



# CSR & Sustainability Report 2017



**“A Journey towards Social Change”**

## VISION

To be recognized, nationally & internationally, as specialized construction organization comparable with the best in field, covering the entire spectrum of construction activities & services in the infrastructure sector.



## MISSION

- (i) To effectively position the Company so as to meet the construction needs of infrastructure development of the changing economic scenario in India & abroad.
- (ii) To earn global recognition by providing high quality products & services in time & in conformity with the best engineering practices.

## About the Report ....

Introducing the annual CSR & Sustainability Report "A JOURNEY TOWARDS SOCIAL CHANGE" for the year 2016-17, IRCON steps into its fifth year of sustainability reporting. The present report displays the various sustainability initiatives undertaken by IRCON in the year 2016-17. The report is aimed towards the transparent disclosure & comprehensive understanding of our stakeholders on the road taken by IRCON towards making its projects inclusive & sustainable.

This report has been compiled for our employees, investors, customers & suppliers, business partners, regulatory authorities & every individual who desires/wishes to develop an understanding about our Corporate Social Responsibility Policy & our contribution in achieving sustainable growth in the social, economical & environmental arenas of our country.

This Annual report, highlights IRCON's approach of making a sustainable society by establishing an alliance of its project initiatives with its CSR Policy. The Report explains IRCON's activities during the year & the endeavors planned for its development.

We look forward to your valuable suggestions & feedback at [csr.ircon@gmail.com](mailto:csr.ircon@gmail.com).

### Our previous Sustainability Reports :



## From CMD's Desk



Dear Stakeholder,

It gives me great pleasure to present to you the CSR & Sustainability Report, 2017 of one of the pioneering institutes of infrastructure sector which has contributed immensely to the building of modern India. This year marks the grand completion of 41 glorious years of hard work, dedication & unwavering commitment towards all our stakeholders to deliver projects with utmost quality & precision. IRCON, as a company has seen, lived & experienced 41 years through the eyes & ears of its employees & has learnt, adapted & sustained itself through the years while growing from strength to strength. It is a testament to the enduring & everlasting commitment we have towards all the projects we have taken up & all the stakeholders we are engaged with. I would like to congratulate all our employees, customers & all the stakeholders with whom we have been engaged

with. In today's global scenario, when global warming has reached alarming levels & the depletion of natural resources is taking place rapidly the need for conducting business in a responsible & sustainable manner holds paramount importance. IRCON, strongly believes in touching lives not only through its varied social initiatives across India but also by carrying out its projects in a compassionate & sustainable manner.

The present edition highlights the social initiatives undertaken by the company in the year 2016-17. IRCON has contributed significantly in transforming the infrastructure sector of India by successfully executing 376 landmark projects in India & 120 projects across the world. The company has achieved the milestone of constructing & upgradation of 1100 kms of railway line, 1400 km of Track rehabilitation works & 350 km of gauge conversion works in India & abroad.

Railway electrification is another forte of IRCON & it has electrified more than 4900 kms of track projects in India & abroad. IRCON has successfully completed several prestigious railway line projects in Malaysia, Sri Lanka & Bangladesh. On the railway signaling front, IRCON has completed major assignments in Zambia, Iraq, Bangladesh, Sri Lanka, Iran & Malaysia. IRCON has diversified into the road sector in a major way & has established a proven track record over the years.

So far, IRCON has completed 2100 km of Highway & Expressways & 300 km of roads in rural areas under various schemes. IRCON has constructed aircraft utility buildings & runways for multiple airports of Kolkata, Indore & Bhubaneswar. It has also constructed maintenance hangers for Indian Airlines for Mumbai, Kolkata & Chennai. The company has conducted workshop modernization projects in Iraq, Jordan & South Africa. IRCON successfully completed the rail coach factory in Kapurthala & Modern Coach Factory at Lalganj with a capacity of 1000 coach per annum. During 2015-16, IRCON has achieved a turnover of Rs 2,995 crore & profit before tax of Rs 532 crore.

Ministry of Corporate Affairs has recently notified Section 135 & Schedule VII of the Companies Act as well as the provisions of the Companies (Corporate Social Responsibility Policy) Rules, 2014 (CSR Rules) which are effective from 1 April 2014.

During the year 2016-17, this company has spent a total amount of ₹ 6.80 Cr in the implemented CSR activities. We, at IRCON understand our responsibility towards the society. We are committed towards uplifting the status of living of the deprived & marginalized sections of the society & bringing about positive social changes in their lives.

IRCON is committed to its stakeholders to conduct business in an economically, socially & environmentally sustainable manner that is both

transparent & ethical. IRCON believes in involving & engaging the local communities for the development of the society for it is they who know the issues best as it is being faced by them on an everyday basis. IRCON is touching & transforming many lives through its CSR initiatives in the field of Infrastructure Development, Healthcare, Education, sanitation & safe drinking water facilities, adoption of environment friendly technologies, disaster management, heritage & cultural preservation & skill development programmes for skilling of unemployed youth.

The various CSR endeavors undertaken by IRCON has been recognized & awarded on various significant platforms but the reward closest to our heart is the happy and contented expressions on the faces of our beneficiaries.

I hope this report will help you in understanding the various CSR initiatives undertaken in FY 2016-17 by IRCON.

We always look forward to your valuable feedback & suggestions.

You may send them at [csr.ircon@gmail.com](mailto:csr.ircon@gmail.com)

**-S.K. Chaudhary**

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## IRCON International Limited:

### ABOUT THE COMPANY

Ircon International Limited (Ircon) is a government company 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. 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 & Safety Management System from 2012; (e) A profit making company since 1977-78; (f) a regular dividend payer from 1980-81; and (g) a regular foreign exchange earner from 1981-82 without any lapse in any year.

Presently the authorized share capital of the Company is ₹ 400 crore and its paid-up share capital is ₹ 98.98 crore.

