
	Total	Total	Total
Asset			
Provision for :			
- Maintenance and demobilisation	70.11	(19.89)	50.22
- Foreseeable Loss	3.44	0.91	4.35
- Doubtful debts and advances	31.07	10.51	41.58
- Gratuity	21.02	1.93	22.95
- Leave Travel Concession	0.05	(0.01)	0.04
- Legal cases	16.29	8.64	24.93
- Design Guarantee	77.90	(23.19)	54.71
- Other Expenses	16.23	2.81	19.04
Expenses :			
- On Voluntary retirement scheme	0.01	(0.01)	-
- Allowed for tax purpose when paid	49.09	(2.03)	47.06
- Depreciation	16.16	(6.73)	9.43
	301.37	(27.06)	274.31
Liability:	-	-	-
	-	-	-
Net Deferred Tax Asset / (Liability)	301.37	(27.06)	274.31
Previous Year	268.98	32.39	301.37

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

(₹ in Crore)

Particulars	Foot Note	As at 31st March 2015		As at 31st March 2014	
A. Secured, considered good					
Staff Loans and Advances		1.60		1.68	
Advances to Contractors against material and machinery		25.29	26.89	22.44	24.12
B. Unsecured, considered good					
Capital Advance for Purchase of Land			-		244.82
<u>Loans and Advances to Related Parties:</u>					
Joint Ventures	(i)				
- Companhia Dos Caminhos De Ferro Da Beira Sarl (Refer note 34)"		70.48		61.16	
- Chhattisgarh East Railway Ltd.		30.00		-	
Subsidiaries	(i)				
- Ircan Infrastructure & Services Limited		31.50	131.98	48.15	109.31
Others Loans and Advances:					
Security Deposits					
- Government Departments		0.32		0.58	
- Others		0.51	0.83	0.21	0.79
Tax Authorities :					
- Advance Tax / TDS		544.64		562.55	
- Less:- Provision for Tax		(524.57)	20.07	(553.43)	9.12
- Deposit with Income Tax Department against demand		253.77	273.84	136.33	145.45
Staff Loans & Advances		0.73		1.05	
Deposits with Government Departments		0.10		0.02	
Advances to Contractors and Suppliers		205.41		103.12	
Prepaid Expenses		0.03		1.39	
Others		0.97	207.24	2.29	107.87
C. Considered Doubtful					
Loan to Related Parties					
Joint Venture					
- Companhia Dos Caminhos De Ferro Da Beira Sarl (Refer note 34)		25.46		27.66	
Advances to Contractors and Suppliers		8.71		8.62	
		34.17		36.28	
Less :- Provision for doubtful advances		34.17	-	36.28	-
Total			640.78		632.36

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 (₹ Nil)

15. Other non current assets

(₹ in Crore)

Particulars	As at 31st March 2015		As at 31st March 2014	
A. Long Term Trade Receivables				
Unsecured, considered good				
- Retention Money with client	27.48		33.81	
- Money Withheld by Client	22.62	50.10	5.15	38.96
B. Others				
i) Secured, considered good				
Interest Accrued on :				
- Advances to staff		0.85		0.88
ii) Unsecured, considered good				
Fixed Deposits more than 12 months {(refer foot note (i))}		0.41		-
Interest Accrued on :				
- Advances to staff	0.32		0.34	
- Advances to Contractors, Suppliers & others	14.50		3.47	
- Advance to IRWO	-	14.82	0.20	4.01
iii) Considered Doubtful				
Interest Accrued on :				
Joint Venture				
- Companhia Dos Caminhos De Ferro Da Beira Sarl (Refer note 34)	0.19		0.19	
Advances to Contractors, Suppliers & Others	0.40		0.40	
	0.59		0.59	
Less: Provision for doubtful	0.59	-	0.59	-
Total		66.18		43.85

Foot Notes:-

(i) Includes FDR under Lien for ₹ 0.40 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 (₹ Nil)

16. Current investments

Particulars	As at 31st March 2015		As at 31st March 2014	
	Nos.	Amount (₹ in Crore)	Nos.	Amount (₹ in Crore)
A Non Trade Investments				
Quoted				
Investment in Mutual Fund				
UTI Mutual Fund - Daily Dividend Plan	106,836	10.89	227,274	23.17
UTI Fixed Income Series XVI - I	-	-	25,000,000	25.00
UTI Fixed Income Series XVIII - IV	-	-	25,000,000	25.00
SBI Debt Fund Series - 40	-	-	25,000,000	25.00
SBI Premier Liquid Fund - Daily Dividend Plan	300,718	30.17	278,452	27.85
SBI Debt Fund Series - A -14	25,000,000	25.00	-	126.02
		66.06		
B Current Maturities of Long Term Bonds				
Quoted				
6.00% Tax Free Indian Railway Finance Company Limited (IRFC) Bonds of ₹1,00,000 each	-	-	5,000	50.00
		-		50.00
Total		66.06		176.02

Disclosure regarding Quoted Investments:		₹ in Crore	₹ in Crore
Aggregate of Quoted investments	- Book value	66.06	176.02
	- Market value	68.39	179.24

17. Inventories

(₹ in Crore)

Particulars	As at 31st March 2015	As at 31st March 2014
a. Material and stores		
- In Hand	32.49	34.66
- With Third Parties	25.81	0.84
- In Transit	0.11	0.33
	58.41	35.83
b. Construction work-in-progress at cost	55.88	82.97
Total	114.29	118.80

18. Trade receivables

(₹ in Crore)

Particulars	As at 31st March 2015		As at 31st March 2014	
Unsecured :				
Outstanding for a period exceeding six months from the date they were due for payment				
- Considered good	67.90		134.90	
- Considered doubtful & provided for	16.24	84.14	17.33	152.23
Outstanding for a period not exceeding six months from the date they were due for payment				
Trade receivables				
- Considered good	395.37		527.53	
- Considered doubtful & provided for	-	395.37	0.58	528.11
Retention Money with client				
- Considered good	60.09		44.63	
- Considered doubtful & provided for	9.89	69.98	10.10	54.73
Money Withheld by client				
- Considered good	48.14		71.34	
- Considered doubtful & provided for	4.50	52.64	3.20	74.54
		602.13		809.61
Less: Provision for doubtful debts		30.63		31.21
Total		571.50		778.40

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 Nil (₹ Nil)
- (ii) Includes amount due from Subsidiaries :

(₹ in Crore)

Particulars	Balance at the end of year	
	31.03.2015	31.03.2014
Outstanding for a period exceeding six months from the date they were due for payment		
- Trade receivables	0.96	2.54
Total	0.96	2.54

19. Cash & Bank balances

(₹ in Crore)

Particulars	Foot Note	As at 31st March 2015		As at 31st March 2014	
Cash and cash equivalents					
a) Cash In hand	(i)		0.21		0.16
b) Cheques / drafts in hand			0.17		7.57
c) Balances with banks :					
- In Current accounts		123.95		45.57	
- In Flexi accounts	(ii)	171.36		127.37	
- In Fixed deposits (with a maturity period of less than 3 months)	(ii)	893.36	1,188.67	1,344.14	1517.08
Other bank balances					
- In Fixed deposits (with a maturity period of more than 3 months and upto 12 months)	(ii)		2,013.78		1150.55
Total			3,202.83		2,675.36

Foot Notes:-

- i) Cash in hand includes cash imprest ₹ **0.01 crore** (₹ 0.02 crore)
- ii) Includes Clients Fund on which interest is passed on to them:

(₹ in Crore)

Particulars	Balance at the end of year	
	31.03.2015	31.03.2014
In Flexi accounts	100.44	73.65
In Fixed deposits (with a maturity period of less than 3 months)	624.86	272.31
In Fixed deposits (with a maturity period of more than 3 months and upto 12 months)	54.82	-
Total	780.12	345.96

20. Short term loans and advances

(₹ in Crore)

Particulars	Foot Note	As at 31st March 2015		As at 31st March 2014	
A. Secured, considered good					
Staff Loans and Advances		0.62		0.67	
Advances to Contractors against material and machinery		9.15	9.77	3.45	4.12
B. Unsecured, considered good					
<u>Loans and Advances to Related Parties:</u>					
Loans					
Joint Ventures (Refer note 39)	(i)				
- Ircon - Afcon JV		18.11		-	
Others					
Joint Ventures (Refer note 39)					
- RICON CETA SARL		0.84		0.80	
- Companhia Dos Caminhos De Ferro Da Beira Sarl		0.79		4.67	
- RICON		9.67		9.41	
- International Metro Civil Contractor		3.53		3.21	
- Metro Tunnelling Group		5.42		5.51	
- Ircon Soma Tollway Pvt.Ltd.		7.15		-	
- Ircon - Afcon JV		2.44		-	
Subsidiaries (Refer note 40)					
- Ircon Infrastructure & Services Limited		2.26		0.93	
- Indian Railway Station Development Corporation Limited		0.27	50.48	0.30	24.83
<u>Others Loans and Advances:</u>					
Security Deposits					
- Government Departments		6.22		6.44	
- Others		1.30	7.52	1.75	8.19
Tax Authorities:					
- Sales Tax (including TDS)		200.98		197.53	
Less :- Deposited under protest		(184.31)		(168.80)	
- Value Added Tax		114.26		109.40	
- Service Tax input credit		0.02	130.95	0.39	138.52
Staff Loans and Advances		1.78		1.78	
Advances to Contractors and Suppliers		125.94		225.35	
Earnest Money Deposit		0.41		20.58	
Prepaid Expenses		3.54		5.28	
Others		12.48	144.15	16.44	269.43
C. Considered Doubtful					
Staff Loans & Advances		-		0.01	
Advances to Contractors and Suppliers		9.87		8.49	
Deposits with Government Departments		2.38		2.26	
Sales Tax (including TDS)		35.31		12.56	
Value Added Tax		7.18		-	
Others		0.01		-	
		54.75		23.32	
Less:- Provision for doubtful advances		54.75	-	23.32	-
Total			342.87		445.09

Foot Notes:-

- (i) Loan is interest bearing and is for working capital requirements.
- (ii) 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 Nil (₹ Nil)
- (iii) Details of amount due from Directors:

(₹ in Crore)

Particulars	As at 31st March 2015	As at 31st March 2014
Amount due from directors included in staff loans and advances	-	0.02
	-	0.02

21. Other current assets

(₹ in Crore)

Particulars	Foot Note	As at 31st March 2015	As at 31st March 2014
A) Interest Accrued on:			
Staff loans and advances (secured)		0.12	0.15
Bonds		14.21	8.63
Staff loans and advances (unsecured)		0.12	0.09
Loan to			
- Indian Railway Welfare Organisation		0.20	0.20
- Ircon Infrastructure & Services Limited		5.04	6.14
- Chhattisgarh East Railway Limited		0.60	-
- IRCON-AFCONS JV		0.25	-
Deposits & Advances with:			
- Contractors, Suppliers & Others		17.44	55.38
- Deposit with banks		80.23	77.08
B) Construction Work in Progress (At realisable value)		109.93	186.07
C) Billable Revenue	(i)	405.32	144.02
D) Assets held for disposal	(ii)	1.73	1.59
E) Amount Invested in UTI for purchase of units	(iii)	-	19.00
Total		635.19	498.35

Foot Notes :-

- (i) Includes Value of work amounting to ₹ 196.08 crore (₹ 144.02 crore) certified by client, but not billed by reporting date.
- (ii) Fixed assets beyond economic repair and/or held for disposal (at lower of the realizable value and book value):-

(₹ in Crore)

Block of assets	As at 31st March 2015		As at 31st March 2014	
	Gross Block	Net Block	Gross Block	Net Block
Plant and Machinery	17.16	1.45	19.91	1.59
Freehold Building - Residential	0.38	0.28	-	-
Vehicles	-	-	0.04	-
Total	17.54	1.73	19.95	1.59

- (iii) An amount of ₹ 19 crore was paid to UTI mutual Fund towards purchase of units on 31.03.2014. As 31.03.2014 and 01.04.2014 was considered to be Bank Holiday for transaction in UTI mutual fund, hence, units were allotted to the folio no: 509270058623 only on 02.04.2014.
- (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 JVs and Subsidiaries are Nil (₹ Nil).

Details of amount due from Directors:

(₹ in Crore)

Particulars	As at 31st March 2015	As at 31st March 2014
Amount due from directors included in interest accrued on staff loans and advances	-	0.005
	-	0.005

22. Revenue from operations

(₹ in Crore)

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
Contract Revenue	2,809.67	3,850.10
Company share of turnover in Integrated Joint Ventures	88.62	8.81
Loco lease	42.77	41.49
Machinery hire charges	1.31	0.04
Other Operating Receipts	17.09	11.85
"Prior Period Contract Revenue (Refer Note 28)"	(9.24)	154.53
Total	2,950.22	4,066.82

23. Other income

(₹ in Crore)

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
Interest on Tax Free Bonds	16.02	13.78
Bank Interest Gross	214.13	227.88
Less:- Interest passed to clients	36.23	35.20
Interest on refund of income-tax	3.40	8.74
Interest on staff advances	0.33	0.34
Interest on loan to Related Parties		
- IrconISL	5.61	6.82
- CERL	0.67	-
- IRCON-AFCONS JV	0.27	-
Interest on other advances	6.80	4.10
Interest on Fixed Maturity Plan	6.81	3.05
Exchange Fluctuation Gain	43.33	-
Less:- Exchange Fluctuation Loss	23.43	-
Dividend Income	3.21	4.05
Profit on sale of assets	2.02	0.19
Miscellaneous	14.47	14.44
Prior Period Other Income (Refer Note 28)	0.34	1.18
Total	257.75	249.37

24. Operating expenses and administrative expenses

(₹ in Crore)

Particulars	Foot Note	Operating expenses		Administrative expenses	
		For the year ended 31st March 2015	For the year ended 31st March 2014	For the year ended 31st March 2015	For the year ended 31st March 2014
Materials and Stores consumed:					
Opening balance		35.49	38.28	-	-
Add: Purchases during the year		196.47	257.82	-	-
		231.96	296.10	-	-
Less: Closing Balance		58.30	173.66	35.49	260.61
Work expenses		1,783.69	2,169.10	-	-
(Increase) / Decrease in WIP		27.09	2.94	-	-
Design, Drawing, Business Development, Agency and Consultancy Charges		24.44	48.42	-	-
Inspection, Geo Technical Investigation and Survey expenses etc.		1.87	5.74	-	-
Repairs and maintenance of machinery		26.50	42.14	-	-
Hire charges of machinery		12.88	15.41	-	-
Exchange fluctuation loss		-	-	-	40.10
Less:- Exchange fluctuation gain		-	-	-	32.38
Net exchange fluctuation loss		-	-	-	7.72
Rent - Non-residential {Refer note 37 (l)(b)}		3.80	3.77	0.23	0.20
Rates and taxes		12.49	8.97	2.02	1.40
Vehicle operation and maintenance		9.70	11.71	0.91	0.82
Repairs and maintenance					
- Building		0.14	0.14	0.42	0.84
- Office and Others		3.47	3.51	2.81	2.05
Power, electricity and water charges		3.71	3.66	1.55	1.35
Insurance		5.76	7.16	0.14	0.03
Travelling and conveyance		8.30	9.26	2.29	1.84
Printing and stationery		1.59	1.82	0.55	0.65
Postage, telephone and telex		2.33	2.42	0.45	0.49
Legal and Professional charges		3.39	4.32	2.33	1.26
Security services		4.32	3.79	0.14	0.15
Business promotion		0.98	1.02	0.16	0.23
Write-off of :					
- Bad debts		2.37	31.98	-	-
- Bad advances		0.97	7.15	-	-
- Assets		-	0.01	-	-
Loss on sale of Assets/Stores		-	-	3.43	-
Amortization of premium paid on Investments		-	-	0.01	0.35
Director sitting fee		-	-	0.02	0.03
Donation		-	-	0.05	0.01
Auditors remuneration	(i)	-	-	0.42	0.63
Advertisement and publicity		-	-	3.19	4.43
Training and Recruitment		-	-	0.60	0.49
Research and Development expenses		-	-	-	0.96
Corporate social responsibility (Refer Note 47)		-	-	6.72	8.49

Particulars	Foot Note	Operating expenses		Administrative expenses	
		For the year ended 31st March 2015	For the year ended 31st March 2014	For the year ended 31st March 2015	For the year ended 31st March 2014
Miscellaneous expenses		8.73	4.29	1.44	1.24
Prior Period Expenses (Refer Note 28)		0.27	0.41	0.72	0.18
Provisions (Addition - Write Back) (Refer Note 27)		(26.44)	140.02	-	-
Provisions / Reserves Utilised (Refer Note 27)		(56.51)	(61.26)	-	0.00
Total		2,039.50	2,728.51	30.60	35.84

Foot Notes :-
(i) Payment to Statutory Auditors:

	2014-15	2013-14
(i) Audit Fee - current year	0.20	0.31
(ii) Tax Audit Fees - current year	0.07	0.08
(iii) Certification Fees	0.03	0.05
(iv) Reimbursement of Expenses:		
- Local	0.09	0.14
- Foreign	0.03	0.05
Total	0.42	0.63

25. Employee benefits expenses

(₹ in Crore)

Particulars	Foot Note	For the year ended 31st March 2015			For the year ended 31st March 2014		
		Operating	Administrative	Total	Operating	Administrative	Total
Salaries, wages and bonus {Refer note 37(I)(a)}	(i)	115.37	38.35	153.72	125.77	36.72	162.49
Contribution to provident and other funds		6.59	3.32	9.91	6.55	2.69	9.24
Foreign service contribution		0.47	0.30	0.77	0.49	0.58	1.07
Retirement benefits		11.61	10.08	21.69	11.48	34.16	45.64
Staff welfare		1.80	0.47	2.27	2.15	0.48	2.63
Total		135.84	52.52	188.36	146.44	74.63	221.07

Foot Notes:-

(i) Includes income-tax on non-monetary perks ₹ 0.33 Crore (₹ 0.35 Crore).

26. Finance cost

(₹ in Crore)

Particulars	Foot Note	For the year ended 31st March 2015	For the year ended 31st March 2014
Interest Expenses	(i)	-	26.32
Other Borrowing Cost			
Bank Guarantee & Other bank Charges		8.93	12.13
Total		8.93	38.43

Foot Notes:-

(i) Includes interest on income-tax ₹ Nil Crore (₹ 26.30 Crore).

