

CHAPTER I

PARTICULARS OF ORGANISATION, FUNCTIONS & DUTIES

Particulars of Organization

General Profile

1. IRCON 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 "Ircn International Limited" w.e.f. 17th October 1995 in tune with the international image and scope of operations of the Company. IRCON is a listed company with effect from 28th September, 2018.
2. IRCON is a Schedule 'A' Mini Ratna Category-I Government Company in the construction sector under the administrative control of Ministry of Railways with 73.18% of the paid-up equity share capital held by the Government of India. It is also an ISO certified Company for Quality Management System for the organization (since 1996), Environment Management System (since 2011), and Occupational Health and Safety Management System (certified since 2012-13). The company also have Occupational Health and Safety Management System i.e. ISO 45001:2018.
3. The Company is an integrated engineering and construction company, specializing in major infrastructure sectors, including, railways, highways, bridges, flyovers, tunnels, aircraft maintenance hangars, runways, EHV sub-stations, electrical and mechanical works, commercial and residential properties, development of industrial areas, and other infrastructure activities. We provide EPC services on a fixed-sum turnkey basis as well as on item rate basis for various infrastructure projects. IRCON also executes projects on Build-Operate-Transfer (BOT) / Hybrid Annuity Mode (HAM) basis and cost-plus basis by leveraging the financial strength of the Company to sustain future earnings. IRCON is headquartered in Saket, New Delhi and Sixty five (65) project offices including four (4) regional offices to support and manage its business operations throughout India and six (6) overseas project offices in Sri Lanka, Bangladesh, Malaysia, Algeria and Myanmar from where business activities are undertaken.

Operational Profile

1. 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 Ircn 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.
2. The core competences of IRCON 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.

3. So far, IRCON has delivered over 128 projects in 25 countries across the globe and over 400 projects in India. As per 2022 edition of USA's Engineering News Record (ENR), IRCON is the only Indian PSU to make it to the list of top 250 International Contractors as well as under top 250 Global Construction Contractors. Further, in the Business Standard BS 1000 Annual Magazine released in March 2023, IRCON has been ranked 164 in 2022 by total revenue and ranked 7 in terms of sector performance under the 'Construction and Infrastructure' Sector. IRCON is also ranked 226th in 2022 in the list of fortune India 500.

INTERNATIONAL PROJECTS

The following are the on-going international projects in Bangladesh, Algeria, Sri Lanka, Nepal and Myanmar:

- (a) **Bangladesh** - Khulna-Mongla Port Rail Line Project for Bangladesh Railway - Construction of Embankment, Track, all civil works, major & minor bridges (Except Rupsha Bridge) & culverts and implementation of EMP against WD1.
- (b) **Algeria** - ANESRIF, Ministry of Transport, Government of Algeria - Installation of double track line (93 kms) in Algeria awarded by ANESRIF.
- (c) **Sri Lanka** - Up-gradation of Railway Line from Maho to Omanthai Project under Indian Line of Credit of Sri Lankan Railways, Government of Sri Lanka - Track Rehabilitation and ancillary works. Further, Procurement of design, installation, Testin, commissioning and certifying of Signaling and Telecommunication system from Maho Junction (including) to Anuradhapura (Excluding) under Indian Line of Credit.”
- (d) **Nepal** – Construction of BG Rail line between Jogbani (India) – Biratnagar (Nepal) on Indo-Nepal border and Construction of BG Line by Gauge conversion Jayanagar (India)-Bijalpura (Nepal) with extension upto Bardibas on India Nepal Border.
- (e) **Myanmar** - Construction of Road from (Paletwa (Myanmar) to Zorinpui Mizoram) (Kaladan Road Project) under Kaladan Multi-Modal Transit Transport Project (KMMTT Project)- Ministry of External Affairs.

DOMESTIC PROJECTS

Since incorporation, the Company has diversified into various infrastructure sectors and is now an established player in the field of railway and highway construction. Moreover, it has diversified in many other areas such as power transmission lines, sub-stations industrial complex, bridge and flyovers, tunnels, electrical and mechanical work, signaling and telecom, production units, station building, multi-function complex, and construction of commercial, residential complexes, and airports. The diversification of project portfolio across various sectors has helped the company in de-risking its construction business and reduce our dependence on any sector or type of project.

