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Registered Office

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E-mail : info@ircon.org Website : www.ircon.org CIN : U45203DL1976GOI008171

Company Secretary

Iti Matta

Statutory Auditors

M/s. Vinod Kumar & Associates,
Chartered Accountants

Main Bankers

Indian Overseas Bank
State Bank of India
HDFC Bank

Corporate Office Building of Ircon at Saket, New Delhi

BOARD OF DIRECTORS

(As on 01.08.2014)

Chairman & Managing Director

MOHAN TIWARI

Whole-time Directors

K.K. GARG
Director Finance

DEEPAK SABHLOK
Director Projects

HITESH KHANNA
Director Works

Part-time (Official) Directors

A.K. RAWAL

ANJUM PERVEZ

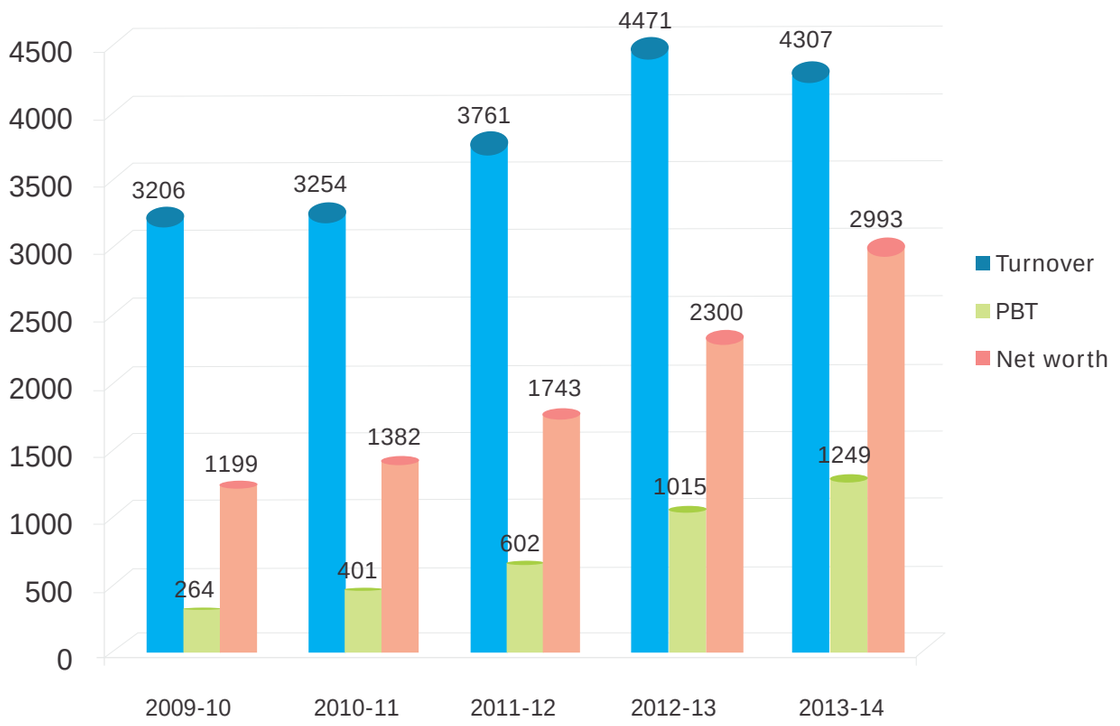
Independent Directors

PROF. (DR.) S.S. CHATTERJI

B. M. SHARMA

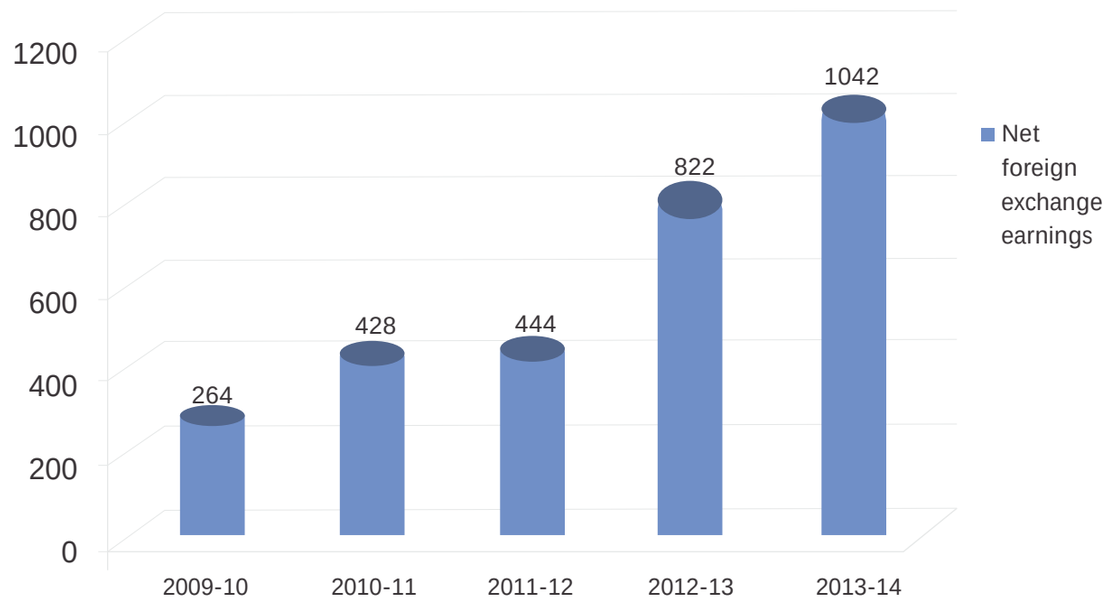
PERFORMANCE DURING LAST FIVE YEARS

(` in Crores)



NET FOREIGN EXCHANGE EARNINGS

(` in Crores)



CHAIRMAN'S ADDRESS

Distinguished Shareholders,

It gives me immense pleasure to welcome you all to this 38th Annual General Meeting of your Company. I thank all of you for making it convenient to attend this meeting.

This has been another landmark year for the Company as the Profit Before Tax for the year 2013-14 has crossed ` 1200 crores mark. The turnover achieved, however, was ` 4307 crores, 3.67% lower than ` 4471 crores in the previous year. Turnover has been affected due to non-commencement of work on some railway projects and lower order book position, which continues to be a matter of concern even for the current financial year.

I would like to highlight some salient aspects of Ircon's performance during the year!

Performance Highlights

Your Company has sustained the upward trend in its profitability during FY 2013-14 also. Profit Before Tax and Profit After Tax have increased to ` 1249 crores and ` 907 crores respectively, which is highest ever, registering a growth of about 23% and 24% respectively.

In addition to the interim dividend of ` 100.96 crores @ 510% on the paid- up share capital, paid in February 2014, the Board of Directors of your Company have recommended a final dividend of ` 81.16 crores @ 410% on the paid-up share capital which, when declared at this AGM, would take the total dividend for the year 2013-14 to a record ` 182.12 crores.

You would be pleased to note that the cumulative dividend payout up to 2013-14 to the Government would amount to ` 755.10 crores on the equity investment of just ` 5 crores by the Government in the initial years of the Company during 1976-1985.

Growth over the years

During the last five years, your Company has recorded a compounded annual growth rate (CAGR) of 9.47% of turnover and 46.10% of profit before tax.

Ircon has been figuring in the list of top 225 International Contractors since 2009-10 consistently as per the Engineering News Record (ENR), published by McGraw-Hill Construction (Financial) USA. As per their August 2014 edition, Ircon is among the only four Indian companies which could make it to the list of top 250 International Contractors 2014.

Project Performance

Your Company has had proud moments of completing very important projects during the year in Malaysia and Sri Lanka. In Malaysia, Seremban – Gemas double tracking project valued at US$ 1 billion has been completed. This is the largest ever transportation project completed by any Indian company abroad. In Sri Lanka, reconstruction of Railway Line from Omanthai to Pallai, and restoration of Medawachchiya to Madhu Road Railway Line have been completed.

The Company has completed Pir Panjal tunnel and railway line from Banihal to Qazigund section, Mughalsarai-Sultanpur-Utaratia RE project, Development of State highways under RSVY project in Bihar, and two electrification projects. Some of the important ongoing projects in India are Rail cum road bridge across river Ganga in Patna,

construction of RoBs in Rajasthan and Bihar, Rae Bareli Rail Coach Factory, Sivok-Rangpo New Rail line Project, Dharam Qazigund New Railway line Project, implementation of PMGSY projects in Jharkhand, and two projects for Rail Link to Nepal.

Railway Infrastructure through Subsidiaries / JVs

Your Company has been contributing to Railway infrastructure through its two subsidiary companies – Ircon Infrastructure & Services Limited (IrconISL – a 100% subsidiary of Ircon) and Indian Railway Stations Development Corporation Limited (IRSDC – a JV with RLDA with 51% equity of Ircon).

Your Company would be actively involved in the development of coal connectivity rail corridors in the State of Chhattisgarh through two joint venture companies (JVCs) -- "Chhattisgarh East Railway Limited" (CERL) and "Chhattisgarh East-West Railway Limited" (CEWRL) -- formed in March 2013. Ircon has 26% equity participation in both the JVCs.

