

News monitored for: MRC

Ircon Eyes Railway Projects in Malaysia, and Bangladesh

New overseas projects may boost revenue growth to 30%, says chairman Chaudhary

Nishtha.Saluja
@timesgroup.com

New Delhi: State-owned Ircon International is looking to expand its footprint in Malaysia and Bangladesh and is eyeing a revenue growth of 30%, its chairman SK Chaudhary, told ET.

The engineering and construction company under the railway ministry recently bagged a project for upgradation of railways in Sri Lanka, and is expecting railway projects to materialise in Bangladesh and Malaysia. Chaudhary said he expects Ircon to bag new projects in these three countries, which along with the ongoing railway projects in Bangladesh and Myanmar, could boost revenue growth to 30% year-on-year.

The company had registered a 20% growth in revenue in the financial year 2018-19. "Overseas business is our main focus. Profits come from there. In most of the projects in India, quality is compromised in getting bids at the lowest price. That must change," Chaudhary said. "Track record of a company is a must in winning projects."

Overseas business currently accounts for 13% of Ircon's overall portfolio. The company expects this business to grow to 25-30% in fiscal 2020, said Mukesh Kumar Singh, director of finance at Ircon.

In 2013-14, overseas projects accounted for 49% of the company's business. The decline in overseas business came due to administrative reasons. "We had some difficulty in ap-

pointing the JV partners and agents who were locally required to be appointed in a foreign country. We have now formulated new guidelines which are in the process of approval," Singh said.

In Malaysia, the company is close to finalising a rail project, while a railways and roads project is also coming up in Sri Lanka, Singh said. The company expects to gain from the renewed infrastructure push of the new government. "Railways will be the biggest chunk of the ₹100 lakh crore investment because a lot of doubling, tripling (of railway lines), electrification,



The PSU recently bagged a project for upgradation of railways in Sri Lanka and is expecting railway projects to materialise in Bangladesh and Malaysia

even signalling changes will take place. So things are looking positive on increasing our order book as well as turnover," Chaudhary, adding that he expects investment of ₹12-15 lakh crore in the railway sector alone over the next five years. Ircon, a PSU tasked with the construction of railway tracks, expects orders worth ₹10,000 crore from the government in the current financial year, Chaudhary said.

The company is also looking to bid for key infrastructure projects in the country, including the Gujarat-Maharashtra bullet train corridor and the Zojila Tunnel in Jammu & Kashmir, he said.