During the FY 2022-23, your Company was awarded the projects in India viz., establishment of Railway Sidings along with Railway Station contiguous to Mine Lease Boundary of Gere Pelma Sector-III Coal Mine, PMC services for Signaling & Telecommunication system; and development of Rail Infrastructure for proposed 02 nos. RLS (20 MTY) for Ananta OCP of Jagannath Area, at Talcher. IRCON has also been engaged for Central Public Sector Undertaking (CPSUs) for development of New Industrial Estates in Union Territory of Jammu and Kashmir.

During FY 2022-23 the following two projects have included in the completed projects category. With this, IRCON has completed more than 400 completed domestic projects.

- Construction of Eight lane Vadodara Kim Expressway from Km. 323.000 to 355.000 (Sanpa to Padra Section of Vadodara Mumbai Expressway) in the State of Gujarat under NHDP Phase - VI on Hybrid Annuity Mode (Phase IA-Package II).
- ECR - Doubling between Hazipur - Bachwara with electrification project (72km) including planning, design and construction of all service and residential buildings, circulating area, parking, platforms, subways, shelters and other allied structures of all stations, including Electrical, Signal

ONGOING PROJECTS:

A list of ongoing major projects in India is given at **Appendix-A**.

In FY 22-23, the focus of your Company has been execution, faster deliveries and meeting stringent timelines for overall optimal contribution to the much needed infrastructure growth. This is in line with the vision of our Hon'ble Prime Minister and Hon'ble Minister of Railways. During the FY 2022-23 following were some of the achievements of on-going major projects in India:

1. Udhampur Srinagar Baramulla Rail Link Project (USBRL) in J&K (cost plus contract awarded by Northern Railways having revised estimated cost of ₹13557.47 Crore): Milestone of 23.4 Km of tunnel lining has been completed in the FY 2022-23 and a total of 94.162 km length [Comprising Main Tunnel (MT) + Escape Tunnel (ET) & Cross Passage (CP)] has been completed in the section between Katra to Banihal. Further, breakthrough of 13.18 Km of MT and 32.34 Km of ET were also achieved. Project has also achieved its highest ever expenditure booking of about ₹2899.40 Crores. The execution of project is in advanced stage and is targeted for commissioning in FY 2023-24.
2. Sivok Rangpo New BG Rail Line Project (cost plus contract awarded by Northeast Frontier Railways having revised estimated cost of ₹8248 Crore): Total Tunnel Mining and Lining completed in the FY 22- 23 is 11.60Km & 2.28Km respectively. Mining in six tunnels have been completed. Milestone of second breakthrough of Tunnel T-5 achieved on 18.06.2022, third breakthrough of Tunnel T-9 on 19.10.2022, fourth breakthrough of Tunnel T-2 (896 m.) on 23.11.2022, Fifth breakthrough of Tunnel T-12 (1404 m.) on 24.12.2022, sixth breakthrough of Tunnel T-11 (3232 m.) on 23.01.2023 and longest Adit tunnel of this project i.e. Adit-1 (1144m) of Tunnel T-10 on 19th Feb, 2023. Work is in progress in all the 14 tunnels, 13 major bridges and 4 yards. Overall progress of project is 50%. The project is of strategic importance with future connectivity to Gangtok and thereafter to Indo-China border (Nathula pass) and has a vital role in meeting the defense requirements.
3. Dedicated Freight Corridor Project (Vaitarana - Sachin Section of Western Dedicated Freight Corridor Phase-2), Civil, Building and Track Works, Package -CTP-12: EPC Contract awarded by Dedicated Freight Corridor Corporation of India Limited (DFCCIL): Revised estimated cost of work shall be ₹3353 Cr. Works completed and trial run done in Sachin - Gholvad section, 110 Route km out of 186 Rkm. Balance works in Gholvad - Vaitarana section are progressing well.

