

CHAPTER I

PARTICULARS OF ORGANISATION, FUNCTIONS & DUTIES

Particulars of Organization

General Profile

Ircon International Limited (Ircon), a government company, was incorporated on 28th April, 1976, in Delhi under the name Indian Railway Construction Company Limited mainly for the purpose of construction of Railway Projects in India and abroad on commercially prudent lines with the help of expertise from Railways. The name of the Company was changed to "Ircon International Limited" w.e.f. 17th October 1995 in tune with the international image and scope of operations of the Company.

The Company was originally registered as a private limited company with an authorized share capital of Rs.10 crores and equity paid-up share capital of Rs.10.02 lakhs, wholly contributed by the Government through Ministry of Railways. This paid-up share equity capital was increased by the Government from Rs. 10.02 lakhs to Rs.4.949 crores in 6 tranches from the year 1976 to 1985. 0.27% of paid-up share capital was disinvested by the Government of India in 1991-92 in favour of UTI (now with IRFC) and Bank of India Mutual Fund (now with Bank of India). As a result, the Company was converted into a public limited company and its shares were got listed on Delhi and Mumbai stock exchanges in 1992. However, Ircon continues to be a Central Government Company under section 617 of the Companies Act 1956, with 99.715% of the share capital owned by the Government through the Ministry of Railways.

The initial authorized share capital of Ircon was Rs.10 crores and presently it stands at 400 crores and the subscribed and paid-up share capital is Rs.94.051 crores.

Ircon is – (a) A Schedule 'A' Company w.e.f. 15th May 2006; (b) A Mini Ratna Category -I since 1998; (c) A MoU signing Company since 1991- 92; (d) An ISO certified Company for Quality Management System for the organization since 1996, Environment Management System from 2011 and Occupational Health and Safety Management System (certified during 2012-13); and (e) A profit making company since 1977-78, a regular dividend payer from 1980-81, and a regular foreign exchange earner from 1981-82 without any lapse in any year.

Operational Profile

The Company started its operations in 1977-78 and entered international market in a big way with a major breakthrough in Iraq followed by Algeria. Completion of project in time conforming to international standards earned for Ircon its reputation as one of the leading construction companies of India. Commencing its operations exclusively in the railway sector, the Company diversified its activities in 1985 to other constructions too. The scope was further enhanced in 1993 to include projects on BOT, BOOT, BLT etc., business relating to leasing, real estate, etc.

The core competences in order of priority are – Railways, Highways & EHT Sub-station Engineering and Construction. The Company has executed projects operated in the areas of Railways construction including ballast less track, electrification, tunneling, signal & telecommunication as well as leasing of locos, construction of roads, highways, commercial, industrial & residential buildings and complexes, airport runway and hangars, metro and mass rapid transit system, etc.

Presently, it is executing projects abroad in Myanmar, Nepal, Bangladesh, Algeria and South Africa. In India, it is executing several prestigious projects which include Construction of Corridor-III of East-West Corridor between Gevra Road to Pendra Road in State of Chhattisgarh and feasibility study in the State of Chhattisgarh; Doubling projects at RDUM-TAL-RJO (Rampur Dumra Tal Rajendrapul) project, Kiul Gaya, Hajipur- Bachwara, Katni-Singrauli project; Execution of Rail Coal Connectivity Project(s) in the state of Jharkhand, Odisha and Chhattisgarh. Execution of civil and railway allied works in connection with construction of private Railway siding for proposed Integrated Steel Plant at Nagarnar, Chhattisgarh; Akhaura – Agartala Rail Link project; Design and construction of Civil Building & Track Works of Dedicated Freight Corridor Project Vaitarana-Sachin Section; Additional work of Design, Drawing and Construction of External Development works & External Services at National Institute of Technology (NIT), Mizoram; Six-Laning of Davanagere-Haveri section of NH-48 in the State of Karnataka, Construction of Eight-lane Vadodara -kim Expressway in Gujarat; and Additional works for Construction of Road Over Bridges (RoB's) in the State of Bihar (New RoB's-12) for East Central Railway.

Completed Foreign Projects:

During the year, the Company has completed two projects in Bangladesh for Bangladesh Railways viz. (a) project for construction of 2ndBhairab Railway Bridge with Approach Rail Lines (Lot-A) -- being undertaken through unincorporated JV between your Company and AFCONS viz. IRCON-AFCONS JV and (b) 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.