Governance and Sustainability

CSR & SD: Your Company has aligned its CSR and SD policies with the Millennium Development Goals formulated by the United Nations. Your Company has executed CSR and Sustainability projects to the tune of ` 8.49 crores in the areas of health, education, infrastructure, and skill development in and around its projects. The efforts of the Company in the previous year have been recognized, and your Company has been conferred with two awards – "India Today PSU Award 2014" under Mini-Ratna category, and "SCOPE Meritorious Award for Corporate Social Responsibility & Responsiveness".

Corporate Governance: Your Company is complying with legal requirements and government guidelines regarding Corporate Governance. For the 8th consecutive year, Ircon received 'NIL' comments from the C&AG for the year 2013-14.

Memorandum of Understanding has been signed with Transparency International India (TII) for adoption and implementation of Integrity Pact, and it is being implemented for all Indian Projects with value of ` 5 crores and above.

Looking Ahead

Even as the construction business scenario in the area of operation of the Company remains challenging, your Company is effectively pursuing opportunities within India and internationally. The thrust of the Indian Railways on strengthening the rail network across the country, production units, and workshops provides good prospects for Company's railway business.

Your company will continue to focus in countries like Malaysia, Bangladesh and Sri Lanka, where it has substantial presence and excellent track record of having executed several prestigious projects.

Considering its vast experience and the expertise in the Design and construction of the High Speed Railway line, your Company intends to focus on this promising business, through strategic alliance with technology providers and specialized construction companies in the field.

The road sector is likely to see new momentum, and since your Company has good experience in this sector and sound financial strength, it is well-positioned for new opportunities both in EPC and BOT segment.

With real estate sector expected to take off, your Company intends to enhance its presence by constructing commercial and institutional buildings on the land owned by it.

Acknowledgements

Before concluding, I extend my heartfelt gratitude and thanks on behalf of the Board of Directors to all our shareholders, customers, Railway Board and other Ministries, Embassies, Bankers, and all other stakeholders for their valuable advice, support, and goodwill which we would always need.

I would like to place on record our appreciation for the sincere and dedicated services rendered by the employees of the Company. I convey my sincere appreciation and gratitude to my colleagues on the Board for their invaluable contribution in strengthening the Company.

I am confident that with your continued support coupled with the dedicated spirit and competence of the employees, your Company would create many more sustainable landmarks of progress in the years to come.

Place : New Delhi
Date : 25.09.2014

Mohan Tiwari
Chairman & Managing Director

DIRECTORS' REPORT

Distinguished Shareholders,

The Directors of your Company have pleasure in presenting their 38th Report on the affairs of the Company for the financial year 2013-14.

PERFORMANCE HIGHLIGHTS

Your Company has achieved its operating income of ` 4066.82 crores, out of which 52.56% is from foreign projects.

Further, your Company has again enhanced its profitability by 23.05% in profit before tax from ` 1015 crores in 2012-13 to ` 1249 crores in 2013-14. The profit after tax has also increased by 24.25% from ` 730 crores in 2012-13 to ` 907 crores in 2013-14.

FINANCIAL HIGHLIGHTS

Some important indicators of financial performance of the Company for the year 2013-14 vis-à-vis 2012-13 are given below:

Financial Performance Indicators:

(` in Crores)

Sl. No.	Particulars	2013-14	2012-13	%age increase / (Decrease)
1.	Total income/Gross sales	4307	4471	(3.67)
2.	Total Operating income	4067	4232	(3.90)
3.	Operating income from Foreign Projects	2137	1975	8.20
4.	Profit before tax	1249	1015	23.05
5.	Profit after tax	907	730	24.25
6.	Net worth	2993	2300	30.13
7.	Earnings per share (in `)	457.92	368.76	24.18
8.	Total Foreign Exchange Earnings	2185	1997	9.41
9.	Foreign Exchange Outgo	1143	1175	(0.027)
10.	Net Foreign Exchange Earnings	1042	822	26.76
11.	Dividend	182.12	148.47	22.66

Foreign Exchange Earnings

Net Foreign Exchange earnings have increased by 26.76% from ` 822 crores in 2012-13 to ` 1042 crores in 2013-14 due to higher expenditure in Indian rupees and higher revenue earned in foreign currency and higher margin in some international projects, though the operating income from foreign projects has increased by 8.20% from the last year.

Dividend

The Board of Directors had declared in January 2014 an interim dividend of ` 100.96 crores (approx.) @ ` 51/- per share i.e.510% on the paid-up share capital of ` 19.796 crores which was paid in February 2014 to the shareholders. The BoD has recommended a dividend @ ` 41 per share i.e. 410% on the paid-up share capital for declaration by the shareholders, which would amount to ` 81.16 crores approximately. With this, the total dividend for the year 2013-14 would amount to ` 182.12 crores @ ` 92.00 for every ` 10 share which works out to 20.09% of the post-tax profits as against ` 148.47 crores @ ` 75 per share during the previous year. After approval and payment of the proposed dividend, the cumulative dividend to shareholders up to 2013-14 will stand at ` 757.13 crores.

Appropriations/ Tax Provisions/ Reserves:

(` in Crores)

Sl. No.	Particulars	2013-14	2012-13
1	Interim Dividend	100.96	49.49
2	Proposed Final Dividend	81.16	98.98
3	Tax on Interim Dividend	17.16	8.03
4	Tax on Proposed final dividend	14.56	16.06
5	Transfer to / (from) CSR Activities Reserve	(1.19)	2.90
6	Transfer to General Reserve	693.85	554.53

ORDER BOOK

The Company secured works worth ` 4449 crores during the year 2013-14. The work load as on 31st March 2014 stood at approx. ` 12071 crores.

FINANCIALS OF SUBSIDIARIES

The Board of Directors of your Company has, at its adjourned meeting held on 1st August 2014 (held in continuation of meeting dated 31st July 2014), while approving the Financial Statements for 2013-14, approved the Consolidated Financial Statements of the Company and its subsidiaries, Ircon Infrastructure & Services Limited (IrconISL) and Indian Railway Stations Development Corporation Limited (IRSDC). Stand-alone Balance Sheet with Statement of Profit & Loss and Reports of both the subsidiaries have not been made a part of the Annual Report of Ircon based on consent of the BoD in terms of General Circular No.2/2011 dated 8th February 2011 issued by the Ministry of Corporate Affairs (MCA) under section 212(8) of the Companies Act, 1956. Instead, a set of Consolidated Financial Statements comprising the Consolidated Balance Sheet, Statement of Profit & Loss, and Cash Flow Statement along with Auditors' Report thereon forms a part of the Annual Report of your Company. A summary of key financials of both the subsidiaries is given in Note no. 36(c) forming part of the Consolidated Financial Statements. As required by the said MCA circular, your Company would make available the Balance Sheet, Statement of Profit & Loss, Cash Flow Statement, Directors' Report, and Auditors' report of IrconISL and IRSDC upon request by any member of your Company and of the subsidiaries. These documents would be made available on the website of the Company (www.ircon.org), and would also be available for inspection by any member at the registered office of the Company and of the subsidiaries.

OPERATIONAL PERFORMANCE

A. Foreign Projects Completed:

Malaysia

1. The entire double tracking project (about 98 km length between Seremban and Gemas on design and build basis including all electrification, signaling and communication works) in Malaysia -- being done for Ministry of Transport, Government of Malaysia, at a value of MYR 3366 million -- was completed on 31st July 2013, on the scheduled time. The project is now under two years maintenance period. This work is the largest ever transportation project under a single contract by any Indian company in a foreign country.

Rembau Railway Station, Malaysia

Sri Lanka

2. The track work for restoration of Medawachchiya to Madhu Road Railway line in Northern Province of Sri Lanka, at a value of ` 442.46 crores (USD 81.31 million), was completed on 31st March 2013. During the year, trial run for the above section was done on 23rd April 2013 and section was opened for passenger traffic on 19th May 2013.

3. During the year, the project of re-construction of Railway Line from Omanthai to Pallai in Northern Province of Sri Lanka got completed, at a revised value of ` 1071 crores (USD 193.66 million). The first section of the said project from Omanthai to Kilinochchi (63 Km) was inaugurated by Hon'ble Sri Lankan President Mahinda Rajapaksa on 14th September 2013. It was an historic occasion as the train service re-commenced in this section after 23 years. The balance section from Kilinochchi to Pallai (27 Km) was also commissioned on 4th March 2014.

Commissioning of Omanthai-Kilinochchi section in Sri Lanka

Ethiopia

4. The project for procurement, supply, testing, and commissioning of sub-station equipments for Ethiopian Electric Power Corporation (EEPCO), at a value of ` 66.5 crores, has been completed on 30th April 2013.

Afghanistan

5. Your Company also completed on 30th April 2013 the project for supply, installation, testing, and commissioning of 220/20 kv sub-station (new) at Aybak and bay expansion work at an existing Mazar-e-Sharif sub-station in Afghanistan at a value of ` 51 crores.

B. New / On-going Foreign projects:

Seven projects, including the new ones secured, are in progress -- one in Malaysia, three in Sri Lanka, one in Algeria, and two in Bangladesh.

Malaysia

1. Your Company continued to operate 25 meter gauge diesel locomotives on Malaysian Railway System (KTMB) as per the lease and maintenance contract for an annual value of approx. US Dollars 6.988 Million which has been extended up to 31st December 2015 at a total contract value of approx. US Dollars 13.976 Million.