The domestic operational profile of the Company includes projects like, Road over Bridges in the State of Rajasthan and Bihar, New Rail Coach Factory at Rae Bareilly (U.P), Sivok-Rangpo new rail line project, Dharam Qazigund new Railway line project, two Rail Link projects -- between Jayanagar (India)–Bijalpur (Nepal) with extension up to Bardibas on India Nepal border and another between Jogbani (Bihar) India to Biratnagar

(Nepal), project of DFCCIL in Western Corridor viz. CTP-11, CTP-12 and CTP-13. Ircon is also undertaking Railway doubling projects in East central railway and West Central Railway of 470 km. The Company is undertaking two highway projects of NHAI viz., four laning for Bikaner-Phalodi section of NH-15 in the State of Rajasthan, and Shivpuri-Guna section of NH-3 in the State of Madhya Pradesh, and one more highway project viz. six-laning of Davanagere Haveri of NH-48 in the State of Karnataka was awarded in March 2017 to the Company.

In International arena, the Company is presently executing the following projects in various countries:

1. Bangladesh – two projects viz. (i) Computer based Interlocking Color Light Signaling System on turnkey basis at 11 stations between Ishurdi-Darsana section of Bangladesh, and (ii) Construction of Khulna-Mongla Port Rail Line
2. South Africa - Turn-key project of Railway electrification and signaling systems for the Majuba Rail
3. Algeria - Installation of a double track line (93 km)

The core competence of Ircon is in Railways, Highways & EHT sub-station engineering and Construction. The Company has executed projects 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.

Ircon has five subsidiaries in India, viz. (a) 'Ircon Infrastructure & Services Limited', a wholly-owned subsidiary company, incorporated on 30th September 2009 with the main purpose of undertaking infrastructure projects mainly construction of multi-functional complexes; (b) 'Indian Railway Stations Development Corporation Limited' incorporated on 12th April 2012 jointly with Rail Land Development Authority (RLDA) (shareholding of Ircon and RLDA is in the ratio of 51:49 respectively) with the main purpose of developing / re-developing the existing / new railway stations for upgrading the level of passenger amenities (c) Ircon PB Tollway Limited, a wholly-owned subsidiary company, incorporated on 30th September 2014 pursuant to the conditions of award of Bikaner Phalodi Toll (BoT) Project in the State of Rajasthan, by National Highways Authority of India (NHAI); (d) Ircon Shivpuri Guna Tollway Limited, a wholly-owned subsidiary company, incorporated on 12th May 2015 pursuant to the conditions of award of

Shivpuri-Guna Toll (BoT) Project in the State of Madhya Pradesh, by NHAI; (e) Ircon Davanagere Haveri Highway Limited, a wholly-owned subsidiary company, incorporated on 11th May 2017 pursuant to the conditions of award of Devanagari-Haveri Highway Project in the State of Karnataka, by NHAI;

Ircon is also a Joint Venture (JV) partner in following six JV companies (JVC) in India:

(a) Ircon-Soma Tollway Private Limited incorporated on 19th April 2005 for executing a BOT Highway project in Maharashtra; (b) Chhattisgarh East Railway Limited, (c) Chhattisgarh East-West Railway Limited, and (d) Baster Railway Private Limited incorporated on 12th March 2013, 25th March 2013, and 5th May 2016 respectively, for implementing coal connectivity projects in the State of Chhattisgarh; (e) Mahanadi Coal Railway Limited and (f) Jharkhand Central Railway Limited, both incorporated on 31st August 2015 for implementing coal connectivity projects in the State of Odisha and Jharkhand respectively.



## IRCON International Limited:

### MILESTONES

IRCON has established itself as one of the premier construction companies having successfully executed prestigious projects within & beyond the borders of our country over its 41 years of operation. IRCON has so far completed 369 landmark infrastructure projects in India & 116 projects across the globe in more than 20 countries like Algeria, Afghanistan, Bangladesh, Brazil, Ethiopia, Indonesia, Iran, Iraq, Jordan, Liberia,

Malaysia, Mozambique, Myanmar, Nepal, Nigeria, Saudi Arabia, Sharjah, Syria, Sri Lanka, Tanzania, Turkey, United Kingdom & Zambia to name a few.

At the moment IRCON is implementing several projects in India & abroad in Malaysia, Nepal, Algeria, Brazil, Ethiopia & Sri Lanka.

During 2016-17, your Company completed four projects, two in India and one each in Bhutan and Bangladesh.



## AWARDS & RECOGNITIONS

IRCON has bagged several Awards & Accolades on its course of completion of 40 years as a result of its expertise in execution of infrastructure projects from various prestigious institutions such as Dun & Bradstreet, India Pride Awards, Dainik Bhaskar, EEPC & CIDC.

Further, IRCON has been recognized for its contribution towards Corporate Social Responsibility & Sustainability by India Today group & Scope.

These achievements are a showcase the dedication & commitment displayed by our employees & serve as a beacon of trust and unwavering commitment towards all our stakeholders. IRCON has consistently won the “Highest Foreign Exchange Earner Award” in the construction sector during the last decade.



All-India 'Export Excellence' Award' of EEPC INDIA for 2011-12



Dun & Bradstreet's Infra Award 2014



SCOPE Meritorious Award 2012-13 for 'Corporate Social Responsibility & Responsiveness'



Best PSU award 2012-13 for 'CSR & Sustainability' from India Today Group



India Pride Award 2013



'Excellence Award' from Department of Public Enterprises



The **'Economics Times Infra Focus Award'** for Excellence

CIDC Vishwakarma Award 2012 for 'Best Professionally Managed Company' and CIDC Vishwakarma Award 2017 for Best Construction Project for Railways Coach Factory, Rae Bareilly.