There are the three major on-going foreign projects under execution. These are: (a) Bangladesh - Construction of Embankment, Track, all civil works, bridges and implementation of EMP against Package WD1 under the project Construction of Khulna-Mongla Port Rail Line for Bangladesh Railway; Physical progress upto March 2018 was 14%. (b) Algeria - Installation of double track line (93 kms) in Algeria awarded by ANESRIF, Ministry of Transport, Government of Algeria (c) South Africa - Procurement of Plant Design, Supply and Installation of Overhead Track Equipments, Traction Sub-stations, Auxiliary Power Supplies Substations, Bulk Power Supplies Switching Stations and Signalling Systems for Majuba Rail Project, South Africa, for Eskom Holdings SOC Limited.

Completed Domestic Projects:

The Company has also completed three projects in India viz.(a) One RoB on State owned Road (other than NHs) in Bihar through its funds on 1st Km at Manpur by-pass in Gaya District, Bihar for Road Construction Department, Government of Bihar; (b) Carrying out topographical and Geotechnical survey; Preparation of Master Plan, Planning, Designing and Construction of Boundary Wall and allied Preparatory works, for the National Institute of Technology, Mizoram; (c) Construction of New Indoor Sports Complex at Gholsapur (Behala) on Sealdah Division, for Eastern Railway.

Major projects secured and being executed in India include:

- Katni Grade Separator / By pass line (21.50 Km) Project, for West Central Railway;
- Railway electrification work for Katni-Singrauli, for West Central Railway;
- Mathura-Kasganj-Kalyanpur Railway Electrification Project with Signalling, for North Eastern Railway;

- Visakhapatnam (Diesel Loco shed) – Augmentation of shed for homing 100 HHP locomotives, for East Coast Railway;
- Construction of Corridor-III of East-West Corridor between Gevra Road to Pendra Road approximately 135 km, feasibility study of East-West Corridor between Gevra Road to Pendra Road in the State of Chhattisgarh, for Chhattisgarh East-West Railway Limited (CEWRL);
- Construction of Corridor-I of East Corridor between Kharsia to Dharamjaygarh and Spur Line in the State of Chhattisgarh, for Chhattisgarh East Railway Limited (CERL);
- Survey, Feasibility study, Detailed Design and Construction of various identified Rail Coal Connectivity Project(s), for Mahanadi Coal Railway Limited (MCRL);
- Railway Tracks (In-plant) Package (Package No. 50) for 3.0 MTPA Integrated Steel Plant at Nagarnar, for NMDC;
- works in Katra-Qazigund section including Dharam-Qazigund section, Km 73.00 to 91.00, for Northern Railway.

Ircon has also entered into a Memorandum of Understanding on 26th March 2018 with the Rail Land Development Authority (RLDA) for transfer of lease hold rights to Ircon for commercial development on the land parcel admeasuring 4.3 (four point three) Hectare at Bandra East, Mumbai, Maharashtra.

ORDER BOOK

The Company has secured new works worth Rs. 6,106 crore during the year 2017-18, taking the work load to Rs. 22,407 crore (approx..) as on 31st March 2018 as compared to Rs 18878 Cr (approx.) as on 31st March 2017.

CSR & SUSTAINABILITY

The Company has spent a total amount of Rs. 8.73 crore towards Corporate Social Responsibility (CSR) and Sustainability initiatives, broadly comprising of activities in the field of Swachh Bharat, health, education, rural development, environment, employment enhancing education, and Infrastructure development against allocated Rs 8.58 for year 2017-18.

SUBSIDIARIES AND JOINT VENTURE COMPANIES

During the year, the Company formed following SPV's as subsidiary companies:

- A wholly-owned subsidiary company by the name 'Ircon Davanagere Haveri Highway Limited' (IrconDHHL) was formed on 11th May 2017 to undertake the business of development, maintenance and management of National Highway No. 48 (Old NH-4).
- A wholly owned subsidiary company by the name of "Ircon Vadodara Kim Expressway limited (IrconVKEL) was formed on 16th May 2018 in the state of Gujarat to carry on the business of development maintenance and management of Eight lane Expressway.