Sri Lanka

2. The project of re-construction of Railway Line from Madhu Road to Talai Mannar {approximately ` 882 crores (USD 160.12 million)} in Northern Province of Sri Lanka is expected to be completed up to Jafna by December 2014.

3. The other two ongoing projects in Sri Lanka are:-

(i) Re-construction of railway line from Pallai to Kankesanthurai in Northern province of Sri Lanka {approximately ` 916 crores (USD 155.26 million)}, which is expected to be completed by December 2014.

(ii) Design, supply, installation, testing, and commissioning of signaling and telecommunication system for the entire railway network in northern province of Sri Lanka (from Anuradhapura to Kankesanthurai and from Medawachchiya to Talaimannar Pier), valued at approximately ` 563 crores (USD 96.51 million), which is scheduled to be completed by June 2015.

Algeria

6. The project for installation of a double track line (93 km) in Algeria awarded by ANESRIF, Government of Algeria, at a value of ` 1103 crores (USD 230 million) involving construction of second line and upgradation of existing line from Oued Sly to Yellel in Algier – Oran section of Algerian Railways is likely to be completed by March 2016. The value of the contract including additional works for realisation of double line has been revised to approximately ` 1692 crores (USD 353 million).

Bangladesh

7. During the year 2013-14, your company was awarded the following new projects from Bangladesh Railways:

(i) Construction of 2nd Bhairab Railway Bridge with Approach Rail Lines (Lot-A) -- being undertaken by IRCON-AFCONS JV -- in September 2013, at a total value of approximately ` 267 crores (Ircon's share).

(ii) Design, Supply, Installation, Testing, and Commissioning of Computer based Interlocking Colour Light Signalling System on turnkey basis at 11 stations between Ishurdi-Darsana section of Bangladesh, at a value of ` 60 crores (approx.).

C. Likely Foreign projects

Concerted efforts are being made to secure contracts in Malaysia, Oman, Bangladesh, Myanmar, and Sri Lanka.

D. Projects Completed in India

During the year, five projects got completed in India. These are:

(i) Pir Panjal tunnel and railway line from Banihal to Qazigund section connecting Kashmir with Jammu region and the rest of the Country was opened for passenger traffic on 26th June 2013. The first DEMU train from Banihal through the Pir Panjal Tunnel – the longest transportation tunnel in India – was flagged off by Dr. Manmohan Singh, the then Prime Minister of India, in the presence of dignitaries from the Govt. of India and Ircon's officials.

Train passing through 11 kms Pir Panjal Tunnel in J&K

(ii) Electrification works for Mughalsarai-Sultanpur Utaratia section for Central Organisation for Railway Electrification (CORE)

(iii) Commissioning of 220/33 KV sub-station at Cuncolim, Goa for Goa Electricity Department

(iv) Construction of 11 kv distribution network (APDRP Kochi City Scheme) for Kerela State Electricity Board

(v) Development of State highways under RSVY project, Bihar

E. New Projects in India:

During 2013-14 your Company secured following new major projects in India, including additional works:

(a) Supply, Installation, Testing, and Communication of Ballastless Track of Part 3 Standard Gauge Corridor from Badarpur to Faridabad (line 6) and Broad Gauge Corridor from Jahangirpuri to Badli (Line-2) in elevated sections along with Ballasted/Ballastless Track in Depots at Ajronda and Badli of Delhi MRTS Project of Phase-III – Contract CT-4 of Delhi Metro Rail Corporation Ltd (DMRC) at a total value of ` 71.85 crores.

(b) Construction of one Road Over Bridge (RoB) on State owned Road (other than NHs) in Bihar through its funds on 1st Km at Manpur by pass in Gaya District, Bihar of Road Construction Department, Govt. of Bihar, at a total value of ` 85.73 crores.

(c) DPR & Detailed Engineering Project Management and Construction of Coal Transportation System for Nabinagar Super Thermal Power Project (3X660 MW), of Nabinagar Power Generating Company Private Limited at a total value of ` 90 crores.

(d) Topographical & Geo Technical Survey, Preparation of Master Plan, Planning, Designing and Construction of Boundary Wall & Allied Preparatory Works for National Institute of Technology, Mizoram at Lengpui, Aizawl, Mizoram, at a total value of ` 25 crores.

(e) Railway Electrification work for Banihal-Baramulla section (137.73 Kms) part of Udhampur-Srinagar-Baramulla Rail Link Project (USBRL), of Northern Railway at a revised value of ` 303.45 crores.

(f) RAPDRP – Part B Project under Jammu province (Cluster – I, Jammu left), (Cluster-II, Jammu Right), and (Cluster IV) (Akhnoor, Rajouri, Poonch, Udhampur, Doda, Kishtwar & Bhaderwah) of J&K Power Development Department.

(g) Agartala-Akhaura New Rail Link (Indian Portion), of North Frontier Railway, at a total value of ` 190.05 crores.

(h) East Corridor between Kharsia to Dharamjaygarh in Chhattisgarh, for Chattisgarh East Railway Limited.

(i) Additional works in Udhampur-Srinagar-Baramulla New Line Project (USBRL-II) work transferred from KRCL to IRCON at J&K.

F. On-going major Projects in India

The following are the on-going projects:

(a) Design, and Construction of BG New Railway line from Dharam to Qazigund (Dharam Qazigund) Km 100.88 to Km 168 in J&K, including additional works secured during the year.

(b) Construction of steel super-structure and other ancillary work of rail-cum-road bridge across river Ganga at Patna at a revised value of ` 1589.70 crores.

(c) Setting up of new Rail Coach Factory at Raebareli at a revised value of ` 1810 crores, including additional works secured during the year.

(d) Sivok-Rangpo New Rail Line Project at a revised value of ` 1339.48 crores.

(e) Construction of Rail Link between Jogbani (Bihar) India to Biratnagar (Nepal) at a revised value of ` 318.61 crores.

(f) Construction of rail link between Jayanagar (India) – Bijalpura (Nepal) (Gauge conversion) with extension up to Bardibas on India-Nepal Border at a revised value of ` 577.10 crores.

(g) Construction of Road Over Bridges (RoBs) in Rajasthan and Bihar at a revised value of ` 506.81 crores and ` 1073.26 crores respectively.

(h) Design, Engineering, etc. and, Commissioning of Railway siding for Kalisindh Power Project, Stage–I, Jhalawar for Rajasthan Rajya Vidyut Utpadan Nigam Limited (RVUN) at a revised value of `168.46 crores.

(i) Development of coaching terminal at Shalimar by provision of essential passenger amenities for South Eastern Railway at a revised value of ` 204.85 crores.

(j) Development of circulating area at Santragachi and essential passenger amenities and road connectivity to Kona Expressway for South Eastern Railway at a revised value of ` 210.21 crores.

(k) Construction / upgradation of Rural roads and bridges in 5 districts (Garhwa, Gumla, Ranchi, Lohardaga and Simdega) of Jharkhand – PMGSY Project at a total value of ` 685 crores for Ministry of Rural Development, Government of India and Jharkhand State Government.

(l) Design, supply, installation, testing & commissioning of receiving cum traction and auxiliary main sub-station including high voltage cabling from grid sub-station and augmentation works for existing receiving sub-station under CE-6, Lot-1 of DMRC for Delhi MRTS project, Phase-III at a revised value of ` 234.49 crores.

(m) Setting up of three electric loco sheds to home 200 three phase Locos at Bondamunda (South Eastern Railway), Daund (Central Railway), and Mughalsarai (Northern Railway) at a total value of ` 234.48 crores.

G. Joint Venture Companies

JVC in Mozambique

A joint venture company called Companhia Dos Caminhos De Ferro Da Beira (CCFB), was incorporated in Mozambique during 2004, in which your Company has 25% equity stake, RITES has 26%, and CFM, a railway undertaking of Mozambique, has 49%.

Investment in CCFB is comprised of:

		Total disbursement as on date (USD million)
(a)	Equity	1.25
(b)	Shareholders' Loans	20.08
	Total	21.33

CCFB had defaulted in repayment of principal including interest amounting to USD 7.34 million (up to 31.03.2014), except a partial repayment of Shareholders Loan of USD 1 million on 28.02.2013. Interest accrued after 1st April 2011 on the above loans has not been recognized in the books of accounts due to termination of Concession explained below. A suitable provision has been made against the investment following a conservative approach.

Termination of Concession:

The line had been rehabilitated and trains started un-interrupted movements for carrying coal, however, the Conceding Authority (Minister of Transport and Communications, Government of Mozambique) had terminated and took over the Concession in December 2011. CCFB has initiated arbitration proceedings against Government of Mozambique under ICC Rules and filed request for Arbitration with International Court of Arbitration in May 2013. Although the arbitration process is going on, efforts for amicable settlement of the dispute have been initiated by Government of Mozambique in July 2014.

JVCs in India

1. Ircon Soma Tollway Private Limited

A joint venture company (JVC) called "Ircon-Soma Tollway Private Limited" (ISTPL) was incorporated on 19th April 2005, with 50% equity participation by both Ircon and Soma Enterprise Limited (a construction company), for executing a BOT project for four laning of Pimpalgaon-Dhule section of NH-3 from km 380 to km 265 in Maharashtra for National Highways Authority of India (NHAI) which has been completed in 2010-11.

