

REVIEW OF ANNUAL REPORT AND AUDITED ACCOUNTS OF IRCON INTERNATIONAL LIMITED FOR THE YEAR 2011-12

1. BACKGROUND

Ircon has a long standing reputation as a consistent sectoral leader amongst the public sector construction companies in the Country with specialization in Railway and Highway constructions on turnkey basis and otherwise. The Company is having the status of Mini Ratna Category-I since 1998 and ISO certified since 1995. Ircon has been consistently earning profits and foreign exchange and paying dividend every year, without exception.

2. FINANCIAL HIGHLIGHTS

During 2011-12, the Company achieved its highest ever turnover of Rs. 3782 crores. Further, it has achieved a quantum jump of 50% in profit before tax from Rs. 401 crores in 2010-11 to Rs. 602 crores in 2011-12. The profit after tax has also increased by 95%. Most of the targets under the MOU for 2011-12 have been achieved/ surpassed which would bring the Company under "Excellent" MOU rating.

Ircon is one of the five companies from India which could make it to the list of top 225 International Contractors of the World 2012 ranked by Engineering News Record (ENR). During the last five years, the Company has recorded a compounded annual growth rate of 19.63% in turnover and 40.24% in terms of profit before tax.

The Company has paid a record dividend of Rs. 94.03 crores for the year 2011-12 (including interim dividend of Rs. 29.69 crores paid in December 2011) which works out to 950% of the paid-up share capital and amounts to 20.01% of the post-tax profits of Rs. 470 crores. The cumulative dividend so far paid to shareholders up to 2011-12 stands at Rs. 426.54 crores. The Company has also issued bonus shares during the year in the ratio of 1: 1.

Railways and Highways continued to be the primary sectors of interest. During 2011-12, Railways accounted for 81% of operating income, Highways accounted for 14%, and the balance 5% was contributed by buildings, electrical sub-stations etc. Foreign projects contributed 51% to total operating income during the year.

Some important indicators of financial performance of the Company for the year 2011-12 vis-a-vis 2010-11 are given below:

Particulars	(Rs. in crores)		
	2011-12	2010-11	%age increase
1. Total income/Gross sales	3782	3254	16%
2. Operating income	3601	3175	13%
3. Profit before tax	602	401	50%
4. Gross margin	670	440	52%
5. Net worth	1743	1382	26%