**'EPC India Award'** for Special Contribution for Highest Growth in Exports as a Large Enterprise

**'EPC India National Award'** for Excellence in Exports 2012-13



**India Pride Award 2015**

**'Excellence Award'** from Department of Public Enterprises





Dun & Bradstreet's Infra Award 2015

Dun & Bradstreet's Infra Award 2016 For "Best Infrastructure Project: Setting up of Rail Coach Factory, Rae Bareli at Lalganj (U.P.)"



## COMPANY'S PERFORMANCE

During the financial year 2016-17, your Company achieved a total operating income of Rs. 2994.80 crore and profit before tax of Rs. 531.72 crore as compared to operating income of Rs. 2418.51 crore and profit before tax of Rs. 602.36 crore achieved during the previous financial year. The total turnover of your Company has increased by 14% and the operating turnover has registered an increase of 24%. However, the profit before tax has reduced by 12% and profit after tax has declined by 7% on account of substantial income recognized on settlement agreement with Government of Mozambique during 2015-16.

Operating income from domestic projects increased by 33% from Rs. 2009 crore in 2015-16 to Rs. 2668 crore in 2016-17. On the international front, operating income decreased by 20% from Rs. 409 crores in 2015-16 to Rs. 327 crores in 2016-17.

The Board of Directors (BoD) had declared an interim dividend of Rs. 79.059 crore (approx.) i.e. 226% on the paid-up share capital of Rs. 19.796 crore (for full year) and proportionately on the bonus share capital of Rs. 79.184 crore (for 70 days) in January 2017. The said interim dividend was paid to all the shareholders in February 2017.

### Financial Performance Indicators:

Sl. No.	Particulars	2016-17	2015-16	Increase / (Decrease) [in %]
1.	Total income / turnover	3254	2860	14
2.	Total Operating income/ turnover	2995	2419	24%
3.	Operating income	327	409	(20%)
4.	from Foreign Projects Operating income from Indian Projects	2668	2010	33%
5.	Profit before tax	532	602	(12%)
6.	Profit after tax	369	395	(7%)
7.	Net worth	3828	3667	4%
8.	Dividend	192.40*	168.26	14%

The Company has a Board of Directors approved Sustainability Development Plan for the Company. It aims to integrate environmental considerations into its business planning & decision making processes including Project Research & Development, diversifications, etc. The Company has a Board Level Committee headed by an Independent Director who finalizes its Sustainability & Corporate Social Responsibility policy. The Sustainable Development plan of IRCON aims to:

- Develop & implement a sustainable development plan for energy consumption

- Undertake initiatives to mitigate air, water, land & noise pollution.
- Ensure that all its employees understand, comprehend & become fully aware of the necessity of undertaking a sustainable model of development.
- Incorporate parameters for sustainable development in planning & design of projects & continually improve the same.
- Ensure judicious & efficient management of natural resources, material, water, & waste at project sites & offices.

In 2013-14, the Sustainability initiatives were merged with Corporate Social Responsibility as a combined set. Post issuing of the fresh guidelines by the Ministry of Corporate Affairs & Department of Public Enterprises, the CSR rules were modified by the implementation of Companies Act 2013, according to which companies with an annual turnover of Rs 1,000 crore & more, or a net worth of `Rs 500 crore & more, or a net profit of `Rs 5 crore & more will have to set-up a CSR committee consisting of their board members, including at least one independent director. The new rules became applicable from the financial year 2014-15. The Act encourages companies to spend at least 2% of their average net profit in the previous three years on CSR activities. The ministry's rules define net profit as the profit before tax as per the books of accounts, excluding profits arising from branches outside India.

IRCON as a responsible & accountable corporate citizen, in the current financial year has continued its efforts to promote & execute sustainable

development initiatives & has contributed to the same in the following manner:

### **CORPORATE SOCIAL RESPONSIBILITY**

IRCON views itself as a responsible & socially accountable corporate citizen & respects its commitment towards its stakeholders. IRCON believes in building an environment for favorable growth for the communities wherein it functions. IRCON too like other renowned Public Sector Companies views itself as a responsible & accountable corporate citizen which undertakes its commitment towards all its stakeholder with utmost efficiency & accountability. On its journey towards realizing its social commitments, IRCON strives to add value to the society as a whole & especially in the communities where it functions in. In the course of fulfilling its social obligations, IRCON operates to enhance value creation to the society as a whole & particularly in the communities where it operates.

It contributes towards promoting a growth model which is sustainable in the long run both for the society & the environment.

Corporate Social Responsibility is an integral part of IRCON's core business. IRCON conducts its corporate activities with a steady focus to create long term value creation in the three dimensions i.e. people, planet & has a well-established channel of communication with all its stakeholders.

The new Companies Act, 2013 has been passed by the parliament & the Section 135 of this act has been made effective since April 2014. In view of the same, IRCON has also revised its CSR & Sustainability Policy incorporating the new

provisions of the act & the same is duly approved by the Board of Directors. The Act lists out a set of activities eligible under CSR. Companies may implement these activities taking into account the local conditions after seeking board approval. The indicative

activities which can be undertaken by a company under CSR have been specified under Schedule VII of the Company Act.

**"Eradication of extreme hunger & poverty....[S.No.10.1.(i) of CSR Policy]**

**Promoting education & skill development...[S.No.10.1.(ii) of CSR Policy]**

**Promoting gender equality, empowering women.....[S.No.10.1.(iii) of CSR Policy]**

**Ensuring environmental sustainability, ecological balance.....[S.No.10.1.(iv) of CSR Policy]**

**Protection of national heritage, art & culture.....[S.No.10.1.(v) of CSR Policy]**

**Measures for the benefit of armed forces veteran.....[S.No.10.1.(vi) of CSR Policy]**

**Training to promote rural sports.....[S.No.10.1.(vii) of CSR Policy]**

**Contribution to the Prime Minister's National Relief Fund.....[S.No.10.1.(viii) of CSR Policy]**

**Contributions or funds provided to technology incubators.....[S.No.10.1.(ix) of CSR Policy]**

**Rural development projects....[S.No.10.1.(x) of CSR Policy]**

**Slum area development" ....[S.No.10.1.(xi) of CSR Policy]**

Keeping the main objective in view, IRCON has implemented its social initiatives/ drive in the following different sectors of CSR & Sustainability:

- ❖ Sanitation
- ❖ Education
- ❖ Health care
- ❖ Environment Sustainability
- ❖ Rural infrastructure Development
- ❖ Skill development & Capacity building
- ❖ Relief Measures & Others

## **SANITATION**

### **1. Construction of Community Toilets at Railway Station**

In this regard, IRCON took an initiative under its 'Corporate Social Responsibility' for construction of Two Toilet units (one each at Dullahapur railway station and railway crossing near Jangipur Market) along with the drinking water facility for the public Convenience.

### **2. Contribution to Swachh Bharat Abhiyaan Kosh**

Swachh Bharat Mission is a campaign which was launched on 2 October 2014 by our honourable Prime Minister Shri Narendra Modi. It aims to eradicate open defecation by 2019, & is a national campaign, covering 4,041 statutory cities & towns across India.

Swachh Bharat Kosh (SBK) has been set up to attract Corporate Social Responsibility (CSR) funds from Corporate Sector & contributions from individuals & philanthropists in response to the call given by Hon'ble Prime Minister on 15th August, 2014 to achieve the objective of Clean India (Swachh Bharat) by the year 2019, the 150th year of the birth anniversary of Mahatma Gandhi through Swachh Bharat Mission.

IRCON has contributed a total of Rs 1 crore & 80 lakhs to the Swachh Bharat Kosh to realize PM's vision of a clean & green India.

### **3. Installed tube wells for provision of drinking water facilities**

IRCON has installed 22 tube wells at Villages of Bihar for providing drinking water facilities to the villagers.

## **EDUCATION**

Education is a good investment for future. It is a foundation for the economic development of the nation and builds the nation through sustainable society. Education is just as important as the primary basic needs.

IRCON extends its support to improve the school infrastructure and learning levels of students

enrolled in various govt. schools especially in rural areas of the country. The infrastructure development of the school includes the construction/repair/up gradation of the school building, construction of toilets for students especially for girls, construction of boundary walls, arrangements of safe drinking water and provision of ceiling fans, solar lights etc.

IRCON has taken up a multitude of projects under CSR in J&K, UP, MP, West Bengal & Rajasthan as part of a mission to enhance educational infrastructure in several of the impoverished backward rural areas of the country. IRCON has been engaged in construction of sanitized toilets for students of both genders across many schools since 2012-13. Some of the major activities undertaken under the education domain include:

### **1. Providing furniture in schools of Kathua, J&K.**

As part of this initiative, school infrastructure is being upgraded & other amenities such as



furniture, books, etc have moreover been provided for creating an ambience conducive for learning and growth.



## 2. Infrastructure improvement in Govt. Schools at J&K.

For improving the infrastructure IRCON has constructed an Examination Hall and Underground



Water Tank at the Govt. High School, Gurha Mundiyan, under its CSR Initiative.

## 3. Providing school bags and stationery items in schools:

Further in the field of Education, this company has extended its supported to charitable educational organizations. The company has financially children in Delhi & running its schools at Sagarpur & Khichripur locations. IRCONhas also provided them with school bags and stationary items.

supported GODHULI, an NGO involved in the education of the street children in Delhi & running its schools at Sagarpur & Khichripur locations. IRCONhas also provided them with school bags and stationary items.

## 4. Providing EKAL Vidyalaya in rural areas:

Through the EKAL Vidyalayas, IRCON has provided education in remote areas of Chhattisgarh. The



NGO who collaborated in initiating this great cause is Bharat Lok Shiksha Parishad (BLSP) and also provided the training of daily routine activities related health & Hygiene to children's.

## HEALTHCARE

During the course of the year,the company has spent an amount of `Rs 69 lakhs on health related initiatives. The implementation was conducted around the three project site locations. Further, Eye & Health check-up camps were also organized for the students.

### 1. Organizing Free Medical Health Camps:

IRCON has organized the Free Medical camps for the people of J&K. The initiative was implemented by M/s Arogya Foundation of India; an NGO committed to provide Counseling on health issues and also provide free medicines to the needy underprivileged people of this country without any caste or religious bias.

### 2. Providing ambulances to hospitals under Passenger Amenities

Under this initiative, IRCON has strengthened the capacity of Hospital at Bikaner& Ajmer divisions by providing one ambulance along with necessary medical equipment.Through ambulance, pregnant women, serious patients and persons with



disabilities were benefitted who needed more of such resources at the time of need. Most of the benefits of this facility were benefitted by patients.

### 3. Operation of Health Units at Project Sites

Access to basic health facilities is still a dream across many semi urban & rural parts of our country. IRCON is running a primary Health Centre in Banihal, Jammu & Kashmir wherein it is providing basic medical facilities, checkups & medicines to the underprivileged groups free of



cost. The local people who have used this facility have acknowledged that this facility has been benefitting them highly as they had to earlier visit Anantnag or Srinagar for basic medical treatment but now they can easily avail the facilities at this post free of cost resulting in saving of money, time

& lives of the local residents.

The health units are operational at Banihal (J&K), Lalganj (Raebareli) (UP) & Sivok (West Bengal) in India. As a responsible corporate citizen.

### 4. Providing sports cum health equipments.

IRCON aimed to strengthen the youth and generate sportsmanship by providing sports cum health equipments to Shri Prakash stadium, Meerut in order to encourage Sports & culture nationally. IRCON, like its other CSR Activities keep align with the Schedule VII of Companies Act and thus tries to expand its operations in most of the social sectors.

## RURAL INFRASTRUCTURE DEVELOPMENT

CSR Initiative taken under Rural Infrastructures has always been the most favored as IRCON being a specialized infrastructure development company is able to utilize its resources and expertise being its forte towards CSR activities related to infrastructure development.

During the year, this company has taken many initiatives related constructions and development of infrastructures by providing safe drinking water, concrete paths, & contribution for the sanitation in the rural areas.

### 1. Upgradation of pathways and Rural infrastructure.

The roads in the rural parts of our country, especially the internal roads are often highly neglected as they mostly lie in a dilapidated condition. Upgradation & refurbishment of these

roads goes a long way in ensuring free, easy & uninterrupted movement in turn aiding in saving time thus enhancing efficiency as well as improving the living standards of the local populace.

Details of some activities for construction of Roads/pathways are indicated below:

- Construction of concrete pathway to various school's/health centers of common interest areas in J&K.
- Community improvement works in the vicinity of the project area in villages as Khari area, Sangladan, Sumber, Dharam, Barala, Guni at J&K.

## 2. Providing safe drinking water

IRCON has arranged for safe drinking water to construct water storage tanks for the rural areas of



Jammu and Kashmir and It is part of our priority to deliver clean water to people. Through water tanks, the people know that the water is available for the whole year.

## SKILL DEVELOPMENT

IRCON believes that skilling people is key to create

livelihood opportunities for people which in turn provides dignity in living. It helps people not only in financial terms but also in becoming independent & creating an identity of their own. Our esteemed Prime Minister Shri Narendra Modi has initiated 'Skill India' Mission on 15th July 2015 which has a target of skilling 500 million Indians by the year 2022. IRCON in accordance with this has undertaken various initiatives to skill people in various trades so as to empower them shape their future. The training imparted has been in accordance with the demands prevalent in the social sector.

IRCON has done the following initiatives for the skill development of the unemployed youths to create income generating sources for their lives:

- Training of women in tailoring & embroidery at Banihal (J&K).
  - IRCON has thus in collaboration with NITCON implemented Computer Hardware & Networking & Mobile Repair & Maintenance courses in Banihal, Jammu & Kashmir.
  - Skill Development training in Tailoring, Dress making & Beautification to 53 women inmates of District Jail Gautambudh Nagar at Kasna, Greater Noida.
  - IRCON also providing a skill training to 200 youths at Chhattisgarh with National Backward Classes Finance and Development Corporation (NBCFDC).
1. Vocational training centers for women at Bankoot (Banihal) for tailoring & embroidery

Skilling women is one of the most potent needs of our country today. IRCON has opened up Vocational training centre for women on tailoring & embroidery trades. It has been primarily targeted to benefit the local underprivileged community. The Skill Development Programme courses helped the participants to find employment, understand their rights, as well as in improving their overall confidence.

The trainees expressed their overall satisfaction for the training & acknowledged IRCON for providing such an opportunity free of cost. They expressed their gratitude for providing training which in their opinion would be handy in starting their professional career as a self-employed person or joining a job requiring skilled manpower.

### ENVIRONMENT SUSTAINABILITY

IRCON's approach to sustainability is factual and realistic as we continuously account for impact on environment and society due to our operations across the value chain. As a responsible corporate, IRCON undertake various climate change mitigation and adaptation measure under the IRCON' CSR to reduce its overall environmental footprint. The initiative include energy efficiency, energy conservation, renewable energy, tree plantation, LED lights, etc.

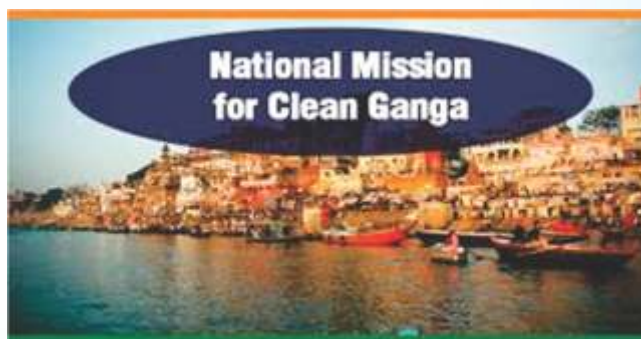
IRCON has done the following initiatives for environment sustainability:

- IRCON planted the trees for implementation in railway premises on the railway tracks at Bihar.
- Plantation of Fruit trees in various places in Haryana and Uttar Pradesh. Through this



initiative IRCON planted 8290 trees at Raebareli and this initiative collaborated with Smart Ashok Nursery.

- For supported the environment, IRCON has installed 2 Units of MOKSHDA Green Cremation Systems (MGCS) at Raebareli in UP which are operational. A conventional technology which consumes only 20% fire wood as compared to conventional cremation system and has full freedom to perform the ritual as per the Hindu religion. The systems also enable reduction in pollution level to a greater extent and saves trees.
- The National Mission being carried out by Ministry of Water Resources, River Development & Ganga Rejuvenation, Govt. of India. The 'Clean Ganga Fund' is National Fund working towards clearing of religious Ganga River and environment sustainability.





## Corporate Governance & Compliance

### Composition of Board of Directors

As on 31st March 2017, the strength of Board of Directors was nine comprising four whole-time directors, two government nominated directors, and three independent directors. The details are as follows:

1	Mr. S.K. Chaudhary Chairman & Managing Director [DIN: 00515672]	w.e.f. 29.10.2016
2	Mr. M. K. Singh Director Finance [DIN: 06607392]	w.e.f. 01.05.2016

3	Mr. Deepak Sabhlok Director Projects* [DIN: 03056457]	w.e.f. 16.04.2010
4	Mr. Hitesh Khanna Director Works [DIN: 02789681]	w.e.f. 07.03.2011
5	Mr. Rajiv Chaudhry Part-time (Official) Director [DIN: 03146422]	w.e.f. 17.11.2016
6	Mr. S.C. Jain Part-time (Official) Director [DIN: 07564584]	w.e.f. 03.01.2017

7	Mr. S.K. Singh Independent Director [DIN: 00003695]	w.e.f. 05.04.2016
8	Mr. Avineesh Matta Independent Director [DIN: 00011749]	w.e.f. 08.04.2016
9	Prof (Ms.) Vasudha V. Kamat Independent Director [DIN: 07500096]	w.e.f. 22.04.2016

The following Directors ceased to hold office during the year 2016-17:

1	Mr. Mohan Tiwari Chairman & Managing Director [DIN: 00191363]	w.e.f. 01.10.2016
2	Mr. K. K. Garg Director Finance [DIN: 01495050]	w.e.f. 01.05.2016
3	Mr. Anjum Pervez Part-time (official) Director [DIN: 06682287]	w.e.f. 10.12.2016
4	Mr. H.K. Kala Part-time (official) Director [DIN: 07200108]	w.e.f. 01.07.2016

### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE & KEY VALUES

The Code of Corporate Governance at IRCON is "To be professional, Profitable & Accountable with excellence in every sphere of activity of the Company".

The key values of the Company formally adopted by the Board of Directors are:

- Constructive approach
- Working as a team
- Excellence in performance
- Probity in work & dealings
- Being responsible & accountable

Code of Conduct for Board members & senior management of the Company & key values for entire organization

The Company has in place a Code of Conduct for Board members & for Senior Management (i.e. Directors, Chief Vigilance Officer, Additional General Managers & above, & Project/ Functional Heads) & also Key Values for the Company as a whole. These codes came into effect from 1st April 2005 & have been posted on the website of the Company.

### Fraud Prevention & Detection Policy

The corporate policy for fraud prevention & detection is established to facilitate the development of controls which will aid in the detection & prevention of fraud against the Company. It is the intent of the Company to promote consistent organizational behavior by providing guidelines & assigning responsibility for the development of controls & conduct of investigations to oversee the best practices of Corporate Governance.

### DISCLOSURES

- The Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India in the preparation of Financial Statements. Deviations from Accounting Standards have been explained in self-

explanatory notes of the Financial Statements & also in Directors' Report of IRCON for 2013-14.

- The Company periodically informs the Board about the risks associated with its projects in risky areas & foreign exchange management.
- The Company has in place a BoD approved Fraud Prevention, Detection, & Control Policy so as to provide a system for detection & prevention of fraud, reporting of any fraud that is detected or suspected & fair dealing of matters pertaining to fraud.
- The Company has in place a BoD approved Whistle Blower Policy under which there is a mechanism for employees to report to the Management, concerns about unethical behavior, actual or suspected fraud, or violation of the

Company's Code of conduct or ethics policy. The Policy also provides for adequate safeguards against victimization of employees who avail the mechanism. It provides for direct access to the Chairman of the Audit Committee in exceptional cases. Both these Policies are available on IRCON's website.

- The Company has a Board approved Training Policy for Board Members. According to the Policy, the Company has a practice of imparting introductory training to new Board Members. They are also given documents about the Company which includes Memorandum & Articles of Association, Brochure, Annual Report, latest unaudited financial results, Corporate Plan with MoU targets & achievements, & related provisions on Duties, Responsibilities, etc. of Directors.



## Human Resource Management



### Human Resource Management

In 2016-17 HRM took up many new activities & introduced new welfare measures to keep up the employee motivation & to build employee knowledge base. HRM undertook the following steps to efficiently manage & nurture the Human Resources in the organization.

- Taking e-recruitment process, a step further, e-call letters are issued to candidates, which can be easily downloaded by the candidates. Also, information regarding eligibility, schedule of interview/written test are being sent to candidates via SMS & E-mails on their registered phone nos. & email addresses.
- International Yoga Day was celebrated at

IRCON's Corporate Office on 21st June, 2016, to further the idea & practice of a healthy & sustainable lifestyle.

- International Women's day was also celebrated with gusto at IRCON's Corporate Office with talks & workshops being organized on issues ranging from wellness, women's health to self-defense. Experts from medicine, health & lifestyle were invited to deliver the lectures. A team of Delhi Police was invited to conduct workshop on self-defense for female employees working in IRCON's corporate office & projects in Delhi-NCR region.
- The Company offers post superannuation benefits of Contributory Provident Fund, Gratuity, and Post retirement indoor medical



benefits through a Medical Trust to all its employees. During the year, your Company organized 2nd Corporate Ircon Inter Project Quiz covering a wide range of topics, as a tool for employee learning and engagement. Further, Ircon started Ircon Corporate Quiz

which focused only on Quality and OHSAS compliances and other aspects of the Company.

The total manpower strength as on 31st March 2017 was 1495 employees. The attrition rate during 2016-17 was 1.27%, with 15 employees leaving the organization.

## Environment, Health & Safety



IRCON has established Environmental Management System & obtained ISO 14001-2015 Certificate along with Occupational Health & Safety Management System as per OHSAS 18001:2007. IRCON's Environmental Manual & Occupational, Health & Safety Manual are technical reference documents with general & construction specific examples of Good International Industry Practice (GIIP). The EHS Guidelines contain the performance levels and measures that are generally considered to be achievable by existing technology at reasonable costs.

Application of the EMS Guidelines to existing projects may involve the establishment of site-specific targets, with an appropriate time for achieving them. The applicability is tailored to the hazards and risks established for each project on the basis of the results of an environmental assessment in which site-specific variables are also considered.

IRCON has developed "Safety first approach". IRCON promotes good working practices for employees & labours. To fulfill this, we have started

working on development of mobile phone/web based video library. Currently two topics have been taken i.e. Construction of Embankment (Mechanized) in 3D format & Personal Safety in 2D format. The mobile/internet based application on personal safety & safety in construction has been released.

To increase the awareness of employee towards Environment, IRCON has also celebrated the World Environment Day (WED) falls on Sunday June 05, 2016 with the theme of "GO WILD FOR LIFE". To celebrate this day meetings, rallies, tree plantation, garbage recycling, surrounding areas clean-up, saving in electricity, cleaning of POL stores, awareness in judicious use of metal cutting gases, etc. and for children of IRCON's dance activities, essays writing, poster competitions, and quiz etc. was arranged.