Ircon's Investment in ISTPL, as 50% equity partner, is ` 63.87 crores. In respect of a loan of ` 521.53 crores availed by ISTPL from PNB during 2011-12 to meet its fund requirement backed by shareholders' undertakings, the outstanding loan balance is ` 444.29 crores as on 31st March 2014. During the year 2012-13, a tripartite pledge agreement was entered into by Ircon with PNB and ISTPL to pledge 30% of the existing shareholding of Ircon in ISTPL as per the undertaking given to PNB during 2011-12.

2. Chhattisgarh East Railway Limited and Chhattisgarh East-West Railway Limited

A Memorandum of Understanding (MoU) has been signed on 3rd November 2012 between Ircon, Government of Chhattisgarh (GoCG), and South Eastern Coalfields Limited (SECL) for development of two coal connectivity rail corridors, Corridor – I: East Corridor (length 180 Km), and Corridor – III: East West Corridor (length 122 Km), in the Northern Region of the State of Chhattisgarh through two project specific special purpose vehicles (SPVs).

Accordingly, two joint venture companies (JVCs) namely "Chhattisgarh East Railway Limited" (CERL) and "Chhattisgarh East-West Railway Limited" (CEWRL) were incorporated on 12th March 2013 and 25th March 2013 respectively, with 26% equity participation by Ircon, 10% by Chhattisgarh State Industrial Development Corporation Limited (CSIDC) (nominee of GoCG), and 64% by SECL.

Both CERL and CEWRL had obtained their Certificate for Commencement of Business on 7th May 2013. The authorised share capital of both the companies is ` 5 crores and their paid-up and subscribed share capital is ` 4.055 crores each. Ircon's Investment in both the companies is ` 1.17 crores each, being 26% share in the equity capital of both CERL and CEWRL.

Both the companies have entered into project execution agreement with Ircon for facilitating construction of the rail corridors.

H. Subsidiary Companies

1. Ircon Infrastructure & Services Limited (IrconISL)

Your Company had formed a wholly owned subsidiary company by the name "Ircon Infrastructure & Services Limited" (IrconISL) on 30th September 2009 and its Certificate for Commencement of Business was obtained on 10th November 2009. The authorised and paid-up share capital of IrconISL is ` 40 crores. The main object of IrconISL is to undertake infrastructure projects including Multi-Functional Complexes (MFCs), etc. to provide facilities and amenities to users of Indian Railway System, all matters in the field of real estate and allied areas and business of hire purchasing, leasing of all kinds of movable and immovable properties, to provide consultancy for all kinds of engineering projects including providing maintenance, support, and all kinds of services including social welfare measures.

IrconISL had been assigned the work of development of Multi-Functional Complexes (MFCs) at 23 station premises for providing facilities to rail users by Rail Land Development Authority. The work has been completed at all 23 stations, out of which 17 MFC's, namely Allahabad, Hubli, Kannur, Raipur, Jammu, Udaipur, Jabalpur, Gwalior, Indore, Jodhpur, Mysore, Hyderabad, Bilaspur, Barddhaman, Rampurhat, Rajgir, and Haridwar have been sub-leased by IrconISL to third parties.

During the year, IrconISL has executed the consultancy work of Ministry of External Affairs (MEA) for preparation of DPR of road component from Paletwa to India Myanmar border of kaladan multi-modal

transit project in Myanmar. IrconISL has also secured consultancy project from MEA for preparation of feasibility report for construction of 71 bridges in Tamu-Kalewa section of Myanmar.

As on 31st March 2014, investment in IrconISL comprised of:

Particulars	Total Investment (` in Crores)
Equity (100% shareholding)	40
Loan (committed ` 64.90 crores)	48.15
Total	88.15

2. Indian Railway Stations Development Corporation Limited

Your Company had formed a subsidiary by the name "Indian Railway Stations Development Corporation Limited" (IRSDC) on 12th April 2012. Your Company holds 51% shares in IRSDC. Rail Land Development Authority (RLDA), a statutory authority under the Ministry of Railways, holds 49% shares. IRSDC had obtained its Certificate of Commencement of Business on 9th May 2012. The authorised share capital of IRSDC is ` 100 crores and its paid-up share capital is ` 40 crores.

One of the main objects of IRSDC as enshrined in its Memorandum of Association is to develop/ re-develop the existing / new railway station(s) which will consist of upgrading the level of passenger amenities by new constructions/ renovations including re-development of the station buildings, platform surfaces, circulating area, etc., to better standards so as to serve the need of the passengers in India, and commercial development of land/ air space.

IRSDC has been entrusted with 5 stations located at Chandigarh, Habibganj (Bhopal), Shivaji Nagar (Pune), Bijwasan, and Anand Vihar (New Delhi) for development/re-development. The project is expected to be implemented on Self Development Model or Third Party Development or combination of both wherein IRSDC would be granted leasehold rights of the site for Commercial Development, Right of Way, and Licence for the purpose of undertaking Station Development and Re-development Works.

During the year, IRSDC has prepared and submitted Master and Concept Plan for all the (five) stations for approval by the Ministry of Railways and the local authorities. Out of these, plans for stations located at Habibganj and Shivaji Nagar have been approved by Ministry of Railways as well as local authorities, and station located at Chandigarh has been approved by the local authority.

During the year, both the subsidiaries - IrconISL and IRSDC - have signed Memorandum of Understanding for the year 2014-15 with Ircon (holding company) in terms of DPE Guidelines.

COMPLIANCES

A. Disclosure of Accounting Treatment

Dues of Beira Rail Concession Project – Principal and Interest accrued on loans extended to CCFB have been translated at the exchange rate prevailing as on 31st March 2011 (i.e. 1 USD = ` 44.23), based on prudence, instead of rates on the date of balance sheet as required under the provisions of AS-11. The details are given in Note no. 40 forming part of the Financial Statements.

B. Presidential Directive

No Presidential directive was received during the year 2013-14.

C. Official language

Regular quarterly meetings of Official Language Implementation Committee and workshops for effective use of the Unicode system and official language are being conducted. Bilingual facility has been introduced for computer systems and mobile phones used by the officials. Officers and staff are being encouraged through various incentive schemes for implementation of the annual program of the Official Language Department.

D. Right to Information Act, 2005

As per the requirements of the RTI Act, necessary updated information including the names of Appellate Authority, Central Public Information Officer and Assistant Public Information Officer as well as State Level Public Information Officer in each of the Regional offices of the Company are posted on the website. Queries received are replied within the stipulated time. The queries are usually in the nature of service matters, and details of finance, contract and projects.

During the year, 136 applications inclusive of first and second appeal were received. Out of this, the Company addressed 125 queries, 11 remained pending – 4 for want of additional fees and balance were in process in terms of the RTI Act and replied within the stipulated period after the close of the year.

E. Particulars of employees

No employee has drawn remuneration of ` 60 lakhs or more per annum or ` 5 lakhs or more per month during the year 2013-14.

F. Companies Act, 2013

The Companies Act, 2013 (New Act) was notified in the Gazette of India on 30th August 2013, whilst only certain sections of the New Act became effective during the year from 12th September 2013, the major part of the New Act was effective from 1st April 2014. The Ministry of Corporate Affairs has vide its General Circular no. 08/14 dated 4th April 2014 clarified that, the financial statements (and documents required to be attached thereto), auditors report and Board's report in respect of financial year 2013-14 shall be governed by the relevant provisions/ Schedules/ rules of the Companies Act, 1956 and that the provisions of the new Act shall apply from the year 2014-15 onwards. Accordingly, the provisions of Companies Act, 1956 and the new Act, as applicable, have been mentioned in this report and its annexures.

PERSONNEL DEVELOPMENT

Cordial and harmonious industrial relations prevailed in the Company during the year. Your Company has been continuously taking steps for human resource capacity building through training in functional and general management areas, information technology, as well as soft skills. Fresh recruits were given induction training. External faculty was arranged wherever required and officials were nominated for workshops, seminars, etc. with reputed institutes. Development plan for executives was made linking it with Performance Management System and initiatives were taken for strengthening the organization culture. The Company also imparted training to students from professional / technical institutes.

The total manpower strength as on 31st March 2014 stood at 1579 which included 91 deputationists, majority of whom (71) were deployed on foreign projects. 1344 were regular employees out of which 1130 were employed on Indian projects. The total number of women employees was 72, out of which 42 were executives. 573 (36.29%) employees of the Company were engineers.

Your Company has various schemes for staff welfare like educational scholarships, one time educational grant for admission to professional degrees and diploma courses, educational awards, etc. to meritorious children of employees, educational assistance to the wards of deceased employees, assistance for marriage of daughters and dependent sisters of group 'C' and 'D' employees, etc. Apart from the existing facility of homeopathy treatment at Corporate office, facilities like immediate financial assistance and guidance are being provided to employees and their family members, in case of any medical exigency. There are Gym facilities in corporate office, in Raebareli Project office, and in the training centre at Gurgaon.

Your Company aims to provide congenial and safe working atmosphere to women employees. The Company has a complaints committee for prevention of sexual harassment at work place. During the year, the Company organized a workshop for women on self-defense and awareness at the Corporate office.

The company has taken steps for development of competency based framework for managing human resources. During the year, an initiative termed as GROW (Get Ready to Outperform and Win) was introduced, with an aim of building competency map for the Company, as well as identifying competency pool of employees at all levels. Further, competency based trainings are being designed to align skills of available manpower with the

requirements of the Company. The HR department is preparing road map for an e-learning system, whereby a pool of shared knowledge and experience would be created.