4. Rampur Dumra-Tal-Rajendrapul (cost plus project awarded by East Central Railway having revised estimated cost of ₹1701 Crore) : The Project comprises Design & construction of Main Bridge having total length of 1874m with 17 spans, Rail Viaduct of 3.2km, 2 nos. ROBs, 3 nos. RORs, one RUB, Embankment of around 11.3 km, 8 nos. Minor bridges and track linking works including electrification. Casting of 15 and sinking of 11 out of 18 wells, one abutment and seven pier cap have been cast. Erection of 6 nos. open web girder also launched. Formation work on north side along with flood protection works have been completed and on south side of river 25.98 lac cubic meter against the scope of 28.36 lac cubic meter earth work is completed. Seven out of eight minor bridge, one RUB and substructure for two ROBs also completed. Piling works on the all 3 RORs completed and pile cap casting is in progress (50% works completed). All the structural steel for important bridge, ROBs and RORs procured. Work on 3.6 Km long via duct is also progressing well and till date 927 nos. of piles out of 1000 nos., 61 pier caps and 12 pier shaft out of 101 nos. piers have been completed. The balance work is progressing well.
5. Katni-Singrauli Doubling Project (cost plus project awarded by Western Central Railways having revised estimated cost of ₹2445 Crore) : Total 78.29 Km sections was commissioned during FY 2022-23. During FY 2023-24, total 49.21 Km has been targeted. CRS (Commissioner of Railway Safety inspection) has inspected 19.13 Km section of Mahroi – Vijaysota on 27.06.2023. Another section of 30.11 Km is planned in December 2023 and 7.51 Km during FY 2024-25, total 180.5 Km out of 257 Km has been commissioned so far.
6. Katni-Singrauli Doubling Project (Railway Electrification Work): Railway electrification work commissioned in Katni-Singrauli Doubling project during FY 2022-23 is 78 RKM. Total 180.5 Km electrification completed with doubling.
7. Kiul-Gaya Doubling Project (cost plus project awarded by East Central Railways having revised estimated cost of ₹1200 Crore) : CRS inspection (Commissioner of Railway Safety inspection) of Wazirganj-Tilaiya section (18.01 Km) was conducted on 02.09.2022 and the section was commissioned at a permissible speed of 100 kmph; and, the entire Lakhisarai -Sheikhpura section (25.32 Km) was commissioned with 100 kmph on 21.02.2023. Total 61.48 Km has been commissioned so far. Rest 61.64 Km has been planned during FY 2023-24. During FY 2023-24, 1.405 Km of Kashichak yard commissioned on 31.05.2023.
8. Sports Complex at Gholsapur, Behala Stadium, Eastern Railway Kolkata (the revised estimate of ₹80.82 Cr.): An international standard fully airconditioned multi-purpose Indoor Stadium with state-of-the-art facilities at Behala was inaugurated on May 30, 2022.
9. NCRTC Project (Revised Estimated Cost of ₹723 Crore): IRCON has secured the prestigious ADB (Asian Development Bank) funded OHE & Power Supply Work of Delhi-Ghaziabad-Meerut RRTS Corridor of NCRTC through International Competitive Bidding. It marks a significant milestone as the first-ever semihigh-speed Rapid Rail Project in India to achieve the design speed of 180kmph and operation speed of 160kmph.

Major achievements are as follows:

- Introducing Spring type ATD of 3000 kgf tension, Glass Fibre Tension Insulator at insulated overlap, Retractable Catenary System, which have been used for the first time in India for design speed of 180 kmph;
- Commissioning of 220 kV, 33 kV & 25 kV Gas Insulated Sub-stations (GIS), which are compact in size, low in maintenance and reduce the requirement of space;

- Commissioning of overhead equipment (OHE) of priority section of the project from Sahibabad to Duhai including Duhai Depot, covering a distance of 17 RKM, in record time;
- Delivering results by initiating the trial run on 5th January 23;
- Commissioning of 2 nos. of 220kV Receiving Sub Stations (Ghaziabad RSS & Murad Nagar RSS), associated 220 kV EHV Cabling from GSS to RSS and 5 nos. of 33 kV Auxiliary Sub Stations (ASS);
- Civil works at the RSS locations have been executed in compliance to achieve highest rating of IGBC;
- Achieved ISO 45001:2018 (Occupational Health & Safety Management System) and ISO 14001:2015 (Environmental Management System) certification for NCRTC Project;

FINANCIAL HIGHLIGHTS:

During the financial year 2022-23, the Company has earned total income of Rs.10,262 Crore and operating turnover of Rs.9,921 Crore, on a standalone basis.

Some important indicators of financial performance of the Company for the year 2022-23 vis-à-vis 2021-22 are given below:

Sl. No.	Particulars	2022-23	2021-22	Increase / (Decrease)
		[Rs. in Crore]	[Rs. in Crore]	[in %]
1	Total income / turnover	10262	7181	42.91%
2	Total Operating income / turnover	9921	6910	43.57%
3	Operating income from Foreign Projects	412	480	-14.17%
4	Operating income from Indian Projects	9509	6430	69.26%
5	Profit before tax	883	610	44.75%
6	Profit after tax	777	544	42.83%
7	Net worth	5178	4621	12.05%
8	Dividend (Final & Interim)	282	235	20.00%

In the FY 2022-23, the Board of Directors declared and disbursed an interim dividend of Rs.1.80/- per equity share of a face value of Rs.2/- per share. This amounted to approximately Rs.169.29 crore (calculated at 90% of the paid-up share capital of Rs.188.10/- crore). The interim dividend was declared based on the company's unaudited financial results for the quarter ended December 2022.

Furthermore, a final dividend of ₹1.20 per equity share on the face value of ₹2/- each, totaling ₹112.86 Crore (60% of the paid-up share capital of ₹188.10 Crore) was approved by the shareholders at the 47th Annual General Meeting held on 12th September 2023.

Considering these dividends, the total dividend for FY 2022-23 would amount to approximately ₹282.15 Crore (150% of the paid-up equity share capital of ₹188.10 Crore). This represents 36.31% of the post-tax profits for FY 2022-23 and 5.45% of the net worth of the Company as of March 31, 2023. Upon

approval and payment of the proposed final dividend, the cumulative dividend paid to shareholders until FY 2022-23 will stand approximately ₹2,656.62 Crore.

SHARE CAPITAL

As on March 31, 2023, the paid-up equity share capital of the Company stood at ₹188.10 Crore comprising of 94,05,15,740 equity shares of face value of ₹2/- each. The shareholding of the Promoter of the Company i.e. the President of India stood at 73.18% of the total paid-up equity share capital of the Company, as on March 31, 2023. IRCON is compliant on the Minimum Public Shareholding (MPS) requirements specified in Rule 19(2) and Rule 19A of the Securities Contracts (Regulation) Rules, 1957.

Based on the market price of Ircon International Limited (IRCON) as on March 31, 2023, it is placed in the top 500 listed companies. As on March 31, 2023, the market capitalization of your Company stood at ₹5266.89 Crore.

ORDER BOOK

The order book as on March 31, 2023, is ₹35195 Crore as compared to ₹43758 Crore as on March 31, 2022. The major new orders are from railway electrification, highway project, metro track works, workshops, airports and renewable energy; also civil and track work in prestigious High Speed Railway Project. The order book as on June 30, 2023 stood at ₹ 32,486 Crore.

CSR & SUSTAINABILITY

In the fiscal year 2022-23, the actual expenditure on CSR activities amounted to ₹10.12 Crore, surpassing the allocated budget of ₹10.10 Crore. Within this budget, a significant portion was dedicated to the health sector, including a contribution of ₹1.53 Crore to the PM CARES Fund.

SUBSIDIARIES AND JOINT VENTURE COMPANIES:

IRCON is also engaged in contributing to infrastructure development through its 11 (eleven) subsidiaries in India (a) Ircon Infrastructure & Services Limited (IrconISL), incorporated in September 2009; (b) Ircon PB Tollway Limited (IrconPBTL), incorporated in September 2014;

(c) Ircon Shivpuri Guna Tollway Limited (IrconSGTL) incorporated in May 2015; (d) Ircon Davanagere Haveri Highway Limited (IrconDHHL), incorporated in May 2017; (e) Ircon Vadodara Kim Expressway Limited (IrconVKEL), incorporated in May, 2018; (f) Ircon Gurgaon Rewari Highway Limited (IrconGRHL), incorporated in December, 2020; (g) Ircon Akloli Shirsad Expressway Limited, incorporated in December 2021; (h) Ircon Ludhiana Rupnagar Highway Limited, incorporated in December 2021; (i) Ircon Bhoj Morbe Expressway Limited, incorporated in January 2022; (j) Ircon Haridwar Bypass Limited, incorporated in January 2022; and (k) Ircon Renewabale Power Limited, incorporated in January 2022.

IRCON is also a Joint Venture partner in seven JV Companies in India, viz. (a) Chhattisgarh East Railway Limited (CERL); (b) Chhattisgarh East-West Railway Limited (CEWRL), both incorporated in 2013 for development of two railway corridors in the State of Chhattisgarh; (c) Ircon Soma Tollway Private Limited (ISTPL) incorporated in 2005 for executing a BOT Highway project in Maharashtra; (d) Indian Railway Stations Development Corporation Limited (IRSDC) incorporated in April 2012; (e) Bastar Railway Private Limited (BRPL), incorporated on 5th May 2016; (f) Jharkhand Central Railway

Limited (JCRL), incorporated on 31 st August 2015; and (g) Mahanadi Coal Railway Limited (MCRL), incorporated on 31st August 2015.

MOU RATING/AWARDS

As per the DPE guidelines, the Ministry of Railways and IRCON enter into a Memorandum of Understanding (MOU) annually, outlining selected parameters and targets for each financial year. The Company's performance is evaluated at the end of the year based on the achievement of these targets. According to the MOU parameters and the Company's performance in the fiscal year 2021-22, it has received a rating of 'Very Good'.

IRCON has been awarded several prestigious awards. Some of the significant awards and accolades won so far during the year 2022-23 are mentioned below:

- Greentech Environment Award for Environment Protection
- ENR – Construction World Global Award
- Dun & Bradstreet PSU & Government Summit - Aatma Nirbhar Bharat Initiatives

APPENDIX-A

ON-GOING MAJOR PROJECTS IN INDIA

Sl.No.	Name of the Project	Revised Contract Value (₹ in Crore)
RAILWAYS		
1.	Katra-Qazigund section (IRCON's portion), Udampur Srinagar Baramulla Rail Link Project, for Northern Railway	13,359
2.	Sivok-Rangpo New Rail Line project, for North Frontier Railway	8,215
3.	Mumbai Ahmedabad High Speed Rail Project, Package MAHSR-T-2 for NHSRCL	5143
4.	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)	3,198
5.	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).	1,958
	Construction of New BG Electrified Rail Line between Dharamjaigarh to Korba (Urga) for CERL (CERL-II).	1,138
6.	Design and Construction of Civil, Building and Track Works of Vaitarna-Sachin Section of Dedicated Freight Corridor Project, CTP-12, for Dedicated Freight Corridor Corporation of India Limited (DFCCIL)	2,603
7.	Doubling projects at Katni - Singrauli Doubling Project, for West Central Railway	1,763

8.	Design and Construction of Civil and Building Works including Testing and Commissioning on Design Build Lump Sum Price Basis for Double Line High Speed Railway involving Ahmedabaed Station, Sabarmati Station, Viaduct & Bridges, Crossing Bridges (excluding fabrication and transportation of Steel truss girders) and Associated works between MAHSR Km. 489.467 and MAHSR Km. 507.599 in the State of Gujarat for the Project for Construction of Mumbi- Ahmedabad High Speed Rail (Package No. MAHSR C-7), for National High Speed Rail Corporation Limited (NHSRCL)	1,714
9.	Execution of rail connectivity projects identified by Bastar Railway Private Limited (BRPL).	1,466
10.	Construction of Eight Lane Access Controlled Expressway from Km 69.800 to Km 79.783 (Bhoj to Morbe Section-SPUR of Vadodara Mumbai Expressway) in the State of Maharashtra on Hybrid Annuity mode under Bharatmala Pariyojana (Phase-II- Package-XVII), for NHAI	1,436
11	RDUM-TAL-RJO (Rampur Dumra - Tal - Rajendrapul Doubling including Ganga Bridge) Doubling projects for East Central Railway	1,336
12	Katni Grade Seperator / By pass line (21.50 Km) Project, for West Central Railway.	1,248
13	Kiul - Gaya Doubling projects for East Central Railway	1,200
14	Survey, Feasibility study, Detailed Design and Construction of various identified Rail Coal Connectivity Project(s), for Jharkhand Central Railway Limited (JCRL)	1,139
15	Survey, Feasibility study, Detailed Design and Construction of various identified Rail Coal Connectivity Project(s), for Mahanadi Coal Railway Limited (MCRL)	1,075
16	Hajipur – Bachwara Doubling projects for East Central Railway	930
17	Akhaura - Agartala Rail Link Project (Construction of Indian Portion), for North Frontier Railway	743
ROADS		
1	Construction of Eight Lane Vadodara Kim Expressway from Km 323.00 to Km 355.00 (Sanpa to Padra Section of Vadodara Mumbai Expressway) in the State of Gujarat under NHDP Phase-VI on Hybrid Annuity Mode (Phase IA-Package II), for NHAI.	1,378
2	Construction of Eight Lane access-controlled Expressway from Km 3.000 to Km 20.200 (Shirsad to Akloli Section-SPUR of Vadodara Mumbai Expressway) in the state of Maharashtra on Hybrid Annuity Mode under Bharatmala Pariyojana (Phase II-Package XIV), for NHAI	1,124
3	Construction of Four/ Six lane Greenfield Ludhiana- Rupnagar National Highway no. NH-205K from junction with NE-5 village near Manewal (Ludhiana) to junction with NH-205 near Bheora Village (Rupnagar) including spur to Kharar with Ludhiana Bypass under Bharatmala Pariyojana in the State of Punjab on Hybrid Annuity Mode: Package-3 (Design Ch. 66.440 to Design Ch. 90.500 and spur to Kharar Design Ch. 0.000 to Design Ch. 19.200, total length 43.26 km), for NHAI	1,107

4	Upgradation of Gurgaon-Pataudi-Rewari Section of NH-352W as feeder route in the State of Haryana on Hybrid Annuity Mode for NHAI	900
5	Upgradation and Four Laning of Haridwar Bypass Package-1 From Km. 0+000 (Km 188+100 of NH-58) to Km. 15+100 (Km 5+100 of NH 74) in the state of Uttarakhand on Hybrid Annuity Mode, for NHAI	861
OTHERS		
1	Setting up of 500 MW Grid Connected Solar PV Power Projects in India (Tranche III) under Central Public Sector Undertaking (CPSU) Scheme Phase-II (Government Producer Scheme) for Indian Renewable Energy Development Agency Limited (IREDA)	1,960
2	Two projects viz. Design, Supply, Installation, Testing and Commissioning of receiving Sub Stations [including 25 kV AC Traction cum 33 kV Auxiliary Main Sub Stations], Extra High Voltage & High Voltage Cabling, 25 kV Overhead Equipment (FOCS/ROCS), Auxiliary Power Supply [including Auxiliary Sub Station] and;	318
	Associated Works on via duct & Tunnel from Duhai (EPE) to Modipuram [including Modipuram Depot] for Delhi-Ghaziabad-Meerut RRTS Corridor of NCRTC (Lot-P19 L1 and Lot-P19 L2) for NCRTC	405
3	Railway Electrification works for Badarpur- Jiribam, Katakhal - Bhairabi and Badapur- Karimgang - Sabroom Incl Karimgang - Maishasan, Agartala - Akaura and Baraigram - Dullabachera for North Frontier Railway	659

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