IRCON's Quality Management Cell established the objectives for all the projects to ensure control procedures of environmental impacts due to their construction activities and reporting accident/incident/near miss.



## Responsibility towards Products & Services

### QUALITY & SAFETY

IRCON's working environment is monitoring for Quality, Safety, Health, Environmental & Occupational hazards for the specific project. Management Meeting is conducted every quarterly in which points related to Quality, Safety, Health, Environment & Occupational hazards are discussed. Internal auditing is designed and implemented by certified professionals, as part of an occupational health and safety monitoring program. It is maintained by record of occupational accidents, diseases, and dangerous occurrences and other accidents. Additional guidance on occupational health and safety monitoring programs is communicated time to time to all projects.

IRCON's Quality Management department has initiated their responsibility towards improvement

in construction practices. Knowledge about many technical topics such as Explosion of Lead-Acid battery, Earthquake Resistance Construction Concept, Contractor's All Risks Insurance & Professional Indemnity Liability Insurance, Approach Slab-An Insight Examination of Bump etc. are shared among all.

This year also IRCON has organized Inter Project QUIZ for increasing awareness and responsibility among the staff and health competitiveness. Refreshment course module (reading material) is uploaded on intranet, which helps in refreshing knowledge and awareness about the latest techniques.

### R&D & DESIGN

IRCON by itself does not undertake any pure research project but takes the help of consultants

& firms to innovate & develop methods & techniques to execute projects in a cost effective manner, with requisite quality, to enhance the technological competence & efficiency.

The Company has a Plan which aims to establish R&D system for items pertaining to core areas with an objective to improve project delivery, to reduce costs, & for general business sustainability, with a specific focus on adoption of cutting edge technology &/in order to improve the technical skills of its manpower.

We have stringent policies & practices governing suppliers & transporters' registration, evaluation & selection. Further we evaluate their performance at periodic intervals. We also practice periodic evaluation of their performance.

The evaluation includes parameters/indicators of has clauses of cost effectiveness, quality delivery, health & safety practices & compliances, amongst others. We strongly prefer procurement of materials required at the project sites from locations in proximity. This has aided in not only creating jobs & opportunities for enhancing livelihood but also has helped in promoting the growth of the local industrial bases to supply quality raw materials for IRCON's end products. Not only will this create opportunities for livelihood during the project duration, but will also help the local suppliers to upgrade & maintain quality of products to cater to IRCON's quality standards. While we continue to define all procurements within India as local, we make every attempt at procuring most materials from in & around the project sites.



## Impact of Initiatives

**IRCON** has a well-established monitoring mechanism for all its initiatives that it itself takes part in or provides funds to third parties/railways/NGOs/for implementation. Moreover, it undertakes a third party assessment for evaluating the efficacy, efficiency & target population satisfaction of its CSR initiatives. It has undertaken the same via M/s Percept Research & Consulting PVT. LTD in the year 2016-17 which has exemplified the initiatives & the impact that it has had amongst the target beneficiaries across the locations of its various initiatives.

### EDUCATION & SKILL DEVELOPMENT

- The CSR initiative of IRCON for Infrastructure Development of school by constructing the

examination hall as well as the underground water tank has socio-economic benefits / impacts for the students / staff and community and also It also helped the school to get manageable cash flow to run the school's basic needs and maintenance expenses.

- Up gradation of school infrastructure in Govt. high school at Ramban and Reasi through providing schools benches and other stationary items has facilitated the students for a better educational environment & aided facility for the students also Improved Attendance, Improved safety for students.
- Initiative on quality education through EKAL Vidyalayas has helped in bridging the gap

between age appropriate education in rural areas. The education imparted by the EKAL Vidyalayas has helped in mainstreaming the students into the society by regular enrollments in schools, low drop out rates etc.

- By providing Skill training in Computer Hardware & Networking & Mobile Repair & Maintenance in Banihal, Jammu & Kashmir and through this initiative a total of 120 candidates have been trained.
- Under the Skill development training for backward classes youths has provided skilled manpower to the industries developing in the region and The project was associated with National Backward Classes Finance and Development Corporation (NBCFDC), which gave placements to 128 youth also.
- By providing skill training in Tailoring, Dress making, & Beautification to 53 women Jail inmates of District Noida Jail IRCON has provided an opportunity to become financial independent The initiative not only aimed at self-sufficiency but also skilled them in trades for having a dignified living. All 53 Jail inmates successfully completed the skill training program which provided them a decent standard of living.
- Furthermore, IRCON has extended its support to GODHULI, a dedicated NGO working for education of street children in Delhi wherein it runs its schools at Sagarpur & Khichripur locations. The support also includes provision of

School bags, station item etc. Thus supporting for enhancement of education of underprivileged children

- Through provision of skill training in tailoring & embroidery in Bankoot (Banihal), J&K has made the women to earn for their living & has provided the skilled manpower to the industries developing in the region.

## HEALTH CARE

- The health units at Banihal, Rae Barelli & Sivok provided basic medical facilities for the local populace and provided them with an alternative which is time, effort & cost efficient in comparison to the distant district hospitals that they had to travel to even to avail the most basic medical facilities prior to this initiative being undertaken. Operating the health units at Banihal, Raebareli & Sivok, where free medical facilities are provided to needy villagers for access to primary health service in nearby areas rather than going to hospitals at far of places.
- Providing ambulance and other medical equipments to Govt. Hospital Bikaner has augmented the overall service delivery of it. Patient of the nearby area can now visit District Hospital for diagnostic services at reasonable charges.
- IRCON believes in creating a Healthy environment for the Human life and so has collaborated M/s Arogya Foundation of India and organized free medical camps in various

villages of Jammu and Kashmir.