With these additions/ disinvestments, Ircon Group now comprises of five subsidiaries (viz. Ircon Infrastructure & Services Limited, Ircon PB Tollway Limited, Ircon Shivpuri Guna Tollway Limited and Ircon Davanagere Haveri Highway Limited and Ircon Vadodra Kim Expressway) and seven JVCs in India (viz. Ircon-Soma Tollway Private Limited, Indian Railway Stations Development Corporation Limited, Chhattisgarh East Railway Limited, , Chhattisgarh East-West Railway Limited, Mahanadi Coal Railway Limited, Jharkhand Central Railway Limited, and Bastar Railway Private Limited).

Financial Profile

During the financial year 2017-18, Ircon achieved a total operating income of Rs.3896.39 crore, registering 28.84% increase over previous year's operating income of Rs.3024.23 crore.

Some important indicators of financial performance of the Company for the year 2017-18 vis-à-vis 2016-17 are given below:

(Rs. in crore)				
Sl. No.	Particulars	2017-18	2016-17	Increase / (Decrease) [in %]
1.	Total income / turnover	4123	3254	26.70
2.	Total Operating income / turnover	3896	3024	28.84
3.	Operating income from Foreign Projects	601	327	83.83
4.	Operating income from Indian Projects	3295	2668	23.52
5.	Profit before tax	533	532	0.33
6.	Profit after tax	391	369	5.97
7.	Net worth	3752	3828	(1.99)
8.	Dividend	192.40	192.40*	--

* Includes final dividend of Rs.97.25 crore for the year 2017-18 which was paid in the year 2017-18 after approval by AGM as per IndAS.

Share capital and Listing:

The authorized share capital of Ircon has been increased from Rs.100 crore to Rs.400 crore during the year 2017-18.

Further, the Company bought back 49,28,426 fully paid-up equity shares of Rs.10/- each from the President of India utilizing Rs.234.57 crore (which includes tax of Rs.43.98 crore), in accordance with the "Guidelines on capital Re-structuring of CPSEs" issued by DIPAM on 25th May 2016. Accordingly, the paid-up share capital of the Company stood reduced from Rs.98.98 crore to Rs.94.05 crore w.e.f. 26th December 2017.

After the announcement of the listing of shares of Ircon in the budget for the 2017-18 by the Government of India, the process of disinvestment of approx. 10.53% of post paid-up share capital by the President of India got commenced. Issue/Offer opening date was 17th September 2018 and the closing date was 19th September 2018. Ircon got listed on 28th September, 2018.

Awards

During the year 2017-18, the Company has won following awards:

1. Dun & Bradstreet Infra Awards 2017, in the category of "Construction & Infrastructure Development (Railways)". The award was presented by Mr. Nitin Gadkari, Hon'ble Minister of Road Transport & Highways, Shipping and Water Resources, River Development and Ganga Rejuvenation on 02.11.2017.

2. Governance Now 5th PSU Awards 2017 in the financial category (Consistent Growth). The award was presented by Ms. Krishna Raj, Hon'ble Union Minister of State of Agriculture & Farmers Welfare, India on 27.02.2018.
3. Dainik Bhaskar India Pride Awards 2017-18 in the category of "Central PSU: Miniratna – Category-I". The award was presented by Mr. Shivraj Singh Chouhan, Hon'ble Chief Minister of Madhya Pradesh and Mr. Dharmendra Pradhan, Hon'ble Minister for Petroleum & Natural Gas and Minister of Skill Development & Entrepreneurship on 28.03.2018.
4. CIDC Partners in progress Trophy 2018 from Construction Industry Development Council (CIDC) for achieving targets of "Mission Skilling India" under various CIDC initiatives on 07.03.2018.

Function and Duties

Vision - Information may be accessed through the link: <http://www.ircon.org> – Quick Menu – Company - Vision

Mission - Information may be accessed through the link: <http://www.ircon.org> – Quick Menu – Company - Vision

Key Values - Information may be accessed through the link: <http://www.ircon.org> - Quick Menu - Subsidiaries and Joint Ventures

Subsidiaries and Joint Ventures

Information may be accessed through the link: <http://www.ircon.org> – Quick Menu - Subsidiaries and Joint Ventures

Address of Ircon Corporate Office, Regional Offices and Project Offices

Information may be accessed through the link: <http://www.ircon.org> – Quick Menu - Office Network