27. Provisions (Net)

(₹ in Crore)

Particulars	Balance as on 01.04.2014			During the year 2014-15					Balance as on 31.03.2015		
	Long Term	Short Term	Total	Additions	Written Back	Utilisation	Exchange Gain	Exchange Loss	Long Term	Short Term	Total
Provided for :											
A Employees Related											
(i) Retirement Benefits											
Gratuity	57.76	4.09	61.85	8.16	-	3.70	-	-	61.79	4.52	66.31
Leave Salary	73.54	6.56	80.10	9.27	0.08	6.50	0.07	0.08	75.85	6.95	82.80
Settlement allowances on retirement	1.20	0.09	1.29	-	0.01	-	-	-	1.20	0.08	1.28
Post Retirement Medical Benefits	-	17.50	17.50	1.83	-	12.00	-	-	1.36	5.97	7.33
Pension	-	23.61	23.61	2.57	-	-	-	-	-	26.18	26.18
Total of Retirement Benefits (i)	132.50	51.85	184.35	21.83	0.09	22.20	0.07	0.08	140.20	43.70	183.90
(ii) Others											
Performance Related Pay	-	22.42	22.42	9.11	3.27	9.44	-	-	-	18.82	18.82
Leave Travel Concession	0.13	0.01	0.14	-	0.01	-	-	-	0.12	0.01	0.13
Total of Other Benefits (ii)	0.13	22.43	22.56	9.11	3.28	9.44	-	-	0.12	18.83	18.95
Total Employee Related Provisions (i+ii)	132.63	74.28	206.91	30.94	3.37	31.64	0.07	0.08	140.32	62.53	202.85
B Others											
Demobilisation	24.01	23.92	47.93	2.74	0.15	0.40	2.16	0.52	7.89	40.59	48.48
Maintenance	55.37	161.37	216.74	23.24	66.43	38.43	3.17	1.93	96.87	37.01	133.88
Foreseeable Loss	-	10.12	10.12	10.17	2.68	5.06	-	-	-	12.55	12.55
Design Guarantee	172.20	56.99	229.19	-	57.27	-	13.84	-	105.36	52.72	158.08
Doubtful debts	-	17.91	17.91	2.64	2.08	2.28	-	0.06	-	16.25	16.25
Doubtful advances	36.87	36.62	73.49	34.94	3.57	0.95	0.02	-	34.76	69.13	103.89
Diminution in value of Investment	5.53	-	5.53	-	-	-	-	-	5.53	-	5.53
Liabilities(Legal cases)	-	47.93	47.93	24.76	0.45	0.19	-	-	-	72.05	72.05
Other expenses	22.94	28.05	50.99	13.35	5.65	9.20	-	0.78	0.59	49.68	50.27
Income-tax and Wealth tax	-	868.46	868.46	239.15	-	203.07	2.58	-	-	901.96	901.96
Dividend (Interim and Proposed)	-	81.16	81.16	182.12	-	160.34	-	-	-	102.94	102.94
Tax on Dividend (Interim and Proposed)	-	13.80	13.80	36.79	-	29.63	-	-	-	20.96	20.96
Total Other Provisions (B)	316.92	1,346.33	1,663.25	569.90	138.28	449.55	21.77	3.29	251.00	1,375.84	1,626.84
C GRAND TOTAL (C = A+B)	449.55	1,420.61	1,870.16	600.84	141.65	481.19	21.84	3.37	391.32	1,438.37	1,829.69
D Less:- Considered Separately											
Doubtful debts considered in Note 18	-	17.91	17.91						-	16.25	16.25
Doubtful advances considered in Note 18		13.30	13.30							14.38	14.38
Doubtful advances considered in Note 14,15 & 20	36.87	23.32	60.19						34.76	54.75	89.51

Particulars	Balance as on 01.04.2014			During the year 2014-15					Balance as on 31.03.2015		
	Long Term	Short Term	Total	Additions	Written Back	Utilisation	Exchange Gain	Exchange Loss	Long Term	Short Term	Total
Impairment of Investment considered in Note 12	5.53	-	5.53						5.53	-	5.53
Retirement Benefits considered in Note 25				21.83	0.09	22.20					
PRP & LTC included in Salaries, Wages and Benefits				9.11	3.28	9.44					
Income-tax adjusted / considered separately				239.15	-	203.07					
Dividend paid / considered separately				182.12	-	160.34					
Corporate-tax on Dividend paid / considered separately				36.79	-	29.63					
TOTAL (D)	42.40	54.53	96.93	489.00	3.37	424.68	-	-	40.29	85.38	125.67
Net: Current Year (C - D)	407.15	1,366.08	1,773.23	111.84	138.28	56.51	21.84	3.37	351.03	1,352.99	1,704.02
Previous Year	420.10	1,189.86	1,609.96	192.06	52.04	61.26			407.15	1,366.08	1,773.23

NOTE:

Net Provisions (Additions/Write Back) considered in Note 24	(26.44)
Provisions Utilized considered in Note 24	56.51
Retirement Benefits provisions considered in Note 25	(0.46)
Performance Related Pay & LTC considered in Note 25 in Salary and Wages	(3.61)

28. Prior period adjustments

(₹ in Crore)

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
PRIOR PERIOD ITEMS:		
Income:		
Revenue from Operation	(9.24)	154.53
Interest income on deposits/ loans	0.03	0.21
Miscellaneous	0.31	0.97
	(8.90)	155.71
Expenses:		
Work expenses	0.27	0.41
Administrative expenses	0.55	0.01
Others	0.17	0.17
	0.99	0.59
Total	(9.89)	155.12

29. Contingent liabilities:

- a) Claims against the Company not acknowledged as debt ₹1279.09 crore net of provision of ₹ 78.29 crore (₹1039.11 crore net of provision of ₹ 47.93 crore). Against this the Company has counter claims of ₹ 821.69 crore (₹ 303.06 crore). In case claims against the Company do materialise, claims for ₹ 748.02 crore (₹ 434.65 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 disputed tax demands under appeal amounting to ₹ 132.66 crore (₹ 126.23 crore) of which 'Nil' (Nil) are reimbursable from the clients.
- d) Indirect disputed tax demands under appeal ₹ 186.06 crore (₹ 176.06 crore) of which ₹ 114.16 crore (₹ 107.27 crore) are reimbursable from the clients.
- e) Provident Fund Commissioner, Jammu & Kashmir has demanded 'Nil' (₹ 1.75 crore) for contribution of provident fund on sub-contractors providing utility and supporting services.

f) 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 ₹162.60 crore (₹ 222.15 crore).
- II. Indemnity bond for International Metro Civil Contractor of ₹ 1.24 crore (₹ 1.24 crore).
- III. Sales-tax liability of International Metro Civil Contractor of ₹ 4.25 crore (₹ 4.25 crore) and Service Tax ₹ 2.02 crore (₹ 1.01 crore).
- IV. Corporate guarantee to Central Excise in case of Metro Tunnelling Group of ₹ 1.54 crore (₹ 1.54 crore).
- V. Bank guarantee in case of Ircon-RCS-PFLEIDERER of ₹ 1.40 crore (₹ 1.40 crore).
- VI. Income Tax liability in the case of International Metro Civil Contractor of ₹ 5.29 crore (₹ 5.29 crore) and in case of Metro Tunnelling Group of ₹ 0.88 crore (₹ 0.88 crore).
- VII. Recovery suit against the International Metro Civil Contractor by M/s Sai Engineers is ₹ 0.02 crore (₹ 0.02 crore).

VIII. Bank Guarantee in case of Ircon-Afcon JV for ₹ 51.34 crore (₹ 56.71 crore) for Bhairab Railway Bridge Project, Bangladesh.

- g) Pending disposal of application for extension of time by clients, company is contingently liable to pay liquidated damages to the extent of ₹ 56.70 crore (₹ 44.33 crore) to the clients.

30. Commitments:

- a) Estimated amount of contracts remaining to be executed on capital account (net of advances) is ₹ 68.55 crore (₹ 15.92 crore).

b) Other Commitments:

Commitments for fund/providing guarantee to/on behalf of subsidiaries/ joint ventures:

- i) Counter guarantee to Indian overseas bank for issuance of bank guarantee to subsidiary company, IrconISL, amounting to ₹ 10.00 crore (₹ 10.00 crore).
- ii) For subscribing towards balance share of equity (51%) of ₹ 20.40 crore (₹ 20.40 crore) in subsidiary company, Indian Railway Stations Development Corporation Limited.
- iii) For subscribing towards balance share of equity (26% each) of ₹ 0.13 crore (₹ 1.29 crore) & ₹ 0.13 crore (₹ 1.29 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 ₹ 9.00 crore (Nil) & ₹ 39.00 crore (Nil) to Joint venture companies, Chattisgarh East Railway Limited and Chattisgarh East-West Railway Limited respectively.
- v) For subscribing towards balance share of equity of ₹ 75.00 crore (Nil) in subsidiary company, Ircon PB Tollway Limited.
- vi) For release of balance shareholder's loan of ₹ 352.00 crore (Nil) to subsidiary company, Ircon PB Tollway Limited.
- vii) For release of balance shareholder's loan of ₹ 5.75 crore (₹ 8.99 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, Ircon-Afcons JV, amounting to ₹ 38.66 crore (Nil).
- ix) An undertaking to Punjab National Bank for non-disposal of 21% of present holding of the company (1,34,12,700 shares of ₹ 10 each) in Joint Venture Company, Ircon-Soma Tollway Private Limited, amounting to ₹ 13.41 crore (₹ 13.41 crore).

x) For subscribing towards share of equity for ₹ 3.00 Crore (Nil). In subsidiary company, Ircon Shivpuri Guna Tollway Limited. (incorporated on 12.05.2015)

31. The Company is executing a Broad Gauge Rail Link Project called "Udhampur-Srinagar-Baramulla Rail Link Project" (USBRL) in the state of Jammu & Kashmir on cost plus basis. Northern Railway, the client, has raised certain queries on admissibility of certain expenditure incurred by the company/contract addition payable on the cost incurred & certain observations on the quality of work done on the project which has also been suitably replied to. The company does not expect any liability on this account. However, adjustment, if any, arising out of these issues will be made as and when required.

32. The Company is liable to pay ₹ 76.28 Crore for FY 2014-15 & ₹ 179.58 Crore for FY 2013-14 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.

33. (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 ₹ 925.63 crore (₹ 799.79 crore) having tax impact of ₹ 315.70 crore (₹ 272.92 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 ₹ 185.36 crore in FY 2012-13 for the AY 2006-07 to AY 2013-14 and ₹ 229.71 for the AY 2013-14 to AY 2015-16 in the respective years.

34. (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 (₹ 5.53 crore shown in Non-current investments (Note 12)). The Company has provided shareholders' loan to CCFB and the total amount including accrued interest up to 31.03.2011 is USD 21.124 Mn (₹ 93.43 crore converted at exchange rate on 31.03.2011. A sum of USD 0.999 Mn (₹ 4.42 crore) was received from CCFB on 28.02.2013. Further, a sum of ₹ 7.12 crore (USD 1.142 Mn) has been given as loan to CCFB for meeting out arbitration expenses (₹ 95.94 crore (₹ 88.82 crore) shown in Long term loan and advances (Note 14 (B) and (C)) and ₹ 0.19 crore (₹ 0.19 crore) shown in other non-current assets (Note 15 (B iii))).

(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 considers this termination against the contract provisions & unlawful and has initiated arbitration proceedings against GOM. The Company believes that it shall be able to retrieve its entire investment through arbitration by CCFB, yet as a matter of abundant caution and following a conservative approach, pending outcome of the arbitration:

- i. Provision of ₹ 31.18 crore (₹ 33.38 crore) [₹ 29.77 crore (₹ 29.77 crore) towards loan & interest accrued thereon, ₹ 3.21 crore (₹ 3.21 crore) towards possible capital expenditure by CCFB to make railway line operable and ₹ 5.53 crore (₹ 5.53 crore) towards equity investment reduced by interest after termination of ₹ 7.33 crore (₹ 5.13 crore)] (refer Note 12) has been made during 2011-12 towards possible loss.
- ii. The loan amount including interest due has been stated at the exchange rate prevailing on 31.03.2011.
- iii. The amount of loan to meet arbitration expenses provided in the current year has not been restated.
- iv. Interest on loans for the year amounting to ₹ 4.89 crore (₹ 3.79 crore), cumulative ₹ 13.48 crore (₹ 8.59 crore) has not been recognized.

(c) Had the dues been translated at the closing exchange rate as on 31.03.2015 as per AS-11, long term loan and advances would have been higher by ₹ 25.74 crore (₹ 20.15 crore) and profit before tax would have been higher by ₹ 25.74 crore (₹ 20.15 crore), effect on current year ₹ 5.59 crore and of earlier years ₹ 20.15 crore.

35. (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.

36. (a) Earnings in foreign currency (on accrual basis):

(₹ in Crore)

Particulars	2014-15	2013-14
Work Receipts & Locomotive lease	806.60	2172.97
Bank Interest	11.22	9.75
Other Interest	0.02	0.20
Foreign Exchange Fluctuation Gain (Net)	19.93	-
Others	3.87	1.84
Total	841.64	2184.76

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

(₹ in Crore)

Particulars	2014-15	2013-14
Operational Expenses	399.09	1095.08
Consultancy charges	24.85	40.13
Foreign Exchange Fluctuation Loss (Net)	-	7.72
Total	423.94	1142.93

(c) CIF value of Imports:

(₹ in Crore)

Particulars	2014-15	2013-14
Materials	159.45*	60.02
Consumables, Components and Spares	-	-
Total	159.45	60.02

*Imports are booked in Work Expenses

(d) Material & store consumed:

(₹ in Crore)

Particulars	2014-15		2013-14	
	Amount	%age	Amount	%age
Imported	159.45	47.87	60.02	23.03
Indigenous	173.67	52.13	200.59	76.97
Total	333.12	100.00	260.61	100.00

(e) Disclosure of unhedged foreign currency exposure:

The unhedged foreign currency exposure is as under:

(₹ in Crore)

Particulars	Currency	As at 31st March 2015		As at 31st March 2014	
		Foreign Currency in Crore	INR Crore	Foreign Currency in Crore	INR Crore
Assets :					
Advance to Contractors					
	DZD	-	-	9.42	7.21
	Euro	0.06	4.36	0.12	10.12
	LKR	0.40	0.19	1.00	0.46
	MYR	0.02	0.30	0.90	16.56
	MZN	0.06	0.10	0.06	0.12
	USD	0.00	0.08	-	-
Trade Receivables					
	BDT	1.41	1.13	-	-
	DZD	51.29	32.83	104.54	79.98
	Euro	0.46	31.41	0.98	79.62
	MYR	0.04	0.69	0.02	0.37
	USD	2.43	151.09	4.46	264.67
Cash & Bank Balances					
	BDT	0.13	0.10	-	-
	DZD	29.63	18.96	4.87	3.72
	ETB	0.00	0.01	0.18	0.56
	Euro	1.30	89.32	0.69	56.00
	LKR	19.46	9.14	73.28	33.59
	MYR	1.69	28.50	4.68	85.86
	MZN	0.03	0.05	0.36	0.69
	USD	6.88	428.27	7.79	462.56
Other Assets					
	BDT	1.38	1.11	0.00	0.00
	DZD	16.17	10.35	13.19	10.09
	ETB	1.13	3.45	1.13	3.50
	Euro	0.43	29.54	0.24	19.51
	LKR	16.18	7.60	18.42	8.44
	MYR	0.14	2.43	2.78	51.01
	USD	1.94	120.47	1.71	101.70
Liabilities :					
Advance from Client					
	BDT	0.84	0.67	-	-
	DZD	-	-	18.60	14.23
	Euro	0.39	26.87	0.58	47.31
	USD	0.16	9.98	2.82	167.11
Trade Payable					
	AUD	0.01	0.71	-	-
	BDT	0.02	0.02	-	-
	DZD	13.92	8.91	43.93	33.61
	Euro	0.92	63.10	0.71	57.36
	JPY	10.10	5.25	-	-
	LKR	14.20	6.67	58.76	26.94
	MYR	0.42	7.07	4.79	87.89
	MZN	4.13	6.97	4.13	7.88
	USD	0.84	52.10	0.28	16.82

Particulars	Currency	As at 31st March 2015		As at 31st March 2014	
		Foreign Currency in Crore	INR Crore	Foreign Currency in Crore	INR Crore
Other Liabilities					
	BDT	0.38	0.31	-	-
	DZD	30.90	19.77	17.90	13.69
	ETB	0.02	0.05	0.02	0.06
	Euro	0.19	13.01	0.16	13.17
	LKR	17.51	8.22	33.93	15.55
	MYR	4.26	71.91	5.15	94.49
	USD	0.83	51.67	0.90	53.27

The unhedged foreign currency exposures are naturally hedged.

37. 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 - ₹ 5.78 crore (₹ 6.52 crore) (included in salaries & wages note 25)
- Lease payments in respect of office premises, guesthouses and transit camps - ₹4.03 crore (₹3.97 crore) (included in operating & administrative expenses note 24.)
- Future minimum lease payments in respect of non- cancellable lease are as under:

(₹ 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:

- The Company has given certain commercial/residential premises on operating lease which are cancellable by giving appropriate notices as per respective agreements.
- The Company has also provided Plant & Machinery (Locomotives) on wet lease basis to a foreign client.
- The amount of lease rent received during the year is as under:
 - Lease rent in respect of non residential premises - ₹ 7.02 crore (₹ 6.69 crore) (included in miscellaneous income note 23.)
 - Lease rent in respect of locomotives ₹ 42.77 crore (₹ 41.49 crore) (included in loco lease note 22)
- Future minimum lease rental receivable as on 31.03.2015 in respect of non – cancellable operating lease for each of the following period is as under:

(₹ in Crore)

Lease Rent	Not later than 1 year	Later than 1 year and not later than 5 years	Later than 5 years
Premises	Nil	Nil	Nil
Locomotives	33.42	Nil	Nil

(e) Details of assets given on lease during the year:

(₹ in Crore)

Particulars	As on 31st March 2015		As on 31st March 2014	
	Premises	Locomotives	Premises	Locomotives
Gross Carrying amount of assets	6.96	35.66	6.96	35.66
Depreciation for the year	0.14	-	0.14	1.16
Impairment loss for the year	-	-	-	-
Accumulated Depreciation	1.22	33.87	1.08	33.87

38. Segment Reporting:

Primary Segment information (Geographic):

(₹ in Crore)

Particulars	International		Domestic		Total	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
A. Turnover						
Revenue from Operations	877.52	2137.49	2072.70	1929.33	2950.22	4066.82
Less:- Share of Income in Joint Ventures	47.07	1.30	41.55	7.51	88.62	8.81
Add:- Share of Profit in Joint Ventures	1.90	(1.06)	0.49	0.25	2.39	(0.81)
Other Income	35.30	11.07	222.45	238.30	257.75	249.37
Inter-segment		-	-	-	-	-
Total Revenue	867.65	2146.20	2254.09	2160.37	3121.74	4306.57
B. Result						
Profit before Provision, Depreciation, Interest and Tax.	455.69	1115.46	372.22	333.58	827.91	1449.04
Less: Provision & write backs (Net)	(75.15)	134.43	48.71	5.59	(26.44)	140.02
Depreciation	5.53	25.21	4.53	8.43	10.06	33.64
Interest	-	-	-	26.32	-	26.32
Profit before Tax	525.31	955.82	318.98	293.24	844.29	1249.06
Tax Expense	203.55	258.07	61.35	84.49	264.90	342.56
Profit after Tax	321.76	697.75	257.63	208.75	579.39	906.50
C. Other Information						
Assets	1063.26	2214.19	5685.38	3943.37	6748.64	6157.56
Include Fixed Assets (Net Block)	63.54	69.04	99.94	100.71	163.48	169.75
Liabilities	741.49	1516.40	2653.64	1648.13	3395.13	3164.53
Capital Expenditure: Additions to Fixed Assets	16.23	7.32	1.69	3.33	17.92	10.65

Secondary Segment information (Business):

(₹ in Crore)

Particulars	Segment Income		Segment Assets		Additions to Fixed Assets	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Construction, etc.	2907.45	4024.80	6722.08	6129.94	17.90	8.57
Leasing operation	42.77	42.02	26.56	30.82	0.02	2.08
Total	2950.22	4066.82	6748.64	6160.76	17.92	10.65

39. Disclosure in respect of Joint-Ventures (JV)

(a) Unincorporated Joint-Ventures:

i) For projects in operation:

S. No.	Name of the JV	Partner(s) and Country of Origin	Participating Interest (in %) as on 31March	
			2015	2014
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

ii) For projects which have been completed:

S. No.	Name of the JV	Partner(s) and Country of Origin	Participating Interest (in %) as on 31March	
			2015	2014
1	RICON	Ircon, India	49.00	49.00
		RITES, 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
7	Metro Tunnelling Group (MTG)	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
8	Ircon-GANNON Dunkerly	Ircon, India	55.70	55.70
		GANNON Dunkerly	44.30	44.30
9	Ircon-RCS-PFLEIDERER	Ircon, India	65.08	65.08
		Rayalseema Concrete Sleepers Pvt. Ltd, India	21.87	21.87
		Pfleiderer Infrastrukturtechnik GmbH & Co, Germany	13.05	13.05

(b) Joint-Venture Companies:

S. No	Name of JV Company	Shareholders and country of origin	Percentage of Ownership	
			As at 31 March 2015	As at 31 March 2014
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	Chhattisgarh East Railway Limited (CERL)	Ircon, India	26.00	26.00
		SECL, India	64.00	64.00
		CSIDC	10.00	10.00
4	Chhattisgarh East-West Railway Limited (CEWRL)	Ircon, India	26.00	26.00
		SECL, India	64.00	64.00
		CSIDC	10.00	10.00

(c) Statement of Income, Expenditure, Profit, Assets & Liabilities of Jointly controlled entities:

(₹ in Crore)

S. No.	Jointly Control Entities	Financial Year	Particulars					
			Income	Expenditure	Profit	Fixed Assets	Current\Non Current Assets	Liabilities
1	RICON	2014-15	0.38	0.13	0.25	-	10.67	1.01
		2013-14	0.42	0.33	0.09	-	10.31	0.89
2	IMCC	2014-15	-	0.04	(0.04)	-	4.21	0.93
		2013-14	-	0.01	(0.01)	-	4.61	1.41
3	MTG	2014-15	-	(0.28)	0.28	-	5.06	0.15
		2013-14	-	(0.18)	0.18	-	8.15	2.64
4	IRCON-SPSCPL	2014-15	41.17	41.17	-	0.08	13.43	10.28
		2013-14	7.09	7.09	-	0.03	6.57	6.67
5	IRCON-AFCONS	2014-15	47.07	45.17	1.90	7.69	48.44	54.81
		2013-14	1.30	2.36	(1.06)	0.06	22.85	22.80
6	CCFB	2014-15	1.47	5.50	(4.03)	0.02	131.95	126.53
		2013-14	0.60	4.58	(3.98)	0.02	124.56	114.39
7	ISTPL	2014-15	83.13	90.96	(7.83)	487.06	55.01	536.94
		2013-14	81.58	101.02	(19.44)	531.13	65.74	584.00
8	CERL	2014-15	0.01	0.02	(0.01)	9.56	26.50	35.06
		2013-14	-	0.04	(0.04)	-	0.53	0.56
9	CEWRL	2014-15	0.01	0.02	(0.01)	0.57	0.68	0.24
		2013-14	-	0.03	(0.03)	-	0.01	0.03
	Total	2014-15	173.24	182.73	(9.49)	504.98	295.95	765.95
		2013-14	90.99	115.28	(24.29)	531.24	243.33	733.40

(d) Contingent Liabilities of the Jointly Controlled entities are disclosed in note 29 (f).

40. Related Party disclosures:

a) Enterprises where control exists:

(i) Subsidiary Companies: -

- Ircon Infrastructure & Services Limited. (IrconISL)
- Indian Railway Stations Development Corporation Limited. (IRSDC)
- Ircon PB Tollway Limited

(ii) Joint Ventures: -

- Unincorporated Joint Ventures – As per Note no. 39 (a) above
- Joint Venture Companies – As per Note no. 39 (b) above.

b) Key management personnel:

Directors: -S/Shri Mohan Tiwari, K K Garg, Deepak Sabhlok and Hitesh Khanna.

c) Disclosure of transactions with related parties:

(₹ in Crore)

Particulars	Transactions during the year		Particulars of Contracts/ Arrangements
	2014-15	2013-14	Nature of Transaction
1. Remuneration to key management personnel (b above) & Sitting Fees to other Independent Directors	As per Note No. 41		
2. Purchase of Goods & Services (including CSR expenses)/Lease of Fixed Assets/Any other transaction (please Specify)			
Subsidiaries (Including)			
IrconISL	0.46	1.55	CSR Activities
IrconISL	6.17	2.12	Hiring of Machinery
IrconISL	17.83	26.69	Man Power Supply
Total	24.46	30.36	
3. Sale of Goods & Services/Interest Income/ Any other transaction (please Specify)			
Subsidiaries (Including)			
IrconISL	1.19	5.02	Work Receipts MFCs including consultancy
Joint Venture (Including)			
CERL	27.67	-	Consultancy & works receipts
CEWRL	53.64	-	Consultancy receipts
Total	82.50	5.02	
4. Equity Investments in Subsidiaries & JVs			
Subsidiaries			
IrconISL	25.00	-	
IRSDC	-	10.20	
Ircon PB Tollway Ltd	90.00	-	
Joint Venture			
CERL	1.16	0.01	
CEWRL	1.16	0.01	
5. Loan To Subsidiaries & JVs			
Subsidiaries			
IrconISL			
Loan Disbursed	6.50	27.84	
Loan Repayment	(23.15)	(13.69)	

Particulars	Transactions during the year		Particulars of Contracts/ Arrangements
	2014-15	2013-14	Nature of Transaction
Joint Venture			
CCFB	7.12	-	
CERL	30.00	-	
IRCON-AFCONS JV	18.11	-	
6. Reimbursement of deputation staff expenses, rent & other misc. expenses			
Subsidiaries			
IrconISL	3.60	1.66	
IRSDC	0.99	0.70	
JVs			
ISTPL	1.98	-	
Total	6.57	2.36	

Disclosure of amount due to/from related parties

(₹ in Crore)

Particulars	Amount	
	As on 31-3-2015	As on 31-3-2014
Amount Receivables		
(1) Equity Investment in Subsidiaries & JV	247.14	129.82
Subsidiaries	175.40	60.40
IrconISL	65.00	40.00
IRSDC	20.40	20.40
Ircon PB Tollway Limited	90.00	-
Joint Venture	71.74	69.42
CCFB	5.53	5.53
ISTPL	63.87	63.87
CERL	1.17	0.01
CEWRL	1.17	0.01
(2) Loan outstanding to Subsidiaries & JV	175.55	136.97
Subsidiaries	31.50	48.15
IrconISL	31.50	48.15
Joint Venture	144.05	88.82
CCFB	95.94	88.82
CERL	30.00	-
Ircon-Afcons JV	18.11	-
(3) For Other Services, reimbursements etc.		
Subsidiaries		
IrconISL	3.23	3.76
IRSDC	0.27	0.30
Joint Venture		
CCFB	0.78	4.67
ISTPL	7.25	7.63
CERL	4.43	-
CEWRL	0.41	-
Amount Payable		
1) For Other Services		
Subsidiaries		
IrconISL	7.26	8.36

41. Details of remuneration to Directors:

(₹ in Crore)

Sr.	Particulars	2014-15	2013-14
I	Salary & allowances*	1.78	1.06
II	Contribution to provident fund	0.10	0.09
III	Reimbursement of medical expenses	0.03	0.03
IV	Sitting fee	0.02	0.03
V	Other benefits	0.27	0.26
	Total	2.20	1.47

* Figures of 2014-2015 include PRP (2012-2013) of ₹ 0.64 crore paid during the year, whereas no PRP paid during the year 2013-2014. Recovery as applicable has been made from Directors who have been provided with Company accommodation and car.

42. 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 ₹ 0.87 crore (Nil) has been provided for.
43. The lease agreement for Locomotives given on hire to a foreign client has been renewed up to 31.12.2015. The renewal of agreement, however, remains always uncertain. In the event of such non-renewal, the left-over spares meant for maintenance of the locomotives will become redundant and fetch insignificant value as it may be too expensive to ship them back to India. The cost of such spares is expensed off in the year of purchase/receipt following a conservative accounting policy.

44. 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 ₹ 9.91 crore (₹ 9.24 crore) to the trust.

Gratuity

The liability towards gratuity as per rules of the Company is recognised on the basis of actuarial valuation.

Post-Retirement Medical Facility (PRMF)

The Company had established an irrevocable trust by initial one-time contribution of ₹ 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. IRCON Medical Trust has a combined fund of ₹ 50.05 crore (₹ 31.83 crore) as on 31.03.2015. 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 ₹ 7.33 crore (₹ 17.50 crore).

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 31.03.2015 is as under

i) Changes in the present value of obligations

(₹ in Crore)

	Gratuity	Leave Encashment *	LTC	Other Retirement Benefits
Present Value of Obligation as at beginning of the period	61.85 (53.87)	76.95 (61.34)	0.14 (0.08)	1.29 (1.41)
Interest Cost	4.95 (4.04)	6.16 (4.60)	0.01 (0.01)	0.10 (0.11)
Current Service Cost	3.37 (3.16)	4.63 (4.72)	- (-)	0.06 (0.06)
Past Service Cost	- (-)	- (-)	- (-)	- (-)
Benefit Paid	(3.70) ((2.35))	(8.78) ((7.16))	(0.01) ((0.02))	(0.03) (-)
Actuarial (gain)/loss on obligation	(0.15) (3.12)	0.95 (13.45)	(0.02) (0.07)	(0.14) ((0.28))
Present Value of Obligation as at the end of the period	66.31 (61.85)	79.90 (76.95)	0.13 (0.14)	1.28 (1.29)

* Except employees posted on Foreign Projects

ii) Changes in the fair value of plan assets

(₹ in Crore)

	Gratuity	Leave Encashment *	LTC	Other Retirement Benefits
Fair Value of plan assets as at beginning of the period	- (-)	- (-)	- (-)	- (-)
Expected return on Plan Assets	- (-)	- (-)	- (-)	- (-)
Contributions	- (-)	- (-)	- (-)	- (-)
Benefit Paid	- (-)	- (-)	- (-)	- (-)
Actuarial (gain)/loss on Plan Assets	- (-)	- (-)	- (-)	- (-)
Fair Value of Plan Assets as at the end of the period	- (-)	- (-)	- (-)	- (-)

* Except employees posted on Foreign Projects

iii) Amount recognised in balance sheet

(₹ in Crore)

	Gratuity	Leave Encashment *	LTC	Other Retirement Benefits
Present Value of Obligation as at the end of the period	66.31 (61.85)	79.90 (76.95)	0.13 (0.14)	1.28 (1.29)
Fair Value of Plan Assets as at the end of the period	- (-)	- (-)	- (-)	- (-)
Funded Status	(66.31) ((61.85))	(79.90) ((76.95))	(0.13) ((0.14))	(1.28) ((1.29))
Excess of actual over estimated	- (-)	- (-)	- (-)	- (-)
Net liability recognised in the balance sheet	(66.31) ((61.85))	(79.90) ((76.95))	(0.13) ((0.14))	(1.28) ((1.29))

* Except employees posted on Foreign Projects

iv) Expenses recognised in statement of profit & loss

(₹ in Crore)

	Gratuity	Leave Encashment *	LTC	Other Retirement Benefits
Current Service Cost	3.37 (3.16)	4.6 (4.72)	- (-)	0.06 (0.06)
Past Service Cost	- (-)	- (-)	- (0.01)	- (-)
Interest Cost	4.95 (4.04)	6.16 (4.60)	0.01 (-)	0.10 (0.11)
Expected return on plan assets	- (-)	- (-)	- (-)	- (-)
Net actuarial (gain)/ loss recognised in the year	(0.15) (3.12)	0.94 (13.45)	(0.02) (0.07)	(0.14) ((0.28))
Expenses recognised in the statement of profit & loss	8.16 (10.33)	11.73 (22.77)	- (0.08)	0.02 ((0.12))

* Except employees posted on Foreign Projects

The Company expects to contribute ₹ 8.76 crore for gratuity, ₹ 11.27 crore for leave encashment, ₹ 0.02 crore for LTC and ₹ 0.20 crore for other retirement benefits in the next year.

v) Actuarial Assumptions

a. Method used	Projected Unit Credit Method
b. Discount rate	8.00 %
c. Rate of increase in compensation levels	8.00 %
d. Average outstanding service of employees up to retirement	13.53 years
e. Estimated term of benefit obligations	13.53 years

vi) Amounts for the current and previous 4 periods are as follows;
a. Gratuity:

(₹ in Crore)

	31 Mar 2015	31 Mar 2014	31 Mar 2013	31 Mar 2012	31 Mar 2011
Defined benefit obligation	66.31	61.85	53.87	49.63	44.61
Plan assets	-	-	-	-	4.07
Surplus/(deficit)	(66.31)	(61.85)	(53.87)	(49.63)	(40.54)
Experience adjustments on plan liabilities	0.15	(3.12)	(1.13)	(1.01)	(3.61)
Experience adjustments on plan assets	-	-	-	-	(0.26)

b. Leave Encashment (Except employees posted on Foreign Projects):

(₹ in Crore)

	31 Mar 2015	31 Mar 2014	31 Mar 2013	31 Mar 2012	31 Mar 2011
Defined benefit obligation	79.90	76.95	61.34	55.61	54.02
Plan assets	-	-	-	-	-
Surplus/(deficit)	(79.90)	(76.95)	(61.34)	(55.61)	(54.02)
Experience adjustments on plan liabilities	(0.95)	(13.46)	(0.04)	5.18	(11.52)
Experience adjustments on plan assets	-	-	-	-	-

c. LTC:

	31 Mar 2015	31 Mar 2014	31 Mar 2013	31 Mar 2012	31 Mar 2011
Defined benefit obligation	0.13	0.14	0.08	-	-
Plan assets	-	-	-	-	-
Surplus/(deficit)	(0.13)	(0.14)	(0.08)	-	-
Experience adjustments on plan liabilities	0.02	(0.07)	-	-	-
Experience adjustments on plan assets	-	-	-	-	-

d. Other Retirement Benefits:

(₹ in Crore)

	31 Mar 2015	31 Mar 2014	31 Mar 2013	31 Mar 2012	31 Mar 2011
Defined benefit obligation	1.27	1.29	1.41	1.57	1.45
Plan assets	-	-	-	-	-
Surplus/(deficit)	(1.27)	(1.29)	(1.41)	(1.57)	(1.45)
Experience adjustments on plan liabilities	0.14	0.28	0.35	0.06	0.02
Experience adjustments on plan assets	-	-	-	-	-

45. Disclosure under AS-7 on Construction Contracts for contracts in progress*

(₹ in Crore)

Details		Up to 31 March 2015	Up to 31 March 2014
(a)	Contract revenue recognized as revenue in the period	2883.55	4036.29
(b)	Aggregate amount of costs incurred and recognized profits (less recognized losses)	20667.13	18309.48
(c)	Amount of advances received from client	847.83	314.77
(d)	Amount of retentions (by client)	100.56	106.32
(e)	Gross amount due from clients for contract work	434.12	619.42

* excluding projects completed up to 31.03.2015

46. 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 2015.

47. (i) Gross amount required to be spent by the Company during the year is ₹ 4.93 crore (₹ 7.30 crore).

(ii) During the year, company has spent ₹ 6.72 crore (₹ 8.49 crore) as against required amount of ₹ 4.93 crore (₹ 7.30 crore) on Corporate Social Responsibility (CSR) activities. Break up of expenditure incurred is as follows;

(₹ in Crore)

Sr. No.	Description	2014-15	2013-14
1.	Eradicating hunger, poverty & malnutrition, promoting preventive healthcare & sanitation & making available safe drinking water	3.08	3.10
2.	Promoting Education	0.76	1.16
3.	Promoting gender inequality & empowering women	0.02	0.42
4.	Ensuring environmental sustainability	1.04	1.07
5.	Protection of national heritage, art & culture	0.52	0.10
6.	Contribution to Prime Minister Relief Funds or any other fund set up by the Central Govt. for socio-economic development & relief.	0.50	1.25
7.	Rural Development Projects	0.80	1.39
	Total	6.72	8.49

(iii) Amount spent during the year

(₹ in Crore)

Sr. No.	Description	In Cash	Yet to be paid in cash	Total
1.	Construction/acquisition of asset	-	-	-
2.	Other purposes	6.66	0.06*	6.72

*paid in April'2015

Out of the total expenditure incurred on CSR, an amount of ₹ 0.46 crore (₹ 1.55 crore) incurred through IrconISL, wholly owned subsidiary of the company.

48. Basic earnings per share are computed by dividing net profit after tax ₹ 579.68 crore (₹ 906.50 crore) by (1,97,96,000) fully paid equity shares of ₹ 10 each. Diluted earnings per share are not applicable, as there is no dilution involved.
49. 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 Vinod Kumar & Associates

Chartered Accountants
FRN 002304N

Mukesh Dadhich

Partner
M. No. 511741

Place : New Delhi

Date : 13th October 2015

For T.R.Chadha & Co.

Chartered Accountants
FRN 006711N

Neena Goel

Partner
M. No. 057986

For and on behalf of the Board of Directors

K.K.Garg

Director Finance
DIN 01495050

Mohan Tiwari

Chairman & Managing Director
DIN 00191363

Sumita Sharma

Company Secretary

Place : New Delhi

Date : 28th July 2015

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE STANDALONE FINANCIAL STATEMENTS OF IRCON INTERNATIONAL LIMITED, NEW DELHI FOR THE YEAR ENDED 31ST MARCH, 2015.

The preparation of financial statements of **IRCON INTERNATIONAL LIMITED, NEW DELHI** for the year ended 31 March 2015 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 13.10.2015.

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 LIMITED, NEW DELHI** for the year ended 31 March 2015. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report.

	Comments of C&AG	Management Reply
	Comments on Disclosure Notes forming part of financial statements	
i	The company had submitted claims of ₹ 359.50 crore to Ministry of Transport (MoT), Government of Malaysia against the extension of time relating to Seremban Gemas Electrified double track project, against which ₹ 58.48 crore has been accepted by MoT during the year 2014-15. However the company has not recognized this revenue in the financial statements following the conservative principle of accounting. The fact of non recognition of this revenue should have been disclosed in the 'Notes forming part of financial statements' for the year 2014-15. Thus the notes forming part of financial statements are deficient to this extent.	Claim was approved by the consultant of the client on 13.01.2015. However, payment has not been received even till date. In view of uncertainty in realisation, this remained a contingent asset, hence not accounted for/disclosed. However, comments are noted for future.
ii	Out of the above claims of ₹ 58.48 crore admitted by MoT, claims amounting to ₹ 8.60 crore are payable to the sub-contractors. However, the company has neither made any provision for the claims payable to sub-contractors nor disclosed the fact of non provisioning of the claims in the 'Notes forming part of financial statement'.	Since the claim from the client has not been recognised/disclosed as stated in reply to comment (i) above, corresponding claims of sub-contractors have also not been recognised based on matching principle of accounting (but included in contingent liability). However, comments are noted for future.

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

Dinesh Bhargav
Principal Director of Audit
(Railway Commercial)

Place : New Delhi
Date : 23rd November 2015

For and on behalf of the Board of Directors

K.K.Garg
Director Finance
DIN 01495050

Place : New Delhi
Date : 24th November 2015

Mohan Tiwari
Chairman & Managing Director
DIN 00191363



Consolidated Financial Statements

2 0 1 4 - 1 5



FORM AOC-1

Statement containing salient features of the financial statement of Subsidiaries / Joint Ventures as on 31.03.2015
(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

PART - "A" : Subsidiaries

(₹ in Crore)

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 shareholding
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1	Ircon Infrastructure & Services Limited	01.04.2014 to 31.03.2015	INR	40.00	23.11	169.43	106.32 *	Nil	41.51	20.29	9.36	10.93	Nil	100.00%
2	Indian Railway Stations Development Corporation Limited	01.04.2014 to 31.03.2015	INR	40.00	3.43	45.31	1.88	Nil	2.93	2.93	0.95	1.98	Nil	51.00%
3	Ircon PB Tollway Limited	01.04.2014 to 31.03.2015	INR	5.00	(1.08)	88.92	85.00 *	Nil	0.11	(1.48)	(0.39)	(1.09)	Nil	100.00%

* including share application money, pending allotment of shares. Shares allotted in financial year 2015-16

PART - "B" : Joint Ventures

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							
1	2	3	4	5	6	7	8	9	10	11	12
	Joint Venture Companies										
1	Companhia Dos Caminhos De Ferro Da Beira (SARL) Mozambique	31.12.2014	1,250,000	5.53	25.00%	Shareholding	NA	4.81	(15.20)	(3.80)	(11.40)
2	Ircon - Soma Tollway Private Limited	31.03.2015	63,870,000	63.87	50.00%	Shareholding	NA	5.13	(15.67)	(7.83)	(7.84)
3	Chhattisgarh East Railway Limited	31.03.2015	1,170,000	1.17	26.00%	Shareholding	NA	1.01	(0.04)	(0.01)	(0.03)
4	Chhattisgarh East - West Railway Limited	31.03.2015	1,170,000	1.17	26.00%	Shareholding	NA	1.01	(0.04)	(0.01)	(0.03)
	Unincorporated Joint Ventures										
1	IRCON - SPSCPL	31.03.2015			50.00%	Control	NA	-	6.47	3.24	3.24
2	IRCON - AFCON	31.03.2015			53.00%	Control	NA	1.32	3.80	1.91	1.89
3	RICON	31.03.2015			49.00%	Control	NA	9.67	0.51	0.25	0.26
4	International Metro Civil Contractor (IMCC)	31.03.2015			9.50%	Control	NA	3.52	(0.40)	(0.04)	(0.36)
5	Metro Tunelling Group (MTG)	31.03.2015			9.50%	Control	NA	5.42	2.64	0.28	2.36

(₹ in Crore)



For and on behalf of the Board of Directors

For Vinod Kumar & Associates
Chartered Accountants
FRN 002304N

K.K.Garg
Director Finance
DIN 01495050

Mohan Tiwari
Chairman & Managing Director
DIN 00191363

Mukesh Dadhich
Partner
M. No. 511741

Sumita Sharma
Company Secretary

Place : New Delhi
Date : 13th October 2015

Place : New Delhi
Date : 14th August 2015

Vinod Kumar & Associates

Chartered Accountants
909, Chiranjiv Tower,
43, Nehru Place,
New Delhi-110019

T. R. Chadha & Co.

Chartered Accountants
B-30, Connaught Place
Kuthiala Building,
New Delhi-110001

**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, comprising of the Consolidated Balance Sheet as at 31st March, 2015, 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 are 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 but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place

and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the 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 qualified audit opinion on the consolidated financial statements.

4. Basis for Qualified Opinion

- a. The Holding Company has been carrying balances at exchange rate prevalent on 31st March, 2011, of shareholder's loan and interest accrued thereon, due from Joint Venture Company, Companhia Dos Caminhos De Ferro Da Beira SARL (CCFB), and not translating at rates prevalent on 31st March, 2015 is not in conformity with Accounting Standard - 11. As a result, Long term loan and advances is lower by ₹ 19.31 crore and Profit before tax is lower by ₹ 19.31 crore (current year ₹ 4.20 crore and earlier years ₹ 15.11 crore). (Refer Note No. 36). This matter was also qualified in the report of the auditors on the financial statements for the year ended 31st March, 2014.

Had the effect of the above been given, the Long term loan and advances and Profit Before Tax would be higher by ₹ 19.31 crore.

- b. An amount of ₹ 12.74 Crore, in the nature of commission has been debited to the consolidated statement of profit and loss for the year ended 31st March, 2015 (previous year ₹ 37.91 Crore), as included in "Operating and administrative expenses" in Note No. 25 as "Design, Drawing, Business Development, Agency and Consultancy Charges" in respect of projects in two countries. The total amount so far debited to the statement of profit and loss, in this regard, since inception of these projects, has been ₹ 422.43 Crore. The said amount is paid/ to be paid towards commission to the Foreign Agents appointed by the Holding Company, to secure orders and provide other services for foreign projects, being implemented in these countries for the respective Government/ Government Agencies.

The foreign commission agents are registered in Singapore (for Project in one country) and Hong Kong (for Project in another country). The Holding Company did not obtain any financial statements, tax returns, profile of the agent, details of their experience, standing and track record at the time of appointment of the foreign agents. The appointment of and payments to foreign agents was not approved by the Audit Committee or by the Board of directors of the Holding Company. We are not satisfied regarding the process followed for selection and appointment of the commission agents, documents in respect of their real identity, standing, expertise and experience of the agents.

No evidence or document has been provided to us in respect of legal compliances in respect of these payments. We are also not satisfied about the genuineness of services received by the Holding Company from foreign agents, in the absence of any satisfactory evidence or communication in respect of actual services rendered

Emphasis was also drawn by auditors in this matter in the Audit Report in respect of financial statements for the year ended 31st March, 2014.

5. Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, 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 31st March, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

6. Emphasis of Matters

- (a) We draw attention to Note No. 33 to the consolidated financial statements regarding admissibility of certain expenditures amounting to ₹ 1099.25 crore in executing a Broad Gauge Rail Link Project called "Udhampur-

Srinagar-Baramulla Rail Link Project” (USBRL) in the state of Jammu & Kashmir by the Client, Northern Railways. The Holding Company has suitably replied to the matter and does not expect any liability on this account.

- (b) 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. Both the matters are contested by the Holding Company with the concerned Authorities.

Our opinion is not qualified in respect of these matters.

7. Other Matters

- (a) We did not audit the financial statements of 3 subsidiaries and 8 jointly controlled entities, whose financial statements reflect total assets of ₹ 1,063.54 crore as at 31st March, 2015, total revenues of ₹ 176.80 crore and net cash flows amounting to ₹ 103.59 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 one jointly controlled entity, whose financial statements/ financial information reflect total assets of ₹ 13.26 crore as at 31st March, 2015, total revenues of ₹ 41.17 crore and net cash flows amounting to ₹ (0.43) 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 entity, 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 entity, 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.

8. Report on Other Legal and Regulatory Requirements

- I. As required by the Companies (Auditor’s Report) Order, 2015 (“the Order”), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors’ reports of the Holding company, subsidiary companies and jointly controlled companies incorporated in India, we give in the Annexure, a statement on the matters specified in paragraphs 3 and 4 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 of the aforesaid consolidated financial statements.
- b) In our opinion, except for the effect of the matters described in the clause 4(a) of Basis for Qualified Opinion paragraph above, 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) Except for the effects of the matter described in the clause 4(a) of 'Basis for Qualified Opinion' paragraph above, 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) The matter described in clause 4(b) of Basis for Qualified opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Holding Company.
- g) Being a Government Company, pursuant to the notification no. G.S.R. 463(E) dated 5th June, 2015 issued by the Central Government of India, provisions of Section 164(2) of the Act are not applicable on the Holding Company.
- h) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in clause 4(a) of the 'Basis for Qualified Opinion' paragraph above.
- i) 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:
- a) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its jointly controlled entities - Refer Note No. 31, 35 and 36 to the consolidated financial statements.
- b) 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.
- c) 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.

For Vinod Kumar & Associates
Chartered Accountants
FRN 002304N

For T. R. Chadha & Co.
Chartered Accountants
FRN 006711N

Mukesh Dadhich
Partner
Membership No. 511741

Neena Goel
Partner
Membership No. 057986

Place: New Delhi
Date: 13th October 2015

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph – 8(I) thereof)

Our reporting on the Order includes Holding company, subsidiary companies and joint venture companies incorporated in India (collectively hereinafter referred to as the “Group entities”) on which the auditors have reported on in accordance with the Order (to the extent applicable). Our report in respect of these subsidiaries and joint ventures is based solely on the reports of their auditors. We report that:

- i. a. The Group entities have 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 Group entities and nature of their business. No material discrepancies were noticed on such verification.
- ii. a. The inventory has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of verification is reasonable.
- b. In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Group entities and nature of their business.
- c. On the basis of our examination of records of inventory, we are of the opinion that the Group entities are maintaining proper records of inventory. The discrepancies noticed on comparison of physical verification results with the book records are not material and have been properly dealt with in the books of account.
- iii. According to the information and explanation given to us by the management and records produced, the Group entities have 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. Thus, the requirements under para 3(iii) (a) & (b) of the Order are not applicable to the Group entities.
- iv. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Group entities and the nature of their business, for purchase of inventory and fixed assets and for the sale of goods and services except as described in paragraph no. – 4(b) of Basis of Qualified Opinion in the main report. During the course of our audit of Holding Company, we have not observed any continuing failure to correct major weakness in the internal control system. In our opinion, the internal audit system needs to be strengthened to make it commensurate with its size and nature of the business.
- v. According to the information and explanations given to us, and as per our examination of records, the Group entities have 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.
- vi. The Holding 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. The statutory auditors of the respective other Group entities have reported that the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act.
- vii. a. The Group entities are generally regular in depositing undisputed statutory dues including provident fund, Income tax, sales tax, wealth-tax, service-tax, custom duty, excise duty, value added tax, cess and any other statutory dues applicable with the appropriate authorities. As explained to us, the Group entities did not have any dues on account of employees' state insurance and duty of excise. According to the information and explanation given to us, there are no undisputed statutory dues which were outstanding as on 31.03.2015 for a period of more than six months from the date the same become payable.
- b. According to information and explanation given to us, and as per our examination of records of the Holding Company, following are the particulars of dues on account of sales tax, entry tax, trade tax, Income tax, custom duty, royalty, wealth tax, provident fund, excise duty and cess matters that have not been deposited on account of dispute as on 31.3.2015. The statutory auditors of the respective other Group entities have reported that there are no aforesaid dues that have not been deposited on account of dispute as on 31.3.2015.

Name of the statute	Nature of disputed Dues	Amount outstanding (₹ in Crore)	Period to which the amount relates	Forum where dispute is pending
Customs Act, 1962	Custom Duty levied for work executed in IA-Hanger, Bombay.	5.81	1989-90	Dy. Commissioner (Custom), Mumbai
Income Tax Act, 1961	Disallowance of expenses	11.89*	2008-09	Commissioner of Income Tax (Appeals), New Delhi
Income Tax Act, 1961	Penalty against disallowance of expenses	32.97*	2010-11	Commissioner of Income Tax (Appeals), New Delhi
Income Tax Act, 1961	Disallowance of deduction u/s 80-IA, taxing of Foreign income and other disallowances	43.50*	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	1.53	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	0.13	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	0.22	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, Berailly
Uttar Pradesh VAT Act, 2008	Demand raised for Sales Tax	0.91	2008-09 & 2009-10	Dy. Commissioner, Sales Tax, Noida
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 VAT Act, 2008	Demand Raised for Sales Tax	0.08	1982-83 & 1989-90	Appellate Authority, Jhansi

Name of the statute	Nature of disputed Dues	Amount outstanding (₹ in Crore)	Period to which the amount relates	Forum where dispute is pending
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 Appeals, 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 Appeals, Jhansi
Uttar Pradesh VAT Act, 2008	Demand raised for VAT	1.30	2008-09	Jt. Commissioner Appeals, Jhansi
Uttar Pradesh VAT Act, 2008	Demand raised for Entry Tax	0.22	2008-09	Jt. Commissioner Appeals, Jhansi
Uttar Pradesh VAT Act, 2008	Demand raised for VAT	1.38	2009-10	Jt. Commissioner Appeals, Jhansi
Uttar Pradesh VAT Act, 2008	VAT	1.23	2009-10	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 (Appeals) 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-Kahalgaon
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
State Sales Tax/VAT Act	VAT	0.07	2010-11	Joint Commissioner, Commercial Tax-Patna, Bihar
Jammu and Kashmir GST Act, 1962	Sales tax	129.77**	1999-00 to 2010-11	J&K High Court, Jammu and Deputy Commissioner Commercial Taxes (Appeals) Srinagar.

Name of the statute	Nature of disputed Dues	Amount outstanding (₹ in Crore)	Period to which the amount relates	Forum where dispute is pending
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	5.55	AY 2011-12	Tax Appellate Tribunal, Bangladesh
Algeria Corporate Taxation Laws	Corporate Taxes	5.45	2010,2011, 2012 & 2013	DGE Tax Office
Finance Act, 1994	Service Tax	19.95	2001-02 to 2006-07	CESTAT, New Delhi

* Subsequent to 31st March, 2015, the Income Tax Department has adjusted the refund of ₹ 54.76 crore of other years against the total demand of ₹ 88.36 crore and the same is under protest.

** The Holding company has deposited ₹ 112.44 crore against the demand of ₹ 135.75 crore and the same is under protest.

- c. According to the information and explanation given to us, no amount was required to be transferred to Investor Education and Protection Fund by Group entities in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.
- viii. In our opinion and on consideration of the comments in the reports of the other auditors of the Group entities, two subsidiary companies and two jointly controlled companies have been registered for less than five years. of the remaining Group entities, there are accumulated losses of more than fifty percent of the respective net worth in one jointly controlled company but has not incurred cash losses in the financial year and in the immediately preceding financial year. In case of the Holding Company and one subsidiary company, there are no accumulated losses at the end of the financial year and have also not incurred cash losses in the financial year and in the immediately preceding financial year.
- ix. In our opinion and on consideration of the comments in the reports of the other auditors of the Group entities, one jointly controlled company has outstanding dues to financial institutions, banks or debenture holders and has not defaulted in repayment of the same during the year.
- The other Group entities did not have any outstanding dues to financial institutions, banks or debenture holders during the year. Accordingly, the clause 3(ix) of the Order is not applicable to these entities.
- x. In our opinion, the terms and conditions on which the Holding Company has given guarantees for loans taken by others from banks or financial institutions are not prejudicial to the interest of the Group.
- The other Group entities have not given any guarantees for loan taken by others from banks or financial institutions. Accordingly, the provisions of clause 3(x) of the Order, as reported by the other auditors, are not applicable to them.
- xi. In our opinion and on consideration of the comments in the reports of the other auditors of two jointly controlled companies, the term loans were applied for the purpose for which the loans were obtained.
- The other Group entities did not have any term loans during the year. Accordingly, the clause 3(xi) of the Order is not applicable.
- xii. According to the information and explanations given to us, no fraud on or by the Group entities has been noticed or reported during the year.

For Vinod Kumar & Associates

Chartered Accountants
FRN 002304N

Mukesh Dadhich

Partner
Membership No. 511741

Place: New Delhi

Date: 13th October 2015

For T. R. Chadha & Co.

Chartered Accountants
FRN 006711N

Neena Goel

Partner
Membership No. 057986



Consolidated Balance Sheet

as at 31st March, 2015

(₹ in Crore)

Particulars		Note No.	As at 31st March 2015		As at 31st March 2014	
I.	EQUITY AND LIABILITIES					
1	Shareholders' funds					
	(a) Share capital	2	19.80		19.80	
	(b) Reserves and surplus	3	3,284.65	3,304.45	2,922.23	2,942.03
2	Minority Interest			21.28		20.32
3	Non-current liabilities					
	(a) Long Term Borrowings	4	170.80		213.33	
	(b) Long term liabilities	5	495.40		490.72	
	(c) Long term provisions	6	419.42	1,085.62	461.86	1,165.91
4	Current liabilities					
	(a) Trade payables	7	468.60		591.74	
	(b) Other current liabilities	8	1,721.67		1,272.98	
	(c) Short-term provisions	9	834.99	3,025.26	819.42	2,684.14
	TOTAL			7,436.61		6,812.40
II.	ASSETS					
1	Non-current assets					
	(a) Fixed assets					
	(i) Tangible assets	10	177.57		165.77	
	(ii) Intangible assets	10	558.57		581.44	
	(iii) Intangible assets under development	11	15.14		10.72	
	(iv) Capital work-in-progress	12	15.29		22.09	
	(v) Machinery in Transit		-		15.64	
	(b) Non-current investments	13	429.54		193.92	
	(c) Deferred tax assets (Net)	14	267.91		300.69	
	(d) Long-term loans and advances	15	609.31		562.99	
	(e) Other non-current assets	16	66.16	2,139.49	43.88	1,897.14
2	Current assets					
	(a) Current investments	17	66.06		176.02	
	(b) Inventories	18	124.34		124.19	
	(c) Trade receivables	19	596.69		778.77	
	(d) Cash and Bank balances	20	3,432.69		2,802.73	
	(e) Short-term loans and advances	21	428.51		539.07	
	(f) Other current assets	22	648.83	5,297.12	494.48	4,915.26
	TOTAL			7,436.61		6,812.40
III.	Summary of Significant Accounting Policies	1				
IV.	Notes forming part of Consolidated Financial Statements	2-52				

As per our Report of even date attached

For Vinod Kumar & Associates

Chartered Accountants
FRN 002304N

Mukesh Dadhich

Partner
M. No. 511741

Place : New Delhi

Date : 13.10.2015

For T.R. Chadha & Co.

Chartered Accountants
FRN 006711N

Neena Goel

Partner
M. No. 057986

For and on behalf of the Board of Directors

K.K. Garg

Director Finance
DIN 01495050

Mohan Tiwari

Chairman & Managing Director
DIN 00191363

Sumita Sharma

Company Secretary

Place : New Delhi

Date : 14.08.2015

Consolidated Statement of Profit and Loss

For Year ended 31st March 2015

(₹ in Crore)

Particulars		Note No.	For the year ended 31st March 2015	For the year ended 31st March 2014
I.	Revenue :			
	Revenue from operations	23	3,037.64	4,138.04
	Other income	24	267.33	251.85
	Total Revenue		3,304.97	4,389.89
II.	Expenses:			
	Operating and administrative expenses :	25		
	- Operating Expenses		2,122.00	2,733.22
	- Administrative Expenses		33.69	38.76
	Employee benefits expenses	26	198.72	233.15
	Finance costs	27	32.79	65.83
	Depreciation, amortization and impairment	10	57.25	78.54
	Total Expenses		2,444.45	3,149.50
III.	Profit Before Tax (I - II)		860.52	1,240.39
IV.	Tax expense:			
	(1) Current tax			
	- For the year		203.84	354.18
	- For earlier years (net)		40.77	26.66
	(2) Deferred tax (net)	14	32.78	(31.70)
	Total Tax Expense		277.39	349.14
V.	Profit for the year (Before Adjustment of Minority Interest) (III-IV)		583.13	891.25
VI.	Add / (less) minority interest in (profit) / losses		(0.97)	(1.24)
VII.	Profit for the year (V+VI)		582.16	890.01
VIII.	Earnings per equity share - Basic and Diluted (in ₹)	51	294.08	449.59
IX.	Significant Accounting Policies	1		
X.	Notes forming part of Consolidated Financial Statements	2-52		

As per our Report of even date attached

For Vinod Kumar & Associates

Chartered Accountants
FRN 002304N

Mukesh Dadhich

Partner
M. No. 511741

Place : New Delhi

Date : 13.10.2015

For T.R. Chadha & Co.

Chartered Accountants
FRN 006711N

Neena Goel

Partner
M. No. 057986

For and on behalf of the Board of Directors

K.K. Garg

Director Finance
DIN 01495050

Mohan Tiwari

Chairman & Managing Director
DIN 00191363

Sumita Sharma

Company Secretary

Place : New Delhi

Date : 14.08.2015



Consolidated Cash Flow Statement

For the year ended on 31st March 2015

(₹ in Crore)

		2014-15	2013-14
CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before taxation & extraordinary items		860.52	1,240.39
Adjustment for :			
Depreciation, amortization and impairment		57.32	78.57
Amortisation of premium on investment		0.01	0.35
Loss / (Profit) on sale of assets(net)		1.41	(0.19)
Interest Income		(223.69)	(231.41)
Provisions - (Additions - Write back) (Net)		(13.22)	160.84
Minority interest in (income) / losses		(0.97)	(1.24)
Effect of Exchange differences on translation of Foreign Currency Cash & Cash Equivalents		(20.73)	9.31
Operating Profit before working capital changes	(1)	660.65	1,256.62
Adjustment for :			
Decrease / (Increase) in Trade Receivables / Loans & Advances		154.38	572.97
Decrease / (Increase) in Inventories		(0.15)	0.38
Decrease / (Increase) in Other Assets		(193.93)	(252.57)
(Decrease) / Increase in Trade Payables		(123.14)	(46.07)
(Decrease) / Increase in Other Liabilities & Provisions		155.81	(1,173.33)
(Decrease) / Increase in Minority Interest		0.96	11.04
	(2)	(6.07)	(887.58)
Cash generated from operation	(1+2)	654.58	369.04
Income Tax Paid		(152.89)	(236.45)
NET CASH FROM OPERATING ACTIVITIES	(A)	501.69	132.59
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets including Capital WIP		(31.91)	(53.74)
Purchase of Investment Property		(15.84)	(245.56)
Sale of Fixed Assets		2.31	0.91
Interest Received		240.99	249.44
Investment in Bonds		-	(64.92)
(Investment) / Maturity of Bank Deposits (having maturity of more than 3 months)		(871.56)	358.34
(Purchase) / Sale of Current Investment (Net)		134.96	(121.42)
NET CASH FROM INVESTING ACTIVITIES	(B)	(541.05)	123.05
CASH FLOW FROM FINANCING ACTIVITIES			
Dividend (including Dividend Distribution Tax) paid		(190.73)	(233.16)
Repayment of Long Term Borrowings		(31.41)	(21.18)
NET CASH FROM FINANCING ACTIVITIES	(C)	(222.14)	(254.34)
Effect of Exchange differences on translation of Foreign Currency Cash & Cash Equivalents	(D)	19.90	(7.68)
NET INCREASE IN CASH & CASH EQUIVALENT	(A+B+C+D)	(241.60)	(6.38)
CASH AND CASH EQUIVALENT (OPENING)	(E)	1,608.55	1,614.93
CASH AND CASH EQUIVALENT (CLOSING)	(F)	1,366.95	1,608.55
NET INCREASE IN CASH & CASH EQUIVALENT	(F - E)	(241.60)	(6.38)

Note:

- Consolidated 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 ₹ 679.68 crore (₹ 272.31 crore) against advances from clients on which interest is passed on to them.

As per our Report of even date attached

For Vinod Kumar & Associates

Chartered Accountants
FRN 002304N

Mukesh Dadhich

Partner
M. No. 511741

Place : New Delhi

Date : 13th October 2015

For T.R.Chadha & Co.

Chartered Accountants
FRN 006711N

Neena Goel

Partner
M. No. 057986

For and on behalf of the Board of Directors

K.K.Garg

Director Finance
DIN 01495050

Mohan Tiwari

Chairman & Managing Director
DIN 00191363

Sumita Sharma

Company Secretary

Place : New Delhi

Date : 14.08.2015

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 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.
- (c) 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 ₹ 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.

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 ₹ 5000/- are fully depreciated, by keeping ₹ 1 as token value for identification.

Intangible Assets

Software cost exceeding ₹ 25 lakhs each is amortised over a period of 36 months on straight line basis from the date of successful commissioning of the software subject to review at each financial year end. Software cost up to ₹ 25 Lakhs in each case is fully amortised in the year of purchase, by keeping ₹ 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 Profit and Loss Statement 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.

(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) Long Term Employee Benefits

- (i) Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the provident fund trust are charged to the statement to the Profit and loss for the year when the contributions are due.
- (ii) The Group operates gratuity defined benefit plan for its employees. The cost of providing benefit is determined on the basis of actuarial valuation using the projected unit credit method at each year-end and is charged to the Statement of Profit & Loss.
- (iii) Provision for long term Leave Encashment & 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 ₹ 50000/- 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

(₹ in Crore)

Particulars	As at 31st March 2015	As at 31st March 2014
Authorized		
2,50,00,000 Equity shares of ₹10 each	25.00	25.00
Issued, Subscribed & Paid-up		
1,97,96,000 Equity shares of ₹10 each-fully paid	19.80	19.80
Total	19.80	19.80

i) Distribution of number of shares held:

Particulars	As at 31st March 2015		As at 31st March 2014	
	No. of Shares	% age	No. of Shares	% age
Government of India in the name of the President of India and Government nominees	19,742,400	99.729%	19,742,400	99.729%
Indian Railway Finance Corporation Limited	48,800	0.247%	48,800	0.247%
Bank of India	4,800	0.024%	4,800	0.024%
Total	19,796,000	100%	19,796,000	100%

ii) Shares issued other than cash

Bonus share issued during last five years: 98,98,000 Equity shares of ₹ 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 shares:

(a) Voting

The Company has only one class of equity shares having a par value of ₹ 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 ensuing 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 2015		As at 31st March 2014	
	No. of Shares	₹ Crore	No. of Shares	₹ 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

3. Reserves and surplus

(₹ in Crore)

Particulars	Foot Note	As at 31st March 2015		As at 31st March 2014	
a. Capital Reserve					
Opening Balance		14.15		14.15	
Add :- Transfer from Statement of Profit & Loss		-	14.15	-	14.15
b. CSR Activities Reserve					
Opening Balance		1.71		2.90	
Less :- Transfer to Statement of Profit & Loss	(i)	1.71	-	1.19	1.71
c. Foreign Exchange Fluctuation Reserve			0.73		1.56
d. General Reserve					
Opening Balance		2,904.81		2,227.45	
Add: Transfer from surplus in statement of profit and loss (Refer (e) below)		364.96	3,269.77	677.36	2,904.81
e. Surplus in Statement of Profit and Loss					
Net Profit for the current year		582.16		890.01	
Appropriations					
Add :-					
- Transfer from CSR Activities Reserve		1.71		1.19	
Less :-					
- Interim Dividend		79.18		100.96	
[Dividend per share ₹ 40/- (₹ 51/-)]					
- Proposed Dividend		102.94		81.16	
[Dividend per share ₹ 52 /- (₹ 41/-)]					
- Tax on Interim Dividend		15.83		17.16	
- Tax on Proposed Dividend		20.96		14.56	
- Transfer to General Reserve		364.96	-	677.36	-
Total			3,284.65		2,922.23

Foot Notes:-

(i) Holding Company has spent an amount of ₹ **6.70 crore** (₹ 8.41 crore) during the year as against requirement of ₹ **4.93 crore** (₹ 7.30 crore) and ₹ 1.71 crore towards earlier years carried forward balance. (Refer Note 50)

4. Long term borrowings

(₹ in Crore)

Particulars	Foot Note	As at 31st March 2015	As at 31st March 2014
(a) Term Loan (Secured)			
From Bank	(i)	162.60	222.15
(b) Term Loan (Unsecured)			
From Other Parties			
- South Eastern Coalfields Limited	(ii)	25.64	-
- Rites Limited	(iii)	34.77	32.80
- CFM	(iii)	16.46	15.93
		76.87	48.73
Sub Total (a+b)		239.47	270.88
Less : Current matutities disclosed under "Other current liabilities" (Refer Note 8)		68.67	57.55
Total		170.80	213.33

Foot Notes:-

- (i) 50% share of loan taken by Ircan Soma Tollway Private Limited (ISTPL) from Punjab National Bank carrying interest @ 11.25 % p.a. The Loan is repayable in 40 unequal quaterly installments ranging from ₹ 3,40,00,000/- to ₹ 30,00,00,000/- commencing from December 2011 to September 2022. The Loan is secured by :-
- First charge and mortgage over all the Borrower's immovable promotable properties, if any;
 - 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;
 - 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.
 - 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;
 - 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;
 - 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;
 - 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 Chhattisgarh East Railway Limited from South Eastern Coalfields Limited 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) (a) Outstanding balance of Rites Limited amounting to ₹8.68 crore (₹ 8.40 crore) and CFM - ₹ 16.46 crore (₹ 15.93 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 equal annual instalments, the first instalment of principal and interest payable on 1st July 2011 and the last instalment payable on 1st January 2019.
- (b) Outstanding balance of ₹24.30 crore (₹23.66 crore) is 25% share of Loan taken by CCFB from Rites Limited carrying interest @ Libor (6 months) plus a spread of 3%. The loan has a pari passu charge on revenue and all assets of CCFB in which CCFB has ownership and other beneficiary rights and is repayable on a bi-annual basis over 9 years in 18 equal instalments, being the first instalment payable on 1st July 2012.
- However, due to termination of concession agreement by Government of Mozambique, all outstanding payments (including interest) of ₹ 50.62 crore (₹ 49.08 crore) is overdue for payment since Feburary 2012 .
- (c) Outstanding balance of ₹ 1.80 crore (₹ 0.73 crore) is 25% share of Loan taken by CCFB from Rites Limited to meet arbitration expenses, carrying interest @ Libor (6 months) plus a spread of 3%. Interest is payable each on 1st January and 1st July. Unpaid interest on due dates shall be converted into loan. The loan is repayable along with interest on receipt of arbitration award or when funds are available with CCFB whichever is earlier.

5. Long term liabilities

(₹ in Crore)

Particulars	Foot Note	As at 31st March 2015	As at 31st March 2014
(a) Trade Payables			
- Micro, Small & Medium Enterprises (Refer Note 49)		-	-
- Others		8.38	2.46
(b) Other Liabilities			
- Advance from clients	(i)	88.40	70.38
- Retention Money /Security Deposit		101.12	120.38
- Deferred Credit Liability Payable to NHAI		297.50	297.50
Total		495.40	490.72

Foot Notes:-

(i) Includes Interest payable on advances from clients ₹ 12.40 Crore (₹ 2.13 Crore)

6. Long term provisions

(₹ in Crore)

Particulars	As at 31st March 2015	As at 31st March 2014
(A) Provisions for employee benefits: (Refer Note 28 & 47)		
i) Gratuity	61.81	57.76
ii) Leave Salary	76.30	73.54
iii) Settlement Allowance on Retirement	1.20	1.20
iv) Post Retirement Medical Benefits	1.36	-
v) Leave Travel Concession	0.12	0.13
	140.79	132.63
(B) Other Provisions : (Refer Note 28)		
i) Demobilisation	7.89	24.01
ii) Maintenance	164.79	110.08
iii) Design Guarantee	105.36	172.20
iv) Other Expenses	0.59	22.94
	278.63	329.23
Total	419.42	461.86

7. Trade payables

(₹ in Crore)

Particulars	Foot Note	As at 31st March 2015	As at 31st March 2014
Trade Payables			
- Micro, Small & Medium Enterprises (Refer Note 49)		-	-
- Others			
(a) Contractors & Suppliers		460.31	585.67
(b) Related Parties		4.58	4.57
(c) Others		3.71	1.50
Total		468.60	591.74

8. Other current liabilities

(₹ in Crore)

Particulars	Foot Note	As at 31st March 2015	As at 31st March 2014
(a) Current Maturity of Long Term Borrowings		68.67	57.55
(b) Interest accrued and due on Borrowings		1.28	1.08
(c) Advance Contract Receipts		30.09	110.16
(d) Advances from Client	(i)	1,056.62	610.35
(e) Deposits & Retention Money		493.57	413.69
(f) Statutory Dues		212.59	197.11
Less :- Deposited under Protest		(184.31)	(168.80)
(g) Book Overdraft		0.10	0.24
(h) Staff		1.79	3.69
(i) Others	(ii)	41.27	47.91
Total		1,721.67	1,272.98

Foot Notes:-

- i Includes Interest payable on advances from clients ₹ 69.47 Crore (₹ 67.96 Crore)
- ii Includes Outstanding and Other Liabilities.

9. Short-term provisions

(₹ in Crore)

	Particulars	As at 31st March 2015		As at 31st March 2014	
(A)	Provisions for employee benefits: (Refer Note 28 & 47)				
i)	Gratuity	4.52		4.10	
ii)	Leave Salary	6.94		7.05	
iii)	Settlement Allowance on Retirement	0.08		0.09	
iv)	Post Retirement Medical Benefits	5.97		17.50	
v)	Pension	26.18		23.61	
vi)	Performance Related Pay	18.82		22.42	
vii)	Leave Travel Concession	0.01	62.52	0.01	74.78
(B)	Other Provisions : (Refer Note 28)				
i)	Demobilisation	40.59		23.92	
ii)	Maintenance	37.01		161.37	
iii)	Foreseeable Loss	12.56		10.12	
iv)	Design Guarantee	52.72		56.99	
v)	Legal Cases	72.05		47.93	
vi)	Other Expenses	49.68		28.05	
vii)	Income tax and Wealth tax	913.86		877.59	
	Less: Advance Tax (including TDS)	(529.89)	383.97	(556.29)	321.30
viii)	Proposed Dividend	102.93		81.16	
ix)	Tax on Proposed Dividend	20.96	772.47	13.80	744.64
	Total		834.99		819.42

10. Fixed assets

(₹ in Crore)

Fixed Assets	Foot Note	Gross Block				Accumulated Depreciation				Impairment	Net Block	
		As at 01.04.2014	Additions	Sales/ Adjust-ments	As at 31.03.2015	Upto 31.03.2014	For the year	Sales/ Adjust-ments	Upto 31.03.2015	As at 31.03.2015	As at 31.03.2015	As at 01.04.2014
A Tangible Assets												
Freehold Land		2.31	-	-	2.31	-	-	-	-	-	2.31	2.31
Lease hold Land	(v)	36.39	-	-	36.39	0.18	0.01	-	0.19	-	36.20	36.21
Lease hold Buildings	(iv)	42.44	0.67	-	43.11	5.79	0.78	-	6.57	-	36.54	36.65
Freehold Buildings / Flats-Residential	(i)	9.30	-	(0.57)	8.73	2.69	0.14	(0.14)	2.69	-	6.04	6.61
Freehold Buildings/Flats-Non-Residential		10.66	0.02	(3.51)	7.17	1.72	0.16	(0.74)	1.14	-	6.03	8.94
Plant and Machinery	(i & ii)	354.46	24.35	(6.16)	372.65	283.79	8.54	(5.82)	286.51	0.87	85.27	70.67
Survey Instruments		3.47	0.08	(0.20)	3.35	3.25	0.02	(0.17)	3.10	-	0.25	0.22
Computers		8.55	0.51	(0.44)	8.62	7.73	0.41	(0.42)	7.72	-	0.90	0.82
Mobile Handset		0.22	0.02	(0.03)	0.21	0.19	0.02	(0.03)	0.18	-	0.03	0.03
Office Equipments		7.45	0.51	(0.66)	7.30	6.49	0.30	(0.66)	6.13	-	1.17	0.96
Furniture, Fixtures, Furnishings		8.20	0.70	(0.46)	8.44	7.59	0.19	(0.44)	7.34	-	1.10	0.61
Caravans, Camps and Temporary Sheds		5.99	0.11	(1.41)	4.69	5.98	0.02	(1.41)	4.59	-	0.10	0.01
Vehicles	(i)	14.90	0.26	(0.69)	14.47	13.18	0.24	(0.58)	12.84	-	1.63	1.72
Current Year Total		504.34	27.23	(14.13)	517.44	338.58	10.83	(10.41)	339.00	0.87	177.57	165.76
Previous Year		496.41	23.48	(15.54)	504.35	318.11	34.17	(13.70)	338.58		165.76	178.30
B Intangible Assets												
Softwares		1.76	0.22	-	1.98	1.75	0.20	-	1.95	-	0.03	0.01
Lease Rights		50.86	22.48	-	73.34	0.12	1.13	-	1.25	-	72.09	50.74
Carriageway		691.99	-	-	691.99	161.29	44.25	-	205.54	-	486.45	530.70
Current Year Total		744.61	22.70	-	767.31	163.16	45.58	-	208.74	-	558.57	581.45
Previous Year		693.70	50.90	-	744.60	118.76	44.40	-	163.16		581.45	574.94
GRAND TOTAL CURRENT YEAR		1,248.95	49.93	(14.13)	1,284.75	501.74	56.41	(10.41)	547.74	0.87	736.14	747.21
PREVIOUS YEAR		1,190.11	74.38	(15.54)	1,248.95	436.87	78.57	(13.70)	501.74		747.21	753.24

Foot Notes:-

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

(₹ in Crore)

Block of assets	As at 31st March 2015		As at 31st March 2014	
	Gross Block	Net Block	Gross Block	Net Block
Plant and Machinery	-	-	7.69	0.57
Freehold Building - Residential	0.38	0.28	-	-
Vehicles	-	-	0.04	-
Total	0.38	0.28	7.73	0.57

- ii) Includes Locomotives provided on short term operating lease and standby. (Refer Note 39 II)
 iii) Depreciation, amortization and impairment for the year debited to Statement of Profit and Loss are as follows:-

(₹ in Crore)

Description	2014-15	2013-14
Depreciation on Tangible & Intangible Assets	56.34	78.54
Impairment Loss	0.87	-
Depreciation on Investment Property	0.04	-
Carried to Statement of Profit and Loss	57.25	78.54
Depreciation Capitalised during the year	0.07	0.03
Total	57.32	78.57

- iv) Includes lease hold building on Railways land for 30 years lease (Gross value ₹ 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 ₹0.82 crore). The request for time extension for construction of Building has been submitted to the appropriate authority.
 vi) During the year, the Group has changed its accounting policy relating to charging of depreciation by adopting provisions/rates containing in Schedule II of the Companies Act, 2013. Due to this change, depreciation for the year is lower by ₹ 23.46 crore & PBT is higher by ₹ 23.46 crore.

11. Intangible asset under development

(₹ in Crore)

Particulars	As at 31st March 2015	As at 31st March 2014
Opening Balance	10.72	0.80
Additions during the year:	4.42	9.92
Total	15.14	10.72

Break up :-

1. Implementation of SAP	1.01	1.01
2. Development / Redevelopment of Railway Stations	14.13	9.71

12. Capital work-in-progress

(₹ in Crore)

Particulars	As at 31st March 2015	As at 31st March 2014
Opening Balance	22.09	69.17
Additions during the year:		
- Work Expenses	9.43	5.02
- Depreciation	0.02	-
- Salaries, Wages & Benefits	0.37	0.17
- Cont to PF & Other Funds	0.02	0.01
"- Design, Drawing, Business Development & Consultancy Charges"	0.34	0.06
- Inspection, Geo Technical Investigation & Survey Exp.	-	0.01
- Rent - Non Residential	0.02	-
- Rates & Taxes	4.40	0.01
- Vehicle Operation & Maintenance	0.04	-
- Power, Electricity & Water Charges	0.01	-
- Travelling Expenses	0.03	0.05
- Security Services	-	0.01
- Legal & Professional Charges	-	0.01
- Prior Period Expenses	-	0.04
- Advertisement & Publicity	0.01	-
- Interest Expenses	0.89	-
- Misc Operating Exp.	0.10	-
Less:-		
Capitalised during the year	22.48	50.86
Transferred to Investment Property	-	1.61
Total	15.29	22.09

Break-up :-

1. Office Building at CCM, Gurgaon	4.82	-
2. Work of Fire Fighting & Civil Construction at CIC Noida	0.12	-
3. Office Building at Kolkata	0.26	-
4. Multi Functional Complexes	0.69	22.09
5. Railway Corridors (I & III), Chhattisgarh	9.40	-
	15.29	22.09

13. Non current investments

Particulars	As at 31st March 2015		As at 31st March 2014	
	Nos.	Amount (₹ in Crore)	Nos.	Amount (₹ in Crore)
A Investment Property				
SRO Building at Old Airport Road, Bangalore		3.00		2.73
Land at Noida		260.36		-
Total (A)		263.36		2.73
B Other Investments (At Cost)				
Quoted				
Investment in Bonds				
8.00% Tax Free Indian Railway Finance Company Limited (IRFC) Bonds of ₹1,000 each	163,131	16.31	163,131	16.31
7.21% Tax Free Indian Railway Finance Company Limited (IRFC) Bonds of ₹10,00,000 each	500	49.96	500	49.96
8.23% Tax Free Indian Railway Finance Company Limited (IRFC) Bonds of ₹1,000 each	500,000	50.00	500,000	50.00
8.35% Tax Free Indian Railway Finance Company Limited (IRFC) Bonds of ₹ 10,00,000 each	500	49.92	500	49.92
Less : Amortization of Premium		0.01		-
		49.91		49.92
Investment in Mutual Fund				
SBI Debt Fund Series - A -14		-	25,000,000	25.00
Total (B)		166.18		191.19
Total		429.54		193.92

Disclosure regarding Quoted/Unquoted Investments:

		₹ in Crore	₹ in Crore
Aggregate of Quoted investments	- Book value	166.18	191.19
	- Market value	175.61	190.95

14. Deferred tax assets (Net)

(₹ in Crore)

Particulars	As at 1st April 2014	Addition (Deletion) during the year	As at 31st March 2015
Asset			
Provision for :			
- Maintenance and demobilisation	70.11	(19.89)	50.22
- Foreseeable Loss	3.44	0.91	4.35
- Doubtful debts and advances	31.07	10.51	41.58
- Gratuity	21.02	2.08	23.10
- Leave Travel Concession	0.05	(0.01)	0.04
- Legal cases	16.29	8.65	24.94
- Design Guarantee	77.90	(23.19)	54.71
- Other Expenses	16.23	3.20	19.43
Expenses :			
- On Voluntary retirement scheme	0.01	(0.01)	-
- Allowed for tax purpose when paid	49.28	(2.22)	47.06
- Depreciation	15.16	(12.77)	2.39
- 3/5th of Preliminary Expenses	0.13	(0.04)	0.09
Liability	300.69	(32.78)	267.91
	-	-	-
Net Deferred Tax Asset / (Liability)	300.69	(32.78)	267.91
Previous Year	268.99	31.70	300.69

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

(₹ in Crore)

Particulars	Foot Note	As at 31st March 2015		As at 31st March 2014	
A. Secured, considered good					
Staff Loans and Advances		1.65		1.71	
Advances to Contractors against material and machinery		25.29		22.44	
			26.94		24.15
B. Unsecured, considered good					
Capital Advance for Purchase of Land			-		244.83
<u>Loans and Advances to Related Parties:</u>					
Joint Ventures	(i)				
- Companhia Dos Caminhos De Ferro Da Beira Sarl (Refer note 36)		40.61		32.53	
- Chhattisgarh East Railway Ltd.		22.20	62.81	-	32.53
<u>Others Loans and Advances:</u>					
Security Deposits					
- Government Departments		0.41		0.67	
- Others		0.54	0.95	0.21	0.88
Tax Authorities:					
- Advance Tax / TDS		562.45		572.67	
- Less:- Provision for Tax		(529.89)	32.56	(556.29)	16.38
- Deposit with Income Department against demand		253.77	286.33	136.33	152.71
Staff Loans & Advances		0.73		1.05	
Deposits with Government Departments		0.14		0.04	
Advances to Contractors and Suppliers		230.18		103.12	
Prepaid Expenses		0.26		1.39	
Others		0.97	232.28	2.29	107.89
C. Considered Doubtful					
Loan to Related Parties					
Joint Venture					
- Companhia Dos Caminhos De Ferro Da Beira Sarl (Refer note 36)		25.46		27.66	
Advances to Contractors and Suppliers		8.71		8.62	
		34.17		36.28	
Less :- Provision for doubtful advances		34.17	-	36.28	-
Total			609.31		562.99

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 group, firms in which any director is a partner or private company in which any director is a member except joint ventures are Nil (₹ Nil)

16. Other non current assets

(₹ in Crore)

Particulars	As at 31st March 2015		As at 31st March 2014	
A. Long Term Trade Receivables				
Unsecured, considered good				
- Retention Money with client	27.43		33.81	
- Money Withheld by Client	22.62	50.05	5.15	38.96
B. Others				
i) Secured, considered good				
Interest Accrued on :				
- Advances to staff		0.87		0.90
ii) Unsecured, considered good				
Fixed Deposits more than 12 months {(refer foot note (i))}		0.41		-
Interest Accrued on :				
- Advances to staff	0.33		0.35	
- Advances to Contractors, Suppliers & others	14.50		3.47	
- Advance to IRWO	-	14.83	0.20	4.02
iii) Considered Doubtful				
Interest Accrued on :				
Joint Venture				
- Companhia Dos Caminhos De Ferro Da Beira Sarl (Refer note 36)	0.19		0.19	
Advances to Contractors, Suppliers & Others	0.40		0.40	
	0.59		0.59	
Less: Provision for doubtful	0.59	-	0.59	-
Total		66.16		43.88

Foot Notes:-

- (i) Includes FDRs under Lien for ₹ 0.41 crore
- (ii) Debts due by directors, other officers of the group, 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 (₹ Nil)

17. Current investments

Particulars		As at 31st March 2015		As at 31st March 2014	
		Nos.	Amount (₹ in Crore)	Nos.	Amount (₹ in Crore)
A	Non Trade Investments				
	Quoted				
	Investment in Mutual Fund				
	UTI Mutual Fund - Daily Dividend Plan	106,836	10.89	227,274	23.17
	UTI Fixed Income Series XVI - I		-	25,000,000	25.00
	UTI Fixed Income Series XVIII - IV		-	25,000,000	25.00
	SBI Debt Fund Series - 40		-	25,000,000	25.00
	SBI Premier Liquid Fund - Daily Dividend Plan	300,718	30.17	278,452	27.85
	SBI Debt Fund Series - A -14	25,000,000	25.00		126.02
			<u>66.06</u>		<u>176.02</u>
B	Current Maturities of Long Term Bonds				
	Quoted				
	6.00% Tax Free Indian Railway Finance Company Limited (IRFC) Bonds of ₹1,00,000 each		-	5,000	50.00
			<u>-</u>	<u>50.00</u>	<u>50.00</u>
	Total		66.06		176.02

Disclosure regarding Quoted Investments:

		₹ in Crore	₹ in Crore
Aggregate of Quoted investments	- Book value	66.06	176.02
	- Market value	68.36	179.24

18. Inventories

(₹ in Crore)

Particulars	As at 31st March 2015	As at 31st March 2014
a. Material and stores		
- In Hand	42.54	38.48
- With Third Parties	25.81	0.84
- In Transit	0.11	0.33
	<u>68.46</u>	<u>39.65</u>
b. Construction work-in-progress at cost	55.88	84.54
Total	124.34	124.19

19. Trade receivables

(₹ in Crore)

Particulars	As at 31st March 2015		As at 31st March 2014	
Unsecured :				
Outstanding for a period exceeding six months from the date they were due for payment				
- Considered good	70.20		135.54	
- Considered doubtful & provided for	16.24	86.44	17.33	152.87
Outstanding for a period not exceeding six months from the date they were due for payment				
- Trade receivables				
- Considered good	415.73		526.12	
- Considered doubtful & provided for	-	415.73	0.58	526.70
- Retention Money with client				
- Considered good	62.58		45.77	
- Considered doubtful & provided for	9.89	72.47	10.10	55.87
- Money Withheld by client				
- Considered good	48.18		71.34	
- Considered doubtful & provided for	4.50	52.68	3.20	74.54
		627.32		809.98
Less: Provision for doubtful debts		30.63		31.21
		596.69		778.77
Total		596.69		778.77

Foot Notes:-

- (i) Debts due by directors, other officers of the group, firms in which any director is a partner or private company in which any director is a member are Nil (₹ Nil)

20. Cash & bank balances

(₹ in Crore)

Particulars	Foot Note	As at 31st March 2015		As at 31st March 2014	
Cash and cash equivalents					
a) Cash In hand	(i)	0.60		0.90	
b) Cheques / drafts in hand		0.21		7.71	
c) Balances with banks :					
- In Current accounts		227.98		72.37	
- In Flexi accounts	(ii)	177.04		128.22	
- In Fixed deposits (with a maturity period of less than 3 months)	(ii)	946.12	1,351.14	1,399.35	1599.94
d) Remittance in Transit		15.00		-	
Other bank balances					
- In Fixed deposits (with a maturity period of more than 3 months and upto 12 months)	(ii)	2,065.74		1194.18	
Total		3,432.69		2,802.73	

Foot Notes:-

- (i) Cash in hand includes cash imprest ₹ 0.01 crore (₹ 0.02 crore)
- (ii) Includes Clients Fund on which interest is passed on to them:

(₹ in Crore)

Particulars	Balance at the end of year	
	31st March 2015	31st March 2014
In Flexi accounts	100.44	73.65
In Fixed deposits (with a maturity period of less than 3 months)	624.86	272.31
In Fixed deposits (with a maturity period of more than 3 months and upto 12 months)	54.82	-
Total	780.12	345.96

21. Short term loans and advances

(₹ in Crore)

Particulars	Foot Note	As at 31st March 2015		As at 31st March 2014	
A. Secured, considered good					
Staff Loans and Advances		0.66		0.75	
Advances to Contractors against material and machinery		9.15	9.81	3.45	4.20
B. Unsecured, considered good					
<u>Loans and Advances to Related Parties:</u>					
Loans					
Joint Ventures (Refer Note 41)	(i)				
- Ircon-Afcons JV		9.06		-	
Others					
Joint Ventures					
- RICON CETA SARL		0.84		0.80	
- Companhia Dos Caminhos De Ferro Da Beira Sarl		0.59		3.50	
- International Metro Civil Contractor		0.15		-	
- Ircon-Soma Tollway Pvt.Ltd.		3.58		-	
- Ircon-Afcons JV		0.80	15.02	0.30	4.60
<u>Other Loans and Advances:</u>					
Security Deposits					
- Government Departments		6.22		6.44	
- Others		1.36	7.58	1.76	8.20
Tax Authorities					
- Sales Tax (including TDS)		204.06		200.36	
Less :- Deposited under protest		(184.31)	19.75	(168.80)	31.56
- Value Added Tax		115.66		106.20	
- Service Tax input credit		0.10	135.51	0.46	138.22
Inter Corporate Deposits		2.85		2.85	-
Staff Loans and Advances		1.82		1.85	
Advances to Contractors And Suppliers		125.99		225.35	
Government of Mozambique		105.01		103.47	
CFM		4.52		5.52	
Earnest Money Deposit		0.55		20.62	
Prepaid Expenses		5.20		5.44	
Others		14.65	260.59	18.75	383.85
C. Considered Doubtful					
Staff Loans & Advances		-		0.01	
Advances to Contractors and Suppliers		9.87		8.49	

Particulars	Foot Note	As at 31st March 2015	As at 31st March 2014
Deposits with Government Departments		2.38	2.26
Sales Tax (including TDS)		35.31	12.56
Value Added Tax		7.18	-
Others		0.01	-
		<u>54.75</u>	<u>23.32</u>
Less:- Provision for doubtful advances		54.75 -	23.32 -
Total		428.51	539.07

Foot Notes:-

- (i) Loan is interest bearing and is for working capital requirements.
- (ii) Debts due by other officers of the group, firms in which any director is a partner or private company in which any director is a member except joint ventures are Nil (₹ Nil)
- (iii) Details of amount due from Directors:

(₹ in Crore)

Particulars	As at 31st March 2015	As at 31st March 2014
Amount due from directors included in staff loans and advances	0.02	0.03
Total	0.02	0.03

22. Other current assets

(₹ in Crore)

Particulars	Foot Note	As at 31st March 2015	As at 31st March 2014
A) Interest Accrued on:			
Staff loans and advances (secured)		0.15	0.17
Bonds		14.21	8.64
Staff loans and advances (unsecured)		0.13	0.09
Loan to			
- Indian Railway Welfare Organisation		0.20	0.20
- Chattisgarh East Railway Limited		0.45	-
- IRCON-AFCONS JV		0.12	-
Deposits & Advances with:			
- Contractors, Suppliers & Others		17.62	55.57
- Deposit with banks		82.84	79.13
B) Construction Work in Progress (At realisable value)		126.06	330.09
C) Billable Revenue	(i)	405.32	-
D) Assets held for disposal	(ii)	1.73	1.59
E) Amount Invested in UTI for purchase of units	(iii)	-	19.00
Total		648.83	494.48

Foot Notes:-

- (i) Includes Value of work amounting to ₹ 196.08 crore (₹ 144.02 crore) certified by client, but not billed by reporting date.
(ii) Fixed assets beyond economic repair and/or held for disposal (at lower of the realizable value and book value): -

(₹ in Crore)

Block of assets	As at 31st March 2015		As at 31st March 2014	
	Gross Block	Net Block	Gross Block	Net Block
Plant and Machinery	17.16	1.45	19.91	1.59
Freehold Building - Residential	0.38	0.28	-	-
Vehicles	-	-	0.04	-
Total	17.54	1.73	19.95	1.59

Foot Notes:-

- (iii) An amount of ₹ 19 crore was paid to UTI mutual Fund towards purchase of units on 31.03.2014. As 31.03.2014 and 01.04.2014 was considered to be Bank Holiday for transaction in UTI mutual fund, hence, units were allotted to the folio no: 509270058623 only on 02-04-2014
(iv) Debts due by officers of the group, firms in which any director is a partner or private company in which any director is a member except JVs are Nil (₹ Nil).

Details of amount due from Directors:

(₹ in Crore)

Particulars	As at 31st March 2015	As at 31st March 2014
Amount due from directors included in staff loans and advances	-	0.005
	-	0.005

23. Revenue from operations

(₹ in Crore)

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
Contract Revenue	2,899.95	3,852.28
MFC Leasing	8.09	0.49
Loco lease	42.77	41.49
Machinery hire charges	1.31	0.04
Tollways	77.67	77.36
Other Operating Receipts	17.09	11.85
Prior Period Contract Revenue (Refer Note 29)	(9.24)	154.53
Total	3,037.64	4,138.04

24. Other Income

(₹ in Crore)

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
Interest on Tax Free Bonds	16.02	13.78
Bank Interest Gross	223.96	236.56
Less:- Interest passed to clients	36.23	35.20
Interest on refund of income-tax	3.42	8.76
Interest on staff advances	0.33	0.35
Interest on loan to Related Parties		
- CERL	0.67	-
- IRCON-AFCONS JV	0.14	-
Interest on other advances	8.57	4.11
Interest on Fixed Maturity Plan	6.81	3.05
Exchange Fluctuation Gain	45.05	-
Less:- Exchange Fluctuation Loss	24.32	-
Dividend Income	3.21	4.05
Profit on sale of assets	2.02	0.19
Miscellaneous	17.34	14.98
Prior Period Other Income (Refer Note 29)	0.34	1.22
Total	267.33	251.85

25. Operating expenses and administrative expenses

(₹ in Crore)

Particulars	Foot Note	Operating expenses		Administrative expenses	
		For the year ended 31st March 2015	For the year ended 31st March 2014	For the year ended 31st March 2015	For the year ended 31st March 2014
Materials and Stores consumed:					
Opening balance		39.32	38.28	-	-
Add: Purchases during the year		223.77	262.02	-	-
		263.09	300.30	-	-
Less: Closing Balance		68.35	39.32	-	-
Work expenses		1,812.54	2,144.57	-	-
(Increase) / Decrease in WIP		28.66	1.38	-	-
Design, Drawing, Business Development, Agency and Consultancy Charges		24.94	48.93	-	-
Inspection, Geo Technical Investigation and Survey expenses etc.		1.87	5.74	-	-
Repairs and maintenance of machinery		27.67	42.44	-	-
Hire charges of machinery		7.44	13.35	-	-
Exchange fluctuation loss		-	-	-	42.24
Less:- Exchange fluctuation gain		-	-	-	32.93
Net exchange fluctuation loss		-	-	-	9.31
Rent - Non-residential {Refer note 39 (I)(b)}		3.83	3.88	0.38	0.20
Rates and taxes		19.13	9.49	2.16	1.87
Vehicle operation and maintenance		9.70	11.72	0.91	0.82
Repairs and maintenance					
- Carriage Way		7.22	6.52	-	-
- Building		0.13	0.14	0.42	0.84
- Office and Others		3.52	3.55	2.81	2.05
Power, electricity and water charges		4.73	4.52	1.55	1.35
Insurance		7.29	7.19	0.14	0.10
Travelling and conveyance		8.95	9.54	2.64	1.98
Printing and stationery		1.65	1.82	0.55	0.69
Postage, telephone and telex		2.43	2.43	0.45	0.51
Legal and Professional charges		7.27	6.62	2.54	1.57
Security services		4.39	3.79	0.14	0.15
Business promotion		0.98	1.02	0.16	0.28
Write-off of :					
- Bad Debts		2.37	31.98	-	-
- Bad Advances		0.97	7.15	-	-
- Assets		-	0.01	-	-
Loss on Sale of Assets/Stores		-	-	3.43	-
Amortization of Premium Paid on Investments		-	-	0.01	0.35

Particulars	Foot Note	Operating expenses		Administrative expenses	
		For the year ended 31st March 2015	For the year ended 31st March 2014	For the year ended 31st March 2015	For the year ended 31st March 2014
Director Sitting Fee		-	-	0.02	0.03
Donation		-	-	0.05	0.01
Auditors Remuneration (i)	(i)	-	-	0.49	0.67
Advertisement And Publicity		-	-	3.51	4.52
Training And Recruitment		-	-	0.60	0.49
Preliminary Expenses Written Off		-	-	1.58	0.03
Research And Development Expenses		-	-	-	0.96
Corporate Social Responsibility (Refer Note 50)		-	-	6.70	8.41
Miscellaneous Expenses		9.04	4.47	1.73	1.39
Prior Period Expenses (Refer Note 29)		0.27	0.41	0.72	0.18
Provisions (Addition - Write Back) (Refer Note 28)		(13.22)	160.84	-	-
Provisions/Reserves Utilised (Refer Note 28)		(56.51)	(61.26)	-	-
Total		2,122.00	2,733.22	33.69	38.76

Foot Notes :-
(i) Payment to Statutory Auditors:

	2014-15	2013-14
(i) Audit Fee - current year	0.28	0.35
(ii) Tax Audit Fees - current year	0.07	0.08
(iii) Certification Fees	0.02	0.05
(iv) Reimbursement of Expenses:		
- Local	0.09	0.14
- Foreign	0.03	0.05
TOTAL	0.49	0.67

26. Employee benefits expenses

(₹ in Crore)

Particulars	Foot Note	For the year ended 31st March 2015			For the year ended 31st March 2014		
		Operating	Administrative	Total	Operating	Administrative	Total
Salaries, wages and bonus {Refer note 39 (I)(a)}	(i)	123.93	39.77	163.70	135.34	38.59	173.93
Contribution to provident and other funds		6.69	3.40	10.09	6.70	2.77	9.47
Foreign service contribution		0.48	0.30	0.78	0.50	0.58	1.08
Retirement benefits		11.69	10.09	21.78	11.45	34.58	46.03
Staff welfare		1.89	0.48	2.37	2.15	0.49	2.64
Sub Total		144.68	54.04	198.72	156.14	77.01	233.15

Foot Notes:-

(i) Includes income-tax on non-monetary perks ₹ 0.33 Crore (₹ 0.35 Crore).

27. Finance cost

(₹ in Crore)

Particulars	Foot Note	For the year ended 31st March 2015	For the year ended 31st March 2014
Interest Expenses	(i)	23.40	53.42
Other Borrowing Cost			
Bank Guarantee & Other Charges"		9.39	12.41
Total		32.79	65.83

Foot Notes:-

(i) Includes interest on income - tax ₹ 0.03 Crore (₹ 26.31 Crore).

28. Provisions (Net)

(₹ in Crore)

Particulars	Balance as on 01.04.2014			During the year 2014-15					Balance as on 31.03.2015		
	Long Term	Short Term	Total	Additions	Written Back	Utilisation	Exchange Gain	Exchange Loss	Long Term	Short Term	Total
Provided for :											
A Employees Related											
(i) Retirement Benefits											
Gratuity	57.76	4.10	61.86	8.17	-	3.70	-	-	61.81	4.52	66.33
Leave Salary	73.54	7.05	80.59	9.30	0.08	6.60	0.07	0.10	76.30	6.94	83.24
Settlement allowances on retirement	1.20	0.09	1.29	-	0.01	-	-	-	1.20	0.08	1.28
Post Retirement Medical Benefits	-	17.50	17.50	1.83	-	12.00	-	-	1.36	5.97	7.33
Pension	-	23.61	23.61	2.57	-	-	-	-	-	26.18	26.18
Total of Retirement Benefits (i)	132.50	52.35	184.85	21.87	0.09	22.30	0.07	0.10	140.67	43.69	184.36
(ii) Others											
Performance Related Pay	-	22.42	22.42	9.11	3.27	9.44	-	-	-	18.82	18.82
Leave Travel Concession	0.13	0.01	0.14	-	0.01	-	-	-	0.12	0.01	0.13
Total of Other Benefits (ii)	0.13	22.43	22.56	9.11	3.28	9.44			0.12	18.83	18.95
Total Employee Related Provisions (i+ii)	132.63	74.78	207.41	30.98	3.37	31.74	0.07	0.10	140.79	62.52	203.31
B Others											
Demobilisation	24.01	23.92	47.93	2.74	0.15	0.40	2.16	0.52	7.89	40.59	48.48
Maintenance	110.08	161.37	271.45	36.45	66.43	38.43	3.17	1.93	164.79	37.01	201.80
Foreseeable Loss	-	10.12	10.12	10.17	2.67	5.06	-	-	-	12.56	12.56
Design Guarantee	172.20	56.99	229.19	-	57.27	-	13.84	-	105.36	52.72	158.08
Doubtful debts	-	17.91	17.91	2.64	2.08	2.28	-	0.06	-	16.25	16.25
Doubtful advances	36.87	36.62	73.49	34.94	3.57	0.95	0.02	-	34.76	69.13	103.89
Liabilities(Legal cases)	-	47.93	47.93	24.76	0.45	0.19	-	-	-	72.05	72.05

Particulars	Balance as on 01.04.2014			During the year 2014-15					Balance as on 31.03.2015		
	Long Term	Short Term	Total	Additions	Written Back	Utilisation	Exchange Gain	Exchange Loss	Long Term	Short Term	Total
Other expenses	22.94	28.05	50.99	13.35	5.65	9.20	-	0.78	0.59	49.68	50.27
Income-tax and Wealth tax	-	877.59	877.59	245.92	-	207.07	2.58	-	-	913.86	913.86
Dividend (Interim and Proposed)	-	81.16	81.16	182.12	-	160.35	-	-	-	102.93	102.93
Tax on Dividend (Interim and Proposed)	-	13.80	13.80	36.79	-	29.63	-	-	-	20.96	20.96
Total Other Provisions (B)	366.10	1,355.46	1,721.56	589.88	138.27	453.56	21.77	3.29	313.39	1,387.74	1,701.13
GRAND TOTAL (C = A+B)	498.73	1,430.24	1,928.97	620.86	141.64	485.30	21.84	3.39	454.18	1,450.26	1,904.44
D Less:- Considered Separately											
Doubtful debts considered in Note 19	-	17.91	17.91						-	16.25	16.25
Doubtful advances considered in Note 19		13.30	13.30							14.38	14.38
Doubtful advances considered in Note 15,16 & 21	36.87	23.32	60.19						34.76	54.75	89.51
Retirement Benefits considered in Note 26				21.87	0.09	22.30					
PRP & LTC included in Salaries, Wages and Benefits				9.11	3.28	9.44					
Income-tax adjusted / considered separately				245.92	-	207.07					
Dividend paid / considered separately				182.12	-	160.35					
Corporate-tax on Dividend / considered separately				36.79	-	29.63					
TOTAL (D)	36.87	54.53	91.40	495.81	3.37	428.79	-	-	34.76	85.38	120.14
Net: Current Year (C - D)	461.86	1,375.71	1,837.57	125.05	138.27	56.51	21.84	3.39	419.42	1,364.88	1,784.30
Previous Year	454.00	1193.6	1647.6	212.88	52.04	61.26	-	-	461.86	1375.71	1837.57

NOTE:

Net Provisions(Additions/Write Back) considered in Note 25	(13.22)
Provisions Utilized considered in Note 25	56.51
Retirement Benefits provisions considered in Note 26	(052)
Performance Related Pay & LTC considered in Note 26 in Salary and Wages	(3.61)

29. Prior Period Adjustments

(₹ in Crore)

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
PRIOR PERIOD ITEMS:		
Income:		
Revenue from Operation	(9.24)	154.53
Interest income on deposits/ loans	0.03	0.21
Miscellaneous	0.31	1.01
	(8.90)	155.75
Expenses:		
Work expenses	0.27	0.41
Administrative expenses	0.55	0.01
Others	0.17	0.17
	0.99	0.59
Total	(9.89)	155.16

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 1st April, 2014. 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	
			31.03.2015	31.03.2014
Subsidiaries				
1.	Ircon Infrastructure & Services Limited. (IrconISL)	India	100.00 %	100.00 %
2.	Indian Railway Stations Development Corporation Limited (IRSDC)	India	51.00%	51.00%
3.	Ircon PB Tollway Limited	India	100.00 %	-
Joint Ventures				
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-SPSCPL	India	50.00%	50.00%
7.	Ircon-Afcons JV	India	53.00%	53.00%
8.	Chhattisgarh East Railway Limited (CERL)	India	26.00%	26.00%
9.	Chhattisgarh East-West Railway Limited (CEWRL)	India	26.00%	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 1st January 2015 to 31st March 2015 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.
- b) There are some cases relating to employees/others are pending in the Courts against the Holding Company in respect of which the liability is not ascertainable.
- c) Direct disputed tax demands under appeal amounting to ₹ 132.66 crore (₹ 126.23 crore) of which 'NIL' (NIL) are reimbursable from the clients.
- d) Indirect disputed tax demands under appeal ₹ 186.06 crore (₹ 176.06 crore) of which ₹ 114.16 crore (₹ 107.27 crore) are reimbursable from the clients.
- e) Provident Fund Commissioner, Jammu & Kashmir has demanded 'NIL' (₹ 1.75 crore) for contribution of provident fund on sub-contractors providing utility and supporting services.

f) In respect of Joint Ventures:

31. Contingent liabilities:

- a) Claims against the Group not acknowledged as debt ₹ 1279.09 crore net of provision of ₹ 78.29 crore (₹1039.11 crore net of provision of ₹ 47.93 crore). Against this the Group has counter claims of ₹ 821.69 crore (₹ 303.06 crore). In case claims against the Group do materialise, claims for ₹ 748.02 crore (₹ 434.65 crore) will be reimbursable from the clients. Interest on claims is not considered, being unascertainable.
- 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 ₹162.60 crore (₹ 222.15 crore).
- II. Indemnity bond for International Metro Civil Contractor of ₹ 1.24 crore (₹ 1.24 crore).
- III. Sales-tax liability of International Metro Civil

Contractor of ₹ 4.25 crore (₹ 4.25 crore) and Service Tax ₹ 2.02 crore (₹ 1.01 crore).

- IV. Corporate guarantee to Central Excise in case of Metro Tunnelling Group of ₹ 1.54 crore (₹ 1.54 crore).
- V. Bank guarantee in case of Ircon-RCS-PFLEIDERER of ₹ 1.40 crore (₹ 1.40 crore).
- VI. Income Tax liability in the case of International Metro Civil Contractor of ₹ 5.29 crore (₹ 5.29 crore) and in case of Metro Tunnelling Group of ₹ 0.88 crore (₹ 0.88 crore).
- VII. Recovery suit against the International Metro Civil Contractor by M/s Sai Engineers is ₹ 0.02 crore (₹ 0.02 crore).
- VIII. Bank Guarantee in case of Ircon-Afcon JV for ₹ 51.34 crore (₹ 56.71 crore) for Bhairab Railway Bridge Project, Bangladesh.
- g) Pending disposal of application for extension of time by clients, the Group is contingently liable to pay liquidated damages to the extent of ₹ 56.70 crore (₹ 44.33 crore) to the clients.

32. Commitments:

- a) Estimated amount of contracts remaining to be executed on capital account (net of advances) is ₹ 91.03 crore (₹ 40.76 crore).
- b) Other Commitments: Commitments for fund/providing guarantee to/on behalf of subsidiaries/ joint ventures:
 - i) Counter guarantee to Indian overseas bank for issuance of bank guarantee to subsidiary company, IrconISL, amounting to ₹ 10.00 crore (₹ 10.00 crore).
 - ii) Counter guarantee to State bank of India for issuance of letter of credit to Joint venture, Ircon Afcons JV, amounting to ₹ 38.66 crore (NIL).
 - iii) An undertaking to Punjab National Bank for non-disposal of 21% of present holding of the company (1,34,12,700 shares of ₹ 10 each) in Joint Venture Company, Ircon-Soma Tollway Private Limited, amounting to ₹ 13.41 crore (₹ 13.41 crore).
33. The Holding Company is executing a Broad Gauge Rail Link Project called "Udhampur-Srinagar-Baramulla Rail Link Project" (USBRL) in the state of Jammu & Kashmir on cost plus basis. Northern Railway, the client, has raised certain queries on admissibility of certain expenditure incurred by the company/ contract addition payable on the cost incurred & certain observations on the quality of work done on

the project which has also been suitably replied to. The Holding Company does not expect any liability on this account. However, adjustment, if any, arising out of these issues will be made as and when required.

34. The Holding Company is liable to pay ₹ 76.28 Crore for FY 2014-15 & ₹ 179.58 Crore for FY 2013-14 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.

35.(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 ₹ 925.63 crore (₹ 799.79 crore) having tax impact of ₹ 315.70 crore (₹ 272.92 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 ₹ 185.36 crore in FY 2012-13 for the AY 2006-07 to AY 2013-14 and ₹ 229.71 for the AY 2013-14 to AY 2015-16 in the respective years.

36. (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. The Holding Company has provided shareholders' loan to CCFB and the total amount including accrued interest up

to 31.03.2011 is USD 14.37 Mn (₹ 63.56 crore converted at exchange rate on 31.03.2011. A sum of USD 0.999 Mn (₹ 4.42 crore) was received from CCFB on 28.02.2013. Further, a sum of ₹ 7.12 crore (USD 1.142 Mn) has been given as loan to CCFB for meeting out arbitration expenses {₹ 66.07 crore (₹ 60.19 crore) shown in Long term loan and advances (Note 15 (B) and (C)) and ₹ 0.19 crore (₹ 0.19 crore) shown in other non-current assets (Note 16 (B iii))}

(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 considers this termination against the contract provisions & unlawful and has initiated arbitration proceedings against GOM. The Holding Company believes that it shall be able to retrieve its entire investment through arbitration by CCFB, yet as a matter of abundant caution and following a conservative approach, pending outcome of the arbitration:

- i. Provision of ₹ 25.65 crore (₹ 27.85 crore) [₹ 29.77 crore (₹ 29.77 crore) towards loan & interest accrued thereon, ₹ 3.21 crore (₹ 3.21 crore) towards possible capital expenditure by CCFB to make railway line operable and reduced by interest after termination of ₹ 7.33 crore (₹ 5.13 crore)] (refer Note 15 & 16) has

been made during 2011-12 towards possible loss. The loan amount including interest due has been stated at the exchange rate prevailing on 31.03.2011.

- ii. The amount of loan to meet arbitration expenses provided in the current year has not been restated.
 - iii. Interest on loans for the year amounting to ₹ 4.89 crore (₹ 3.79 crore), cumulative ₹ 13.48 crore (₹ 8.59 crore) has not been recognized.
- (c) Had the dues been translated at the closing exchange rate as on 31.03.2015 as per AS-11, long term loan and advances would have been higher by ₹ 19.31 crore (₹ 15.11 crore) and profit before tax would have been higher by ₹ 19.31 crore (₹ 15.11 crore), effect on current year ₹ 4.20 crore and of earlier years ₹ 15.11 crore.

37. (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.

38. (a) Earnings in foreign currency (on accrual basis):

(₹ in Crore)

Particulars	2014-15	2013-14
Work Receipts & Locomotive lease	806.60	2172.97
Bank Interest	11.23	9.79
Other Interest	0.02	0.20
Foreign Exchange Fluctuation Gain (Net)	19.87	-
Others	6.69	2.26
Total	844.41	2185.22

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

(₹ in Crore)

Particulars	2014-15	2013-14
Operational Expenses	381.26	1076.10
Consultancy charges	24.86	40.16
Foreign Exchange Fluctuation Loss (Net)	-	7.83
Total	406.12	1124.09

(c) CIF value of Imports:

(₹ in Crore)

Particulars	2014-15	2013-14
Materials	159.45*	60.02
Machinery	-	11.20
Consumables, Components and Spares	-	1.14
Total	159.45	72.36

*Imports are booked in Work Expenses

(d) Material & store consumed:

(₹ in Crore)

Particulars	2014-15		2013-14	
	Amt	%age	Amt	%age
Imported	159.45	45.02	61.16	18.98
Indigenous	194.74	54.98	260.98	81.02
Total	354.19	100.00	322.14	100.00

(e) Disclosure of unhedged foreign currency exposure:

The unhedged foreign currency exposure is as under:

Particulars	Currency	As at 31st March 2015		As at 31st March 2014	
		Foreign Currency in Crore	INR Crore	Foreign Currency in Crore	INR Crore
Assets :					
Advance to Contractors					
	DZD	-	-	9.42	7.21
	Euro	0.06	4.36	0.12	10.12
	LKR	0.40	0.19	1.00	0.46
	MYR	0.02	0.30	0.90	16.56
	MZN	0.06	0.10	0.06	0.12
	USD	0.00	0.08	-	-
Trade Receivables					
	BDT	1.41	1.13	-	-
	DZD	51.29	32.83	104.54	79.98
	Euro	0.46	31.41	0.98	79.62
	MYR	0.04	0.69	0.02	0.37
	USD	2.43	151.09	4.46	264.67
Cash & Bank Balances					
	BDT	0.13	0.10	-	-
	DZD	29.63	18.96	4.87	3.72
	ETB	0.00	0.01	0.18	0.56
	Euro	1.30	89.32	0.69	56.00
	LKR	19.46	9.14	73.28	33.59
	MYR	1.69	28.50	4.68	85.86
	MZN	0.03	0.05	0.36	0.69
	USD	6.88	428.36	7.80	462.78
Other Assets					
	BDT	1.38	1.11	0.00	0.00
	DZD	16.17	10.35	13.19	10.09
	ETB	1.13	3.45	1.13	3.50
	Euro	0.43	29.54	0.24	19.51
	LKR	16.18	7.60	18.42	8.44
	MYR	0.14	2.43	2.78	51.01
	USD	0.37	23.32	0.33	19.55
Liabilities :					
Advance from Client					
	BDT	0.84	0.67	-	-
	DZD	-	-	18.60	14.23
	Euro	0.39	26.87	0.58	47.31
	USD	0.16	9.98	2.82	167.11

Trade Payable					
	AUD	0.01	0.71	-	-
	BDT	0.02	0.02	-	-
	DZD	13.92	8.91	43.93	33.61
	Euro	0.92	63.10	0.71	57.36
	JPY	10.10	5.25	-	-
	LKR	14.20	6.67	58.76	26.94
	MYR	0.42	7.07	4.79	87.89
	MZN	4.13	6.97	4.13	7.88
	USD	0.72	45.06	0.16	9.70
Other Liabilities					
	BDT	0.38	0.31	-	-
	DZD	30.90	19.77	17.90	13.69
	ETB	0.02	0.05	0.02	0.06
	Euro	0.19	13.01	0.16	13.17
	LKR	17.51	8.22	33.93	15.55
	MYR	4.26	71.91	5.15	94.49
	USD	0.83	51.85	0.91	53.98

The unhedged foreign currency exposures are naturally hedged.

39. 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:

- Lease payments (net of recoveries) in respect of premises for residential use of employees - ₹ 5.78 crore (₹ 6.52 crore) (included in salaries & wages note 26)
- Lease payments in respect of office premises, guesthouses and transit camps - ₹4.21 crore (₹4.08 crore) (included in operating & administrative expenses note 25.)
- Future minimum lease payments in respect of non- cancellable lease are as under:

(₹ 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:

- The Group has given certain commercial/residential premises on operating lease which are cancellable by giving appropriate notices as per respective agreements.
- The Group has provided Plant & Machinery (Locomotives) on wet lease basis to a foreign client.
- The Group has sub-leased 19 Multi Functional Complexes to various sub-lessees.
- The amount of lease rent received during the year is as under:
 - Lease rent in respect of non residential premises - ₹ 7.02 crore (₹6.69 crore) (included in miscellaneous income note 24)
 - Lease rent in respect of locomotives ₹ 42.77 crore (₹ 41.49 crore) (included in loco lease note 23)
 - Lease rent in respect of sub-leasing of 19 MFCs, ₹ 8.09 crore (₹ 0.49 crore)
- Future minimum lease rental receivable as on 31.03.2015 in respect of non – cancellable operating lease for each of the following period is as under

(₹ in Crore)

Lease Rent	Not later than 1 year	Later than 1 year and not later than 5 years	Later than 5 years
Premises	NIL	NIL	NIL
Locomotives	33.42 (42.20)	NIL	NIL
Multi Functional Complexes (MFCs)	13.86 (3.15)	13.95 (9.58)	NIL

(f) Details of assets given on lease during the year:

(₹ in Crore)

Particulars	As on 31st March 2015			As on 31st March 2014		
	Premises	Locos	MFCs	Premises	Locos	MFCs
Gross Carrying amount of assets	6.96	35.66	95.94	6.96	35.66	20.47
Depreciation for the year	0.14	-	1.47	0.14	1.16	0.16
Impairment loss for the year	-	-	-	-	-	-
Accumulated Depreciation	1.22	33.87	1.63	1.08	33.87	0.16

40. Segment Reporting:

Primary Segment information (Geographic):

(₹ in Crore)

Particulars	International		Domestic		Total	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
A. Turnover						
Revenue from Operations	877.53	2137.49	2160.11	2000.55	3037.64	4138.04
Other Income	39.17	11.66	228.16	240.19	267.33	251.85
Total Revenue	916.70	2149.15	2388.27	2240.74	3304.97	4389.89
B. Result						
Profit before Provision, Depreciation, Interest and Tax.	477.86	1101.99	450.09	431.20	927.95	1533.19
Less: Provision & write backs (Net)	(75.15)	134.43	61.93	26.41	(13.22)	160.84
Depreciation	6.51	25.72	50.74	52.82	57.25	78.54
Interest	0.14	-	23.26	53.42	23.40	53.42
Profit before Tax	546.36	941.84	314.16	298.55	860.52	1240.39
Minority Interest in Profit/losses	-	-	0.97	1.24	0.97	1.24
Tax Expense	209.19	264.55	68.20	84.59	277.39	349.14
Profit after Tax	337.17	677.29	244.99	212.72	582.16	890.01
C. Other Information						
Assets	1244.22	2361.61	6192.39	4450.79	7436.61	6812.40
Include Fixed Assets (Net Block)	82.39	81.13	684.18	714.53	766.57	795.66
Liabilities	862.71	1612.86	3248.17	2237.19	4110.88	3850.05
Capital Expenditure: Additions to Fixed Assets	24.57	19.91	18.56	54.47	43.13	74.38

Secondary Segment information (Business):

(₹ in Crore)

Particulars	Segment Income		Segment Assets		Additions to Fixed Assets	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Construction, etc.	2909.10	4018.17	6787.88	6111.80	41.75	67.39
Leasing operation	50.87	42.51	106.66	103.64	1.10	6.74
Toll ways	77.67	77.36	542.07	596.96	0.28	0.25
Total	3037.64	4138.04	7436.61	6812.40	43.13	74.38

41. Disclosure in respect of Joint-Ventures (JV)

(a) Unincorporated Joint-Ventures:

i) For projects in operation:

S. No.	Name of the JV	Partner(s) and Country of Origin	Participating Interest (in %) as on 31March	
			2015	2014
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

ii) For projects which have been completed

S. No.	Name of the JV	Partner(s) and Country of Origin	Participating Interest (in %) as on 31March	
			2015	2014
1	RICON	Ircon, India	49.00	49.00
		RITES, 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
7	Metro Tunnelling Group (MTG)	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
8	Ircon-GANNON Dunkerly	Ircon, India	55.70	55.70
		GANNON Dunkerly	44.30	44.30
9	Ircon-RCS-PFLEIDERER	Ircon, India	65.08	65.08
		Rayalseema Concrete Sleepers Pvt. Ltd, India	21.87	21.87
		Pfleiderer Infrastrukturtechnik GmbH & Co, Germany	13.05	13.05

(b) Joint-Venture Companies:

S. No	Name of JV Company	Shareholders and country of origin	Percentage of Ownership	
			As at 31 March 2015	As at 31 March 2014
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	Chhattisgarh East Railway Limited (CERL)	Ircon, India	26.00	26.00
		SECL, India	64.00	64.00
		CSIDC	10.00	10.00
4	Chhattisgarh East-West Railway Limited (CEWRL)	Ircon, India	26.00	26.00
		SECL, India	64.00	64.00
		CSIDC	10.00	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:

(₹ in Crore)

S.No	Particulars	2014-15	2013-14
1.	Fixed Assets	504.98	531.24
2.	Other Non Current Assets	26.45	0.52
3.	Current Assets		
a)	Inventories	21.62	1.29
b)	Trade receivables	0.67	0.63
c)	Cash and Bank balances	73.12	91.95
d)	Short-term loans and advances	39.33	21.98
e)	Other current assets	134.76	126.96
4.	Non Current Liabilities		
a)	Long term liabilities	543.20	583.95
5.	Current Liabilities		
a)	Trade payables	17.30	3.43
b)	Other current liabilities	205.16	145.83
c)	Short-term provisions	0.29	0.19
6.	Income	173.24	90.99
7.	Expenditure	182.73	115.28

(d) Contingent Liabilities of the Jointly Controlled entities are disclosed in note 31 (f).

42. Related Party disclosures:

a) Enterprises where control exists:

Joint Ventures: -

- Unincorporated Joint Ventures – As per Note no. 41 (a) above
- Joint Venture Companies – As per Note no. 41 (b) above.

b) Key management personnel (KMP) :

Directors: -Shri Mohan Tiwari, Shri K K Garg, Shri Deepak Sabhlok and Shri Hitesh Khanna.

c) Disclosure of transactions with related parties (to the extent not consolidated):

(₹ in Crore)

Particulars	Transactions during the year		Particulars of Contracts/ Arrangements Nature of Transaction
	2014-15	2013-14	
1. Remuneration to KMP	As per Note No. 44		
2. Sale of Goods & Services			
Joint Venture			
CERL	27.67	-	Consultancy & works receipts
CEWRL	53.64	-	Consultancy receipts
Total	81.31		
3. Loan To JVs			
Joint Venture			
CCFB	5.34	-	
CERL	22.20	-	
IRCON-AFCONS JV	9.06	-	
Total	36.60		
4. Reimbursement of deputation staff expenses, rent & other misc. expenses			
JVs			
ISTPL	0.99	-	
Total	0.99		

d) Disclosure of amount due to/from related parties (to the extent not consolidated):

(₹ in Crore)

Particulars	Amount	
	As on 31.3.2015	As on 31.3.2014
Amount Receivables		
(1) Loan outstanding to JVs	97.33	60.19
CCFB	66.07	60.19
CERL	22.20	-
Ircon-Afcons JV	9.06	-
(2) For Other Services, reimbursements etc. to JVs	7.75	3.50
CCFB	0.59	3.50
ISTPL	3.58	-
CERL	3.28	-
CEWRL	0.30	-

43. Disclosure of net assets & shares in profit of parent, subsidiaries, associates & joint ventures as per direction under schedule III of the Companies Act, 2013.

(₹ in Crore)

S. No.	Name of Entity	2014-15				2013-14			
		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
A	Holding Company, Ircon International Ltd.	93.60	3,092.59	99.11	576.98	96.92	2,851.66	101.68	904.98
B	Subsidiaries								
1	IrconISL	1.98	65.57	1.94	11.27	1.00	29.31	0.86	7.66
2	IRSDC	1.31	43.44	0.34	1.98	1.41	41.46	0.28	2.53
3	Ircon PB Tollway Ltd.	2.69	88.91	(0.19)	(1.09)	-	-	-	-

S. No.	Name of Entity	2014-15				2013-14			
		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
4	Minority Interest in Subsidiaries	(0.64)	(21.28)	(0.17)	(0.97)	(0.69)	(20.32)	(0.14)	(1.24)
C	Joint Ventures								
	Indian								
1	RICON	0.29	9.67	0.04	0.25	0.32	9.41	0.01	0.09
2	ISTPL	0.16	5.13	(1.35)	(7.83)	0.44	12.96	(2.18)	(19.44)
3	CERL	0.03	1.12	-	(0.01)	-	(0.02)	-	(0.04)
4	CEWRL	0.03	1.12	-	(0.01)	-	(0.02)	-	(0.03)
5	Ircon-SPSCPL	0.10	3.24	0.56	3.24	-	-	-	-
6	Ircon-Afcons	0.04	1.33	0.33	1.91	-	0.09	(0.12)	(1.06)
7	IMCC	0.10	3.38	(0.01)	(0.04)	0.11	3.21	-	(0.01)
8	MTG	0.16	5.42	0.05	0.28	0.19	5.51	0.02	0.18
	Foreign								
1	CCFB	0.15	4.81	(0.65)	(3.80)	0.30	8.78	(0.41)	(3.61)
	Total	100.00	3,304.45	100.00	582.16	100.00	2,942.03	100.00	890.01

44. Details of remuneration to Directors:

(₹ in Crore)

Sr.	Particulars	2014-15	2013-14
I	Salary & allowances*	1.78	1.06
II	Contribution to provident fund	0.10	0.09
III	Reimbursement of medical expenses	0.03	0.03
IV	Other benefits	0.27	0.26
	Total	2.18	1.44

* Figures of 2014-2015 include PRP (2012-2013) of ₹ 0.64 crore paid during the year, whereas no PRP paid during the year 2013-2014

Recovery as applicable has been made from Directors who have been provided with Company accommodation and car.

45. During the year, the 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 ₹ 0.87 crore (NIL) has been provided for.

46. The lease agreement for Locomotives given on hire to a foreign client has been renewed up to 31.12.2015. The renewal of agreement, however, remains always uncertain. In the event of such non-renewal, the left-over spares meant for maintenance of the locomotives will become redundant and fetch insignificant value as it may be too expensive to ship them back to India. The cost of such spares is expensed off in the year of purchase/receipt following a conservative accounting policy.

47. 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 ₹ 9.91 crore (₹ 9.24 crore) to the trust.

Gratuity

The liability towards gratuity as per rules of the Holding Company is recognised on the basis of actuarial valuation.

Post-Retirement Medical Facility (PRMF)

The Holding Company had established an irrevocable trust by initial one-time contribution of ₹ 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. IRCON Medical Trust has a combined fund of ₹ 50.05 crore (₹ 31.83 crore) as on 31.03.2015. This being a voluntary welfare measure, the Holding Company is not liable for providing such benefits to its employees. However, the Holding Company has also kept provision of ₹ 7.33 crore (₹ 17.50 crore).

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 31.03.2015 is as under

i) Changes in the present value of obligations

(₹ in Crore)

	Gratuity	Leave Encashment*	LTC	Other Retirement Benefits
Present Value of Obligation as at beginning of the period	61.85 (53.87)	76.95 (61.34)	0.14 (0.08)	1.29 (1.41)
Interest Cost	4.95 (4.04)	6.16 (4.60)	0.01 (0.01)	0.10 (0.11)
Current Service Cost	3.37 (3.16)	4.63 (4.72)	- (-)	0.06 (0.06)
Past Service Cost	- (-)	- (-)	- (-)	- (-)
Benefit Paid	(3.70) ((2.35))	(8.78) ((7.16))	(0.01) ((0.02))	(0.03) (-)
Actuarial (gain)/loss on obligation	(0.15) (3.12)	0.95 (13.45)	(0.02) (0.07)	(0.14) ((0.28))
Present Value of Obligation as at the end of the period	66.31 (61.85)	79.90 (76.95)	0.13 (0.14)	1.28 (1.29)

* Except employees posted on Foreign Projects

ii) Changes in the fair value of plan assets

(₹ in Crore)

	Gratuity	Leave Encashment*	LTC	Other Retirement Benefits
Fair Value of plan assets as at beginning of the period	- (-)	- (-)	- (-)	- (-)

Expected return on Plan Assets	- (-)	- (-)	- (-)	- (-)
Contributions	- (-)	- (-)	- (-)	- (-)
Benefit Paid	- (-)	- (-)	- (-)	- (-)
Actuarial (gain)/loss on Plan Assets	- (-)	- (-)	- (-)	- (-)
Fair Value of Plan Assets as at the end of the period	- (-)	- (-)	- (-)	- (-)

** Except employees posted on Foreign Projects

iii) Amount recognised in balance sheet

(₹ in Crore)

	Gratuity	Leave Encashment*	LTC	Other Retirement Benefits
Present Value of Obligation as at the end of the period	66.31 (61.85)	79.90 (76.95)	0.13 (0.14)	1.28 (1.29)
Fair Value of Plan Assets as at the end of the period	- (-)	- (-)	- (-)	- (-)
Funded Status	(66.31) ((61.85))	(79.90) ((76.95))	(0.13) ((0.14))	(1.28) ((1.29))
Excess of actual over estimated	- (-)	- (-)	- (-)	- (-)
Net liability recognised in the balance sheet	(66.31) ((61.85))	(79.90) ((76.95))	(0.13) ((0.14))	(1.28) ((1.29))

* Except employees posted on Foreign Projects.

iv) Expenses recognised in statement of profit & loss

(₹ in Crore)

	Gratuity	Leave Encashment*	LTC	Other Retirement Benefits
Current Service Cost	3.37 (3.16)	4.63 (4.72)	- (-)	0.06 (0.06)
Past Service Cost	- (-)	- (-)	- (0.01)	- (-)
Interest Cost	4.95 (4.04)	6.16 (4.60)	0.01 (-)	0.10 (0.11)
Expected return on plan assets	- (-)	- (-)	- (-)	- (-)
Net actuarial (gain)/ loss recognised in the year	(0.15) (3.12)	0.94 (13.45)	(0.02) (0.07)	(0.14) ((0.28))
Expenses recognised in the statement of profit & loss	8.16 (10.33)	11.73 (22.77)	- (0.08)	0.02 ((0.12))

* Except employees posted on Foreign Projects.

The Holding Company expects to contribute ₹ 8.76 crore for gratuity, ₹ 11.27 crore for leave encashment, ₹ 0.02 crore for LTC and ₹ 0.20 crore for other retirement benefits in the next year.

v) Actuarial Assumptions

a. Method used	Projected Unit Credit Method
b. Discount rate	8.00 %
c. Rate of increase in compensation levels	8.00 %
d. Average outstanding service of employees up to retirement	13.53 years
e. Estimated term of benefit obligations	13.53 years

vi) Amounts for the current and previous 4 periods are as follows;

a. Gratuity:

(₹ in Crore)

	31 Mar 2015	31 Mar 2014	31 Mar 2013	31 Mar 2012	31 Mar 2011
Defined benefit obligation	66.31	61.85	53.87	49.63	44.61
Plan assets	-	-	-	-	4.07
Surplus/(deficit)	(66.31)	(61.85)	(53.87)	(49.63)	(40.54)
Experience adjustments on plan liabilities	0.15	(3.12)	(1.13)	(1.01)	(3.61)
Experience adjustments on plan assets	-	-	-	-	(0.26)

b. Leave Encashment (Except employees posted on Foreign Projects):

(₹ in Crore)

	31 Mar 2015	31 Mar 2014	31 Mar 2013	31 Mar 2012	31 Mar 2011
Defined benefit obligation	79.90	76.95	61.34	55.61	54.02
Plan assets	-	-	-	-	-
Surplus/(deficit)	(79.90)	(76.95)	(61.34)	(55.61)	(54.02)
Experience adjustments on plan liabilities	(0.95)	(13.46)	(0.04)	5.18	(11.52)
Experience adjustments on plan assets	-	-	-	-	-

c. LTC:

(₹ in Crore)

	31 Mar 2015	31 Mar 2014	31 Mar 2013	31 Mar 2012	31 Mar 2011
Defined benefit obligation	0.13	0.14	0.08	-	-
Plan assets	-	-	-	-	-
Surplus/(deficit)	(0.13)	(0.14)	(0.08)	-	-
Experience adjustments on plan liabilities	0.02	(0.07)	-	-	-
Experience adjustments on plan assets	-	-	-	-	-

d. Other Retirement Benefits:

(₹ in Crore)

	31 Mar 2015	31 Mar 2014	31 Mar 2013	31 Mar 2012	31 Mar 2011
Defined benefit obligation	1.27	1.29	1.41	1.57	1.45
Plan assets	-	-	-	-	-
Surplus/(deficit)	(1.27)	(1.29)	(1.41)	(1.57)	(1.45)
Experience adjustments on plan liabilities	0.14	0.28	0.35	0.06	0.02
Experience adjustments on plan assets	-	-	-	-	-

48. Disclosure under AS-7 on Construction Contracts for contracts in progress*

(₹ in Crore)

	Details	Up to 31st March 2015	Up to 31st March 2014
(a)	Contract revenue recognized as revenue in the period	2883.55	4036.29
(b)	Aggregate amount of costs incurred and recognized profits (less recognized losses)	20667.13	18309.48
(c)	Amount of advances received from client	847.83	314.77
(d)	Amount of retentions (by client)	100.56	106.32
(e)	Gross amount due from clients for contract work	434.12	619.42

* excluding projects completed up to 31.03.2015

49. 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 2015.

50.(i) Gross amount required to be spent by the Holding Company during the year is ₹ 4.93 crore (₹ 7.30 crore).

(ii) During the year, the Holding Company has spent ₹ 6.70 crore (₹ 8.41 crore) as against required amount of ₹ 4.93 crore (₹ 7.30 crore) on Corporate Social Responsibility (CSR) activities. Break up of expenditure incurred is as follows;

(₹ in Crore)

Sr. No.	Description	2014-15	2013-14
1.	Eradicating hunger, poverty & malnutrition, promoting preventive healthcare & sanitation & making available safe drinking water	3.06	3.02
2.	Promoting Education	0.76	1.16
3.	Promoting gender inequality & empowering women	0.02	0.42
4.	Ensuring environmental sustainability	1.04	1.07
5.	Protection of national heritage, art & culture	0.52	0.10
6.	Contribution to Prime Minister Relief Funds or any other fund set up by the Central Govt. for socio-economic development & relief.	0.50	1.25
7.	Rural Development Projects	0.80	1.39
	Total	6.70	8.41

(iii) Amount spent during the year

(₹ in Crore)

Sr. No.	Description	In Cash	Yet to be paid in cash	Total
1.	Construction/acquisition of asset	-	-	-
2.	Other purposes	6.64	0.06*	6.70

*paid in April'2015

51. Basic earnings per share are computed by dividing net profit after tax ₹ 582.16 crore (₹ 890.01 crore) by (1,97,96,000) fully paid equity shares of ₹ 10 each. Diluted earnings per share are not applicable, as there is no dilution involved.

52. Previous year's figures have been regrouped and rearranged 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 Vinod Kumar & Associates

Chartered Accountants
FRN 002304N

Mukesh Dadhich

Partner
M. No. 511741

Place : New Delhi

Date : 13.10.2015

For T.R.Chadha & Co.

Chartered Accountants
FRN 006711N

Neena Goel

Partner
M. No. 057986

For and on behalf of the Board of Directors

K.K.Garg

Director Finance
DIN 01495050

Mohan Tiwari

Chairman & Managing Director
DIN 00191363

Sumita Sharma

Company Secretary

Place : New Delhi

Date : 14.08.2015

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, NEW DELHI FOR THE YEAR ENDED 31ST MARCH 2015.

The preparation of consolidated financial statements of **IRCON INTERNATIONAL LIMITED, NEW DELHI** for the year ended 31st March 2015 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 139(5) 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 13.10.2015.

I, on the 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 LIMITED, NEW DELHI** for the year ended 31st March 2015. We conducted supplementary audit of the financial statements of the Subsidiaries namely Ircon Infrastructure & Services Limited, Ircon PB Tollway Limited and Indian Railway Stations Development Corporation Limited but did not conduct supplementary audit of Jointly Controlled Entities (as per list enclosed) for the year ended on that date. 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 auditor's report.

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

Date : 23.11.2015
Place : New Delhi

Dinesh Bhargav
Principal Director of Audit
(Railway Commercial)

List of 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 2014-15.

Joint Ventures

1. RICON.
2. Companhia Dos Caminhos De Ferro Da Beira, SA (CCFB).
3. Ircon-Soma Tollway Private Limited (ISTPL).
4. International Metro Civil Contractors (IMCC).
5. Metro Tunnelling Group (MTG).
6. Ircon-SPSCPL U.J.V.
7. Ircon-Afcons JV.
8. Chhattisgarh East Railway Limited (CERL).
9. Chhattisgarh East-West Railway Limited (CEWRL).

Audit Officer (Hqr.)



IRCON INTERNATIONAL LIMITED

(A Government of India Undertaking)

C-4, District Centre, Saket, New Delhi-110017
Tel.: +91-11-29565666, Fax : +91-11-26522000 / 26854000
E-mail : info@ircon.org, Website : www.ircon.org
CIN : U45203DL1976GOI008171