• **RURAL INFRASTRUCTURE DEVELOPMENT**

- Construction of water tanks for supply of safe drinking water facilities in rural areas of Jammu and Kashmir and this CSR Intervention has impacted many lives in the locality in terms of their health and socio-economic development.
- Installing of tube wells for provision of safe drinking water facilities has provided healthy environment to the villagers of the Bihar.



- The Construction of Concrete pathways of Kohli and Sumber village has provided these villagers upgraded and developed infrastructures.





## Persistence towards Global Goals

IRCON is committed to the national endeavor cause of reducing extreme poverty & setting out a series of time bound targets, with a deadline of 2015 that have become known as the Millennium Development Goals. In line with these objectives, IRCON has set out a forward path for meeting a sustainable development as per needs & aspirations of its stakeholders.

### THE GOALS (MDGS) ARE:

- Achieve Universal Primary Education.
- Promote Gender Equality & Empower Women.
- Improve Maternal Health.
- Ensure Environmental Sustainability
- Develop a Global Partnership for Development.



The Millennium Development Goals set time bound targets, by which progress in reducing income

poverty, hunger, disease, lack of adequate shelter & exclusion – while promoting gender equality, health, education & environmental sustainability – can be measured. They also embody basic human rights – the rights of each person on the planet to health, education, shelter & security.

### **HUMAN RIGHTS**

- We support & respect the protection of internationally proclaimed human rights; &
- We make sure that they are not complicit in human rights abuses.

### **LABOUR STANDARDS**

- We uphold the freedom of association & effective recognition of the right to collective bargaining
- The elimination of all forms of forced & compulsory labor;
- The effective abolition of child labor, and
- The elimination of discrimination in respect of employment & occupation

### **ENVIRONMENT**

- We should support a precautionary approach to environmental challenges;

- Undertake initiatives to promote greater environmental responsibility;
- Encourage the development & diffusion of environmentally friendly technology.

### **ANTI-CORRUPTION**

- We work against corruption in all its forms, extortion & bribery.

### **UN GLOBAL COMPACT'S TEN PRINCIPLES**

The UN Global Compact's ten Principles in the areas of human rights, labor, the environment & anti-corruption enjoy universal consensus & are derived from:

- The Universal declaration of Human Rights
- The International Labour Organization's Declaration
- The RIO Declaration on Environment & Development
- The United Nations Convention Against Corruption.

IRCON embraces & enacts, within its sphere of influence, a set of core values in the areas of human rights, labor standards, the environment & anti-corruption.

## WE SUPPORT UN GLOBAL COMPACT



### UN GLOBAL COMPACT

The Global Compact is a worldwide contract between private industry, institutions & other groups in society. Participating members join forces around the world to master the challenges of globalization. Since its launch in 2000, the Global Compact has become the world's largest initiative for

sustainable development. IRCON will comply with the ten principles of the UN Global Compact & renewed our pledge to put these principles into practice. We will disclose our compliance status with these Global Compact Principles in our Sustainability Report every year.

Cat.	Principle	Activity & Performance Index
Human Rights	1. Businesses should support & respect the protection of internationally proclaimed human rights	<ul style="list-style-type: none"> <li>Implemented training for human rights protection &amp; ethical management</li> <li>Implemented training for the prevention of sexual harassment Employee Training</li> <li>Code of Conduct, Personnel Policy</li> </ul>
	2. Businesses should make sure that they are not complicit in human rights abuses	<ul style="list-style-type: none"> <li>Fair &amp; equitable HR policies</li> <li>Gathering Residents Opinions</li> </ul>
Labours Environment	3. Businesses should uphold the freedom of association & the effective recognition of the right to collective bargaining	<ul style="list-style-type: none"> <li>Free to join or withdraw from the union</li> <li>Prompt notification to the union in advance of important changes to its business operations</li> <li>Ombudsman's Committee</li> </ul>
	4. Businesses should uphold the elimination of all forms of forced & compulsory labor	<ul style="list-style-type: none"> <li>Compliance with the Labor Standards Law, the ILO, collective agreement</li> </ul>
	5. Businesses should uphold the effective abolition of child labor	<ul style="list-style-type: none"> <li>Compliance with the Labor Standards Law, the ILO, collective agreement</li> </ul>
	6. Businesses should uphold the elimination of discrimination in respect of employment & occupation	<ul style="list-style-type: none"> <li>Respect for Diversity</li> <li>Employment of Local Residents</li> <li>Development of Locally Based Experts</li> </ul>
	7. Businesses should support a precautionary approach to environmental challenges	<ul style="list-style-type: none"> <li>Environmental Management Principles</li> <li>Green Management Committee for an Enterprise Wide Response to Climate Change</li> <li>Training in Environmental Management</li> </ul>
Anti-Corruption	8. Businesses should undertake initiatives to promote greater environmental responsibility	<ul style="list-style-type: none"> <li>Ecosystem Impact Assessments</li> <li>Recycling of Resources</li> <li>Biological Diversity Protection Policy</li> <li>Establishment of Green Purchasing Guideline</li> </ul>
	9. Businesses should encourage the development & diffusion of environmentally friendly technologies	<ul style="list-style-type: none"> <li>Construction of Green Buildings &amp; Cities Operated with New &amp; Renewable Energy</li> <li>Considering Ecosystems from the Design Stage</li> <li>Produce Eco Friendly Nuclear Energy</li> </ul>
	10. Businesses should work against all forms of corruption, including extortion & bribery	<ul style="list-style-type: none"> <li>Ethical Management System</li> <li>Self-Compliance Program</li> <li>Internal &amp; External Auditing System</li> <li>Code of Conduct.</li> </ul>

## IRCON's Board Level Committee of CSR & Sustainability

As on 31st March 2017



Chairman  
**Prof Vasudha. V. Kamat**  
Independent Director



Member  
**Deepak Sabhlok**  
Director (Projects)



Member  
**Avineesh Matta**  
Independent Director



Member  
**Rajiv Chaudhary**  
Independent Director

**ircon**



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