

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 99.73% of the share capital owned by the Government through the Ministry of Railways.

Presently, the authorized share capital of Ircon is Rs.100 crores (increased from Rs.10 crores to Rs.25 crores in the year 1996 and from Rs.25 crores to Rs.100 crores in the year 2015) and the subscribed and paid-up share capital is Rs.19.796 crores w.e.f. 15th October 2012 consequent upon issue of bonus shares in the ratio of 1:1.

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.

Ircon is no more a listed company w.e.f. 15.03.2012. The equity shares of Ircon stand delisted from Bombay Stock Exchange w.e.f. 03.11.2011 and from Delhi Stock Exchange w.e.f. 15.03.2012.

Operational Profile

The Company started its operations in 1977-78 and entered the international market in a big way with a major breakthrough in Iraq followed by Algeria. Completion of project in time conforming to exacting 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 of objects was enhanced in 1993 to include projects on BOT, BOOT, BLT etc., business relating to leasing, real estate, etc. In 1999 it was further widened to include the business of telecommunications for provision of full range of telecom and information technology (IT) services including but not limited to business of internet service provision (ISP), long distance backbone transmission service provision, basic services, cellular services, other value added services and other related services in India and abroad.

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.

The Company has completed various infrastructure projects in India and abroad over the years in these areas. Presently, it is executing projects abroad in Malaysia, Bangladesh, and Algeria. In India, it is executing several prestigious projects which include Rail-cum-road bridge across river Ganga, Road over Bridges in the State of Rajasthan and Bihar, New Rail Coach Factory at Rae Bareli (U.P), Sivok-Rangpo new rail line project, apart from the Nation building projects under Pradhan Mantri Gram Sadak Yojana, Rashtriya Sam Vikas Yojana and J&K Rail Link Project.

Financial Profile

The Company which started with a turnover of Rs.67 lakhs in 1977-78 has achieved a turnover of Rs.3122 crores during 2014-15. The Company started with a profit before tax of Rs.2lakhs in 1977-78 and has achieved a profit before tax of Rs.844 crores and profit after tax of Rs.579 crores during 2014-15. Ircon has earned net foreign exchange earnings of Rs.418 crores during 2014-15. Ircon has been making profits every year without fail and has paid a cumulative dividend of Rs.939.25 crores so far to the shareholders up to 2014-15. The net worth of the Company is Rs.3354 crores as on 31st March 2015. The Company has an order book position of more than Rs.13293 crores as on 31st March 2015.

Awards

Till 31.03.2015, the Company has won several top exporter awards over the years:

27 in all from EEPC INDIA (formerly Engineering Export Promotion Council) for outstanding contribution to engineering exports and excellence.

45 awards in all from Project Export Promotion Council of India (PEPC) (formerly Overseas Construction Council of India) including awards for maximum turnover in overseas construction projects, and maximum foreign exchange earned and repatriated to India from overseas construction/ service contracts.

Function and Duties

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

Mission - Information may be accessed through the link: <http://www.ircon.org>

KeyValues - Information may be accessed through the link: <http://www.ircon.org>–Quick Menu – Corporate Governance – Key Values of IRCON

Subsidiaries and Joint Ventures

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