The 38th Annual Day was celebrated on 28th April 2014 with traditional fervor and gaiety. On this occasion, exemplary work done by employees in Indian as well as foreign projects and select projects was appreciated and rewarded. Educational awards to meritorious children of the employees were also given on this occasion.

QUALITY, ENVIRONMENT, AND HEALTH & SAFETY MANAGEMENT

Quality Management System (QMS) has been successfully sustained and continually improved since 1996 when the Company as a whole was first certified for ISO-9002-1994 by TUV Suddeutschland Private Limited (TUV). Your Company has been re-certified by TUV SUD South Asia in September 2011 after an audit as per latest revised code ISO 9001:2008. This certificate is valid up to September 2014. After the close of the year, re-certification audit was conducted in May 2014, which has been successfully completed and the Company has been recommended for re-certification.

Your Company has established an Environment Management System (EMS) and has been certified for ISO 14001:2004 in October 2011. This certificate is valid up to October 2014. After the close of the year, re-certification audit was conducted in June 2014, which has been successfully completed and the Company has been recommended for re-certification.

Your Company has also been certified for Occupational Health & Safety Management System (OHSAS – BS 18001:2007) in December 2012 by TUV SUD South Asia. This certificate is valid till December 2015. Risk assessment of possible hazards involved during construction activities is being done at projects as per the requirements of OHSAS. MoU targets for 2013-14, namely, Surveilance Audit for OHSAS for eight projects, have been fully achieved.

Corporate Quality Council and Project Quality Council meetings were conducted quarterly at Corporate Office and projects respectively to review the implementation of QMS, EMS, and OHSAS. The Quality objectives were measured and reviewed both at the Corporate and at the Project levels. Internal Quality Audit as well as Quality Assurance Audit were conducted in projects and corporate office. Reports of these audits not only contained details of non-conformities encountered during the audit but also the salient features, progress, positive points, if any, etc.

Quality Management (QM) department has established operational control procedures to minimize identified impacts on environment and taken initiatives to make the officers, project personnel, and staff aware about the impacts on environment caused by construction activities, plant & machinery, vehicles, etc. Safety and Environment officers have been nominated at all Indian projects. Various state of the art systems have been installed and environment friendly technology has been adopted in the Corporate Office building to conserve energy. During the year, QM Department has introduced reporting mechanism for injuries caused due to accidents from all Indian project and regional offices, and taken initiatives to centrally monitor such information at the Corporate office during Quality Council meetings.

The Company had established environmental lab in Jammu for study of impact on environment by the construction activities.

RESEARCH & DEVELOPMENT (R&D)

Your Company does not undertake any pure research project but takes the help of consultants and firms to innovate and to develop methods and techniques to execute projects in a cost effective manner, with requisite quality, to enhance the technological competence and efficiency.

R&D activities during the year involved, development of web based project management system, incorporation of Micro Processor based control system for 2300 HP locos and improvement of Loco cab, and design & report submission for adoption of Ballast less track on Indian Railways. 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, and for general business sustainability, with specific focus on the cutting edge technology and to improve the skills of technical manpower.

TECHNOLOGY UPGRADATION AND ABSORPTION

Your Company has an "Engineering Control and Audit Cell" to constantly upgrade technology and construction techniques, and to look into the aspects of appropriate designing and value engineering. The cell reviews the design and drawings for various projects and provides engineering solution, including standardization of design data to help in marketing efforts and conceptualisation of new projects with technical back up in alignment design, geo-technical analysis, etc. The Company is using modern technology and state of the art equipments in execution of infrastructure projects. Supervisory Control and Data Acquisition System (SCADA) for 11 KV system for controlling power supply and monitoring safety of electrical equipment was used in tunnel ventilation application in the Pir Panjal Tunnel of J&K project, which commissioned during the last year, and is also being used in the Rail Coach factory project at Raebareli.

INFORMATION TECHNOLOGY AND DEVELOPMENT OF ERP

The Company has started switching over to latest version of SAP ECC 6.0 to better the functional enhancements with improved business processes in Finance and HR. Other departments and Projects will be covered in the near future.

The Company is maintaining the state of art data centre facilities. The Data Centre is connected to National and International projects at all times with dedicated leased lines. Data centre is also equipped with network and internet security devices with high speed LAN and WAN connectivity for secured application and data for Management Information System (MIS).

Monitoring and control of domestic and international projects are being done with use of project management software along with computer aided drawing and design software including cost effective communication facility like video conferencing.

VIGILANCE ACTIVITIES

The Vigilance Department plays an advisory role to the top management in matters pertaining to vigilance. It is headed by a full time Chief Vigilance Officer (CVO) appointed by the Appointments Committee of the Cabinet (ACC) in consultation with Central Vigilance Commission (CVC).

The Department ensures implementation of laid down guidelines/procedures through preventive checks of tenders and contracts, execution of works, and other functions as well as carries out investigations into complaints. This year the Department carried out 8 inspections on various projects / units. Complaints raised against officials; procedures etc. by various Authorities (CVC/Railway Board Vigilance) and received from other sources were investigated to their logical conclusion. Based on the outcome, circulars on system improvements were issued in different spheres of working related to tenders, contracts, finance, etc., and also project management to avoid recurrence of irregularities / procedural errors and to plug loopholes. In addition, steps were taken for closure of paras raised by the Chief Technical Examiner's Organisation (CTEO). Scrutiny of immovable property returns of employees; creating awareness on rules/procedures/common irregularities in execution through workshops/trainings, debate competitions, etc. have been the prime activities of the Department.

Workshop on Leveraging Information Technology for Transparency Organised at Ircon

As a step towards 'leveraging of technology' for better transparency, a workshop was organized on 'Leveraging Information Technology to improve transparency' for sharing experience of Railway Public Sector Undertakings, and facility for online Disciplinary and Vigilance Clearance (at intranet portal of the Company) has been initiated during 2013-14. Vigilance section / portal on website www.ircon.org with a facility for online receipt of complaints, and online system for submission of Immovable Property Returns by the officers is in place. E-procurement has already been started in the organisation in a comprehensive manner for achieving greater transparency. Vigilance strives to achieve its objective of promoting an impartial, fearless, and transparent environment in functioning of the organisation by taking steps to prevent unethical practices.

INTEGRITY PACT

The CVC has recommended adoption of Integrity Pact in respect of major procurements in the Government Organisations. Accordingly, a Memorandum of Understanding has been signed with Transparency International India (TII) on 22nd April 2014 for adoption and implementation of Integrity Pact.

After the close of the year, the Company has adopted Integrity Pact for tenders / contract for works and supply with an estimated value of ` 5 crore and above on all Indian Projects. Your Company, has appointed one Independent External Monitor (IEM) to monitor the activities, and appointment of another IEM is under process.

AWARDS

The Company has received the following awards during the year:

1. 'Asia Pacific HRM Congress Award 2013' for "CEO with HR orientation" presented by Institute of Public Enterprise was received by Mr. Mohan Tiwari, Chairman & Managing Director at a function held in Bengaluru on 5th September 2013.

Asia Pacific HRM Congress Award 2013 for CEO with HR Orientation to Shri Mohan Tiwari, CMD, Ircon

2. Two Dun and Bradstreet Infra Awards 2013, one Silver Trophy for Top Infrastructure Company under the category Construction - Infrastructure Development – Mid, and another for best project under the category 'Railways' for Qazigund–Banihal section of J&K Rail Link project were presented to Ircon. The awards were received by Mr. Mohan Tiwari, Chairman & Managing Director, Ircon, at a function held in Mumbai on 29th October 2013.
3. India Pride Awards 2013-14 for 'Excellence in Public Sector Undertakings – Central in India Image Enhancement'. The award was presented by Dr. M.M. Pallam Raju, the then Hon'ble Union Minister for HRD, to Mr. Mohan Tiwari, Chairman & Managing Director, Ircon, at a function held in New Delhi on 19th December, 2013.
4. Gold Trophy from EEPC for Export Excellence in the category of Top Merchant Exporter for the year 2012-13. The award was presented by Dr. James S. Mutende, Hon'ble Minister of State for Industry and Technology,

Uganda, to Mr. Mohan Tiwari, Chairman & Managing Director, Ircon, at a function held in Mumbai on 22nd January 2014.

5. Two 'CIDC Vishwakarma Award 2014' in the categories of best professionally managed company with a turnover of more than ` 1,000 crores, and best construction project for Pir Panjal Railway Tunnel, J&K. The awards were presented by Chairman, Construction Industry Development Council (CIDC) at a function held in New Delhi on 7th March, 2014.

6. Commendation Certificate of 'SCOPE Meritorious Award under the category of Corporate Social Responsibility & Responsiveness' for the year 2012-13.

Top Infrastructure Company Award in Construction - Infrastructure Development - Mid

INTEGRAL REPORTS

"CSR and Sustainable Development Report", "Management Discussion and Analysis Report", and "Corporate Governance Report" with its sub-annexures form an integral part of this Directors' Report, and have been placed as Annexures – A, B, and C respectively.

CSR & Sustainable Development Report projects the CSR and Sustainable Development Policy and activities of the Company during the year, as well as the CSR Policy formulated after the close of the year in accordance with the Companies Act, 2013 etc.

The Management Discussion and Analysis Report provides an overview of the affairs of the Company, its legal status and autonomy, business environment, mission & objectives, sectoral and segment-wise operational performance, strengths, opportunities, constraints, strategy and risks and concerns, as well as human resource and internal control systems.

The Corporate Governance Report highlights the philosophy of Corporate Governance and Key Values of the Company, composition of Board of Directors and its Committees, their details including profile of directors who joined the Board during 2013-14 and thereafter, attendance and remuneration of directors etc., other relevant disclosures, CMD / DF Certification, and general information for shareholders. It is supplemented by following compliance certificates:

1. Certificate signed by the Chairman & Managing Director affirming receipt of compliance with the Code of Conduct and Key Values from all Board members and Senior Management personnel during the year 2013-14 (placed at Annexure – C1);

2. Certificate from Chairman & Managing Director and Director Finance with respect to the truth and fairness of the Financial Statements, due compliances, and financial reporting (placed at Annexure – C2); and

3. Certificate of compliance of Corporate Governance provisions signed by a practising company secretary (placed at Annexure – C3)

DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors of the Company confirms:

i) that in the preparation of the financial statements, the applicable Accounting Standards had been followed except as otherwise stated in the financial statements and there has been no material departure;

ii) that such Accounting Policies were selected and applied consistently and such judgments and estimates were made that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the financial year ended on 31st March 2014 and of the profit of the Company for the year 2013-14;

iii) that proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, and the Companies Act, 2013 (where applicable), for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv) that the financial statements have been prepared on a going concern basis.

BOARD OF DIRECTORS

During April 2013 to March 2014, four meetings of the Board of Directors were held with one meeting each in the quarter ended on June 2013, September 2013, December 2013, and March 2014.

The following Directors are holding office as on date:

	Name	with effect from
1	Mr. Mohan Tiwari Chairman and Managing Director	w.e.f. 01.02.2009
2	Mr. K.K. Garg Director Finance	w.e.f. 03.11.2009
3	Mr. Deepak Sabhlok Director Projects	w.e.f. 16.04.2010
4	Mr. Hitesh Khanna Director Works	w.e.f. 07.03.2011
5	Prof. (Dr.) S.S. Chatterji Independent Director [Part-time (non-official)]	w.e.f. 16.09.2011
6	Mr. B.M. Sharma Independent Director [Part-time (non-official)]	w.e.f. 19.09.2011
7	Mr. Anjum Pervez Part-time Director (official)	w.e.f. 15.07.2013
8	Mr. A.K. Rawal Part-time Director (official)	w.e.f. 28.01.2014

The following Directors ceased to hold office during 2013-14 and thereafter till the date of this report:

1	Mr. D.K. Saraf Part-time Director (official)	Ceased to be Director due to his superannuation as Additional Member (Planning), Railway Board, on 30.06.2013 (AN). Held office from 17.02.2012 (FN) to 30.06.2013 (AN)
2	Dr. G.V. Rao Independent Director [Part-time (non-official)]	Ceased to be Director on completion of 3 year tenure on 07.10.2013 (AN). Held office from 08.10.2010 (FN) to 07.10.2013 (AN).

AUDITORS

The Auditors of the Company appointed by the Comptroller & Auditor General of India for 2013-14 are:-

Statutory Auditors:	
Vinod Kumar & Associates	For Company as a whole
Branch Auditors for projects in India:	
ASPN & Co., New Delhi	All projects under Northern Region and Western Region
Pravesh Jain & Co., Jammu (Jammu & Kashmir)	All projects at Jammu & Kashmir (Designated as Srinagar Region)
J L Sengupta & Co., Kolkata (West Bengal)	All projects under Eastern Region
MSSV & Co., Bengaluru (Karnataka)	All projects under Southern Region and one project of Western Region.
Branch Auditors for projects Abroad:	
Vinod Kumar & Associates	All projects in Malaysia, Ethiopia, Mozambique, and Afghanistan
Cabinet de Audit et CAC, Algeria	Algeria
Gajma & Co., Colombo, Sri Lanka	Sri Lanka

COST ACCOUNTANT

During the year 2013-14, the Board of Directors has appointed M/s. Ravi Sahni & Co., Cost Accountants, as Cost Accountant of the Company, for maintaining Cost Records of the Company and submission of Compliance Report thereof as per the applicable Rules/ Guidance Notes under the Companies Act, 1956.

Cost Compliance Report for the year 2012-13 along with its Annexure was filed with the Ministry of Corporate Affairs, in XBRL format, within the statutory time limit.

ACKNOWLEDGEMENT

We record our appreciation and thanks to the Ministry of Railways, Ministry of External Affairs and other Ministries; various banks, Reserve Bank of India, EXIM Bank; Export Credit and Guarantee Corporation; Embassies; Protector of Immigration; Passport Authority; Doordarshan; and our esteemed clients both in India and abroad for their continued interest in and support to the Company.

We place on record our sincere appreciation for all the employees of the Company at all levels for their untiring efforts, dedication, and sincerity of purpose in improving the performance and profitability of the Company.

For and on behalf of the Board of Directors

Place : New Delhi
Date : 01.08.2014

Mohan Tiwari
Chairman & Managing Director

ADDENDUM TO DIRECTORS' REPORT

(Replies to comments in Auditor's Report)

Auditor's Report:

The comments in the Auditor's Report inter-alia refer to various Notes and Accounting Policies incorporated by the Company in the Accounts. The Notes are self explanatory.

Annexure to Auditor's Report:

Para nos.	Management Replies
(iv)	The Company has already initiated steps to review the guidelines.
(vii)	External firms of Chartered Accountants are engaged for the Internal audit of Indian projects and internal audit of foreign projects is done by the senior officers of the Company.The internal audit reports are being reviewed by the Audit Committee on a regular basis. Further, the Company is of the view that internal audit system is commensurate with its size and nature of the business, which has also been opined by all the six branch auditors of the Company, through their audit reports. However, improvement in Internal Audit System is a continuous process in the Company.

For and on behalf of the Board of Directors

Place : New Delhi
Date : 11.09.2014

Mohan Tiwari
Chairman & Managing Director

Annexure – A

CSR & SUSTAINABLE DEVELOPMENT REPORT

A. CSR & SD : 2013-14

In accordance with the DPE Guidelines on "Corporate Social Responsibility and Sustainability for CPSEs", effective from 1st April 2013, Corporate Social Responsibility (CSR) and Sustainable Development (SD) activities were to be executed under one set of guidelines from 2013-14 onwards. Accordingly, the Company had framed one combined policy for CSR & Sustainability, and a Board level CSR-SD Committee (headed by Independent Director) was constituted in place of the previous SD Committee, during April 2013.

The budget of not less than 1% of Profit after tax of 2012-13, i.e. ` 7.30 crores has been earmarked for CSR-SD activities for 2013-14. During the year 2013-14, the Company has spent ` 8.49 crores towards CSR-SD activities.

A brief summary on CSR-SD activities/projects executed during the year 2013-14 are as follows:-

(i) HEALTH

(a) To augment the existing capacity of Government hospitals, medical equipments like X-Ray Machine, dialysis equipments, etc. were supplied to various hospitals at Bikaner and Jodhpur, Rajasthan. Also, in order to improve health awareness and provide basic medicines, preventive health check-up camps has been organized at Banihal, J&K.

(b) Five health units were operational during the year, at Banihal, Lalganj (Rae Bareli), Sivok (West Bengal), and Manakulum & Medawachchiya in Sri Lanka, to meet the routine medical requirements of nearby villages around project areas. Ambulance services, provided in the vicinity of aforesaid five projects during the previous year, were also continued for 2013-14. In addition, two ambulances along with medical equipment -- one at Sangaldan, J&K and another at Algeria – were also provided around project areas.

(ii) EDUCATION

Educational infrastructure was improved by up-gradation of the govt. school buildings at Bhadwasia (Rajasthan), Jammu, Banihal & Pranigam (J&K), Sivok & Rangpo (West Bengal), and Gwalior (MP). Setting-up of Girls' Inter College at Rae Bareli (UP) is in progress for providing education to girls and sustaining the objective of women empowerment.

Improved educational infrastructure were provided in Government schools of Kalutara district of Sri Lanka by providing facilities like repair and maintenance of school buildings, sanitized toilets, school bags and stationery, etc.

(iii) INFRASTRUCTURE – ROADS, DRINKING WATER FACILITY, COMMUNITY CENTRE, ETC.

(a) To provide all weather connectivity in the remote villages around project sites, pucca roads were provided to six districts in Bihar. In addition, Banihal to Lamber road in J&K were also upgraded to meet the accessibility of the surrounding villages to the nearby towns. Protection wall and concrete footpaths were provided at village Chareel in J&K.

(b) To make available the safe drinking water, one overhead tank and pipeline was provided in Banihal (J&K), and two water cooler and fifteen solar powered water pumps were provided for villages in Rae Bareli.

(c) Construction of a women toilet block at bus stand in Jammu (J&K).

(d) Community hall at Kila Bazaar, Rae Bareli (UP), was in final stage of completion during the year.

(iv) SKILL DEVELOPMENT

In order to provide improved employment potential in rural areas, vocational cum skill development programmes were organised in coordination with Government, ITI Dholpur, Rajasthan, and women empowerment by vocational training in tailoring, embroidery etc. were organized at Bankoot (J&K). In addition, one more such center for women is being set up in Kalutara district of Sri Lanka.

(v) GREEN INITIATIVES

In tune with its commitment towards environment friendly operations, the Company had adopted various initiatives during the year for protecting earth from day-to-day growing pollution, such as providing solar powered water pumps and solar lights at Rae Bareli district, installing solar panels at Ircon's offices.

To promote energy efficiency and provide environment friendly cremation system, two MOKSHDA Green Cremation Systems (MGCS), are being set up at Rae Bareli (U.P.), through NGO MOKSHDA as executing agency. This system consumes only 20% of fire wood in contrast to conventional cremation system, and thus reduces pollution and saves trees.

Mokshda Green Cremation Systems at Rae Bareli (UP)

(vi) CONTRIBUTION TO RELIEF FUND

During the year, the Company had made contribution of ` 1.25 crores towards the Chief Minister's Relief Fund, to provide relief to the flood affected victims in the State of Uttarakhand.

(B) CSR : 2014-15

The provisions contained in the Companies Act, 2013 (the Act) and rules made thereunder on "Corporate Social Responsibility", were effective from 1st April 2014. Accordingly, after the close of the year, the Company has amended its existing CSR & Sustainability Policy, and formulated 'CSR Policy' in line with the provisions contained in the Act. The CSR Policy includes all the activities prescribed in the schedule VII of the Act. Further, the CSR Policy and the activities to be undertaken during the year 2014-15 under the said policy, has been placed on the website of company.

The BoD at its meeting held on 31st July 2014, has renamed the existing CSR-SD Committee as 'CSR Committee' along with necessary revision in its terms of reference, in line with the provisions contained in the Companies Act, 2013 and rules made thereunder.

The budget allocation for CSR activities for 2014-15 shall be ` 4.93 crores, which is 2% of average net profit (from Indian Projects) for preceding three financial years i.e. 2011-12 (` 154.24 Cr.), 2012-13 (` 292.22 Cr.), 2013-14 (` 293.24 Cr.).

For and on behalf of the Board of Directors

Place : New Delhi
Date : 11.09.2014

S.S. Chatterji
Independent Director &
Chairman/ CSR Committee

Mohan Tiwari
Chairman & Managing Director

Annexure – B

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

AN OVERVIEW

The Company has a long standing reputation as a consistent sectoral leader amongst the public sector construction companies in the Country with specialization in execution of Railway Projects on turnkey basis and otherwise. After commencing business as a railway construction company it diversified progressively since 1985 to roads, buildings, electrical substation and distribution, airport construction, commercial complexes, as well as to metro works. It has been one of the few construction companies in the public sector to have earned substantial foreign exchange for the Country and paid dividend without fail every year to the Government.

The Company has executed many land mark construction projects in the last 38 years both in the Country and abroad. In India, in particular, it has also been undertaking projects even in difficult terrains and disturbed regions.

The Company is an ISO certified Company for Quality, Environment, and Occupational Health and Safety Management systems, a Schedule 'A' public sector company, and a Mini Ratna – category I.

LEGAL STATUS AND AUTONOMY

The Company, a legal entity separate from the Government, is legally, functionally, and financially autonomous, operates under the corporate laws as an independent commercial enterprise, does not receive any budgetary or financial support from the Government, nor is it a dependent agency of the Government. However, the Government of India through the Railway Ministry and the Department of Public Enterprises under the Ministry of Heavy Industries, monitors its performance through a system of Memorandum of Understanding (MoU) as regards targets to be achieved every year as part of accountability to the Parliament in respect of all government companies. Government can issue and does issue guidelines to regulate and bring about some uniform pattern in the functioning of the Company as a public sector company. However, no Government department has any supervisory authority to exercise control over the Company which is managed and run under the superintendence, control, and direction of its Board of Directors as per the Companies Act.

BUSINESS ENVIRONMENT

The growth rate of Indian Economy in 2012-13 was a decade low of 4.5 %, as per the revised estimates by Ministry of Statistics and Programme Implementation. The year 2013-14 is the second year in a row during which the GDP growth rate remained below 5%, i.e. at 4.7%, attributable to many external and domestic factors including global liquidity crunch, and high inflation and large current account and fiscal deficits leading to domestic supply constraints.

Global growth is expected to improve in 2014-15 following late recovery observed in 2013. As per IMF estimates released in February 2014, world GDP growth is projected to strengthen from 3.0% in 2013 to 3.6% in 2014 and 3.9% in 2015.

The Economic Survey 2013-14 predicts that infrastructure development would be the key area for sustaining high growth. There is need to channelize investment for projects that are crucial for overall economic growth and expediting implementation by addressing issues like delays in regulatory approvals, land acquisitions and rehabilitation, environmental clearances, etc. Ircon is operating in a highly competitive environment where private infrastructure companies have started quoting aggressively to secure projects as opportunities have become limited due to economic slowdown.

Construction industry is highly susceptible to variation in commodity prices and interest rates and many infrastructure companies have been hit by the high rate of fluctuation in recent years. Ircon has managed these risks well and has avoided venturing into high risk contracts.

Opportunities for the Company in creation of physical infrastructure lies in the following areas:

Railways - "Indian Railways Vision 2020" envisages laying of 25000 km of new lines, quadrupling 6000 Km network with segregation of passenger and freight lines, electrification of 14000 km, completion of guage conversion, construction of 2000 km of high-speed corridors. Dedicated Freight Corridor (DFC) project involving Western corridor from Mumbai to Rewari and Eastern corridor from Ludhiana to Dankuni is also being implemented through a mix of bilateral/ multilateral debt, budgetary support, and PPP. The corridors are targeted for completion in the terminal year of the 12th plan i.e. 2016-17. Upgradation of passenger amenities and development of Railway Stations are the other two areas where opportunities existed for the Company and Ircon is already into it through its subsidiaries, IrconISL and IRSDC.

Roads - Focus in road sector continues to be on the development of the entire National Highway network to minimum acceptable two-lane standards, special accelerated road development programme in the North-eastern region, development of roads in Left Wing Extremism affected areas, Prime Minister's Reconstruction Plan (PMRP) for construction/ re-construction of roads in the State of Jammu and Kashmir, road connectivity in rural areas under ongoing Pradhan Mantri Gram Sadak Yojna (PMGSY), etc.

Electrical projects - Electrical projects under BOT/ BOOT/ BOLT may provide opportunity for the Company directly or as a member of joint venture/ consortium. The other areas of interest are Railway electrification and extra high voltage (765 kv) sub-stations.

Signalling & Telecommunication projects - There are opportunities for the Company in securing international projects in Signalling & Telecommunication (S&T).

Your Company is already executing projects under Pradhan Mantri Gram Sadak Yojna (PMGSY), and construction of road over bridges (ROBs) for Indian Railways and various state governments, Electrical sub-stations, Railway electrification, Power supply & distribution network and Industrial electrification projects, S & T Projects, etc.

The Company is also executing projects in Malaysia, Sri Lanka, Bangladesh, Nepal and Algeria. Opportunities are coming up in Myanmar and Oman.

OUTLOOK

The Vision, Mission, and Objectives of the Company as stated in its Memorandum of Understanding with the Ministry of Railways for 2014-15 are:-

Vision

To be recognized nationally and internationally as a specialised construction organisation comparable with the best in the field covering the entire spectrum of construction activities and 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 scene in India and abroad.

ii) To earn global recognition by providing high quality products and services in time and in conformity with the best engineering practices.

Objectives

i) To enhance the size and value of business activities of the Company so as to achieve a turnover of ` 5500 crores by the year 2016-17.

ii) To achieve reasonable returns on the capital employed.

FINANCIAL PERFORMANCE

In the year 2013-14, the Company has registered total income of ` 4307 crores, as compared to the total income of ` 4471 crores achieved in 2012-13. Nearly 94% of the total income (amounting to ` 4067 crores) has arisen from operation, out of which 53% (` 2137 crores) has been contributed by foreign projects. Operating income from foreign projects has increased by nearly 8.2% in the last one year. Profit before tax increased by 23.05% from

` 1015 crores in 2012-13 to ` 1249 crores in 2013-14, and Profit after Tax has also increased by 24.25% from ` 730 crores in 2012-13 to ` 907 crores in 2013-14. Net Worth has increased by 30.13% during the year. Earnings per share have increased by 23.08% from ` 368.76 in 2012-13 to ` 453.88 in 2013-14.

The Board of Directors has recommended a dividend @ ` 41 per share (410% on the paid-up share capital) for consideration and declaration by the shareholders. The Company has already paid an interim dividend @ ` 51 per share (510%) in February 2014. The dividend of ` 81.16 crores payable after declaration at the Annual General Meeting together with the interim dividend already paid (` 100.96 crores) would take the total dividend pay-out for the year 2013-14 to ` 182.12 crores, which is 920% of the existing paid-up share capital of the Company.

OPERATIONAL PERFORMANCE

Sectoral Performance

Railways continued to be the primary sector of interest. During 2013-14, Railways accounted for 96% of operating income, Highways accounted for 3%, and the balance 1% resulted from buildings, electrical projects, etc. A sector-wise comparative position is given below. The table below shows that proportion of railway works vis-à-vis highway works has progressively increased in the last three years. The proportion of operating income from railway construction works has increased from 81% in 2011-12 to 96% in 2013-14, whereas the proportion of income from highway sector has gone down from 14% in 2011-12 to 3% in 2013-14. The share of income from electrical projects and sub-stations (which form part of "Others") has also decreased by 60% as compared to last year.

(` in crores)

Sectors	2011-12		2012-13		2013-14	
	Operating Income	%	Operating Income	%	Operating Income	%
Railways	2907	81	3906	92	3884	96
Highways	489	14	225	5	136	3
Buildings	76	2	42	1	24	0.5
Others*	129	3	59	2	23	0.5
Total	3601		4232		4067	

* Includes income from Electrical Projects (` 124 crores during 2011-12, ` 52 crores during 2012-13, and ` 21 crores during 2013-14).

Segment-wise Performance

Foreign projects contributed 49% and 45% to total income during 2011-12 and 2012-13 respectively as compared to 50% in 2013-14. A comparative position for the last three years is given below:

(` in crores)

Sectors	2011-12		2012-13		2013-14	
	Total Income	%	Total Income	%	Total Income	%
Foreign	1865	49	1995	45	2146	50
Domestic	1917	51	2476	55	2161	50
Total	3782		4471		4307	

STRENGTHS

The Company has rich experience of timely execution of a large number of international projects, especially in developing countries. Its key strengths continue to be impressive financials (reflected in the consistent profitability and healthy balance sheet of the Company), established credentials, and competent manpower. The Company has a track record of quality performance in time to the satisfaction of customers.

OPPORTUNITIES

A revival of interest in the development of infrastructure sector in the last two years in India as well as abroad, particularly in Railway sector, has opened up several opportunities for securing more business. The Company is gearing itself to benefit from the opportunity presented by EPC and DBFOT projects both in Railway and Highways, and projects in real estate, to leverage financial strength of the Company. The Company is also targeting upcoming metro Light Rail Transit (LRT) projects in India and abroad.

CONSTRAINTS

Although every organization has to work within a certain legal framework, the Company as a public sector company faces more constraints (not applicable to private sector companies) which put it at a disadvantage in a competitive market. Availability of soft credit with overseas competitors and flexibility in procurement and operations with private competitors are some of the other factors.

STRATEGY

In view of the competition expected from emerging Indian construction infrastructure companies who are looking at foreign markets, Ircon may have to review its strategy to remain in the market. Ircon has limitations in taking up investment projects particularly in foreign country on PPP basis. Ircon may have to work out new strategies to get projects abroad. Currency risks in projects have increased in recent years. Ircon will have to continue to manage the risk well.

In the coming years business environment for the infrastructure sector may improve, however, only the most efficient companies may survive in the highly competitive and risky market. The Company is focused towards strategic business development to sustain and improve its order book position by giving a thrust to its areas of core competence and international business. Core competence of the Company namely, Railways, Highways, electric sub-stations, S&T, and Railway Electrification, is being further consolidated.

RISKS AND CONCERNS

A. Project Risk Management

A formal Risk Management framework is in place from August 2007. The Company has a Risk Management Committee of whole-time directors and a Rapid Action Group at General Manager / Executive Director (below board) level to ensure its implementation. Risk Management Policy, Risk Management Processes, and MIS reports formats including MIS reports on Risk Management have been evolved in accordance with the Framework. Reports from Rapid Action Group for managing and mitigating risks are submitted through the Risk Management Committee to the Audit Committee for review.

In India, a major concern in execution of projects is non availability of encumbrance free land, and delayed approval of drawings and estimate due to which there is a risk of time and cost overruns which are seldom compensated by the client.

The Company's employees and projects have been and are exposed to risks and threats to life, liberty, and property while operating in risky geographical areas. It however takes pride in executing prestigious works in the nation building task. The Company has taken measures with the help of the Government to provide adequate security, facilities, and also insurance coverage in such places. Policies and procedures are in place for ensuring health and safety.

B. Treasury Risk Management

Your company was assigned a 'CARE AAA' rating by Credit Analysis & Research Limited (CARE) for long-term non-fund based credit facilities and an 'A1+' rating (earlier denoted as 'PR1+', and has now been standardized in accordance with circular dated 15th June 2011 issued by SEBI) for short-term non-fund based credit facilities in 2008-09 based on BASEL II norms of the Reserve Bank of India (RBI). These rating have been reaffirmed in an annual surveillance review by CARE in November 2013.

Ircon conducts its business in various countries and, therefore, has to deal in foreign currencies. Execution of projects abroad necessitates investing some funds in foreign banks in order to take care of any exigency arising on account of temporary cash flow mismatch. However, dealing in foreign currencies involves foreign exchange risk and the exchange rate may change unfavorably before the currency is exchanged. In order to minimize or eliminate foreign exchange risk, these exchange rate fluctuations are monitored constantly and surplus funds are exchanged / repatriated to India at the appropriate time, and in accordance with the laws. Efforts are made to provide a natural hedge by matching foreign currency inflows and outflows from various foreign projects. Investment guidelines for foreign projects have been formulated to ensure placement of funds with Foreign Banks in a fair and transparent manner. A review is being undertaken to mitigate the currency risk on the foreign projects.

INTERNAL CONTROL SYSTEM

The Company has adequate internal control mechanism and an Internal Audit System commensurate with its size and nature of business. To make the internal control system more effective and project specific, a comprehensive internal audit manual with guidelines for internal auditors is in place. Projects are closely monitored through online/offline reporting formats and the key performance indices are monitored by the management on monthly basis.

The Company has in place a structured organizational chart and a system of delegation of powers. This coupled with robust internal MIS systems (online reporting format), ensures appropriate information flow to facilitate effective monitoring. Adherence to these processes is monitored through internal audits in two phases during every financial year. The Company has an internal audit system that requires the Internal Auditors to comment on the existence of adequate internal control systems and compliance therewith in addition to the opinion on existence of proper risk assessment and mitigation mechanism. The Internal Auditors are experienced chartered accountant firms directly reporting to the Management which also ensures their independence. Reports of the Internal Auditors are reviewed, compliances are ensured, and a synopsis of Audit Reports along with compliance are put up by Internal Audit Department for consideration by the Audit Committee.

The internal control and audit system are being reviewed periodically by the Management as well as the Audit Committee, followed up by corrective action, whenever necessary as a part of continuous improvement. A structured Fraud Prevention, Detection, and Control Policy (FPDC Policy) along with a Whistle Blower Policy duly approved by the Board of Directors is in place with facility to make e- complaints in confidence.

HUMAN RESOURCE

The Company aims to achieve the right size and right mix of human resource/ employees for the organization. Since your Company is a project based company, there is fluctuations in the manpower requirements which are being taken care by recruiting employees on deputation, contract, and service contract. Recruitment strategies have been re-engineered to make them more in line with the overall strategy of the Company. Training programmes are designed so as to enhance both technical and managerial skills of employees.

A Performance Management System based on the 2nd Pay Revision Committee recommendations is in place which focuses on Key Result Areas for all projects and functions in line with the goals, objectives, and targets of the Company under the Memorandum of Understanding signed with the Ministry of Railways.

The company is preparing competency based framework for managing human resources, and an initiative GROW (Get Ready to Outperform and Win) was introduced, with an aim of building competency map for the Company, as well as identifying competency pool of employees at all levels.

The Company offers the benefits of Contributory Provident Fund, Gratuity, and Post retirement Indoor Medical benefits through a Medical Trust. The Company has evolved, based on the 2nd Pay Revision Committee recommendations, a Pension Scheme as part of superannuation benefits.

Annexure – C

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE & KEY VALUES

1.1 The Code of Corporate Governance is "To Be Professional, Profitable, and Accountable with excellence in every sphere of activity of the Company."

1.2 The Key Values of the Company formally adopted by the Board of Directors are:

a) Constructive approach
b) Working as a team
c) Excellence in performance
d) Probity in work and dealings
e) Being responsible and accountable

2. BOARD OF DIRECTORS

2.1 Composition of Board of Directors

Present strength of the Board of Directors is eight comprising two independent directors, four whole-time directors (Chairman & Managing Director, Director Finance, Director Projects, and Director Works), and two government nominated [part-time(official)] directors.

Tenure of one Independent Director (Dr. G.V. Rao) concluded on 7th October 2013. A request for appointment of another Independent director (in his place) on the Board of Ircon has already been sent to the Ministry of Railways. Periodic report on the position of vacancies at Board level is regularly sent to the Ministry of Railways with special request to expedite appointment of requisite number of independent directors.

Further, as per section 149 of the Companies Act, 2013, read with Companies (Appointment & Qualification of Directors) Rules, 2014, it is mandatory to appoint a women director on the Board, therefore a separate request has also been sent to the Ministry of Railways for appointment of a women director on the Board of Ircon in accordance with the provisions of the Companies Act, 2013.

2.2 The details of directors as on the date of this report are given below:

BOARD OF DIRECTORS AND THEIR MEMBERSHIPS OF BOD / COMMITTEES
(As on the date of this report)

Directors	Whole-time/ Part-time (Official)/ Independent	Directorships held in Companies/ Body Corporates (excluding Ircon)	No. of Committee Memberships held in Companies / Body Corporates (including Ircon)	
			As Chairman	As Member
Mohan Tiwari	Chairman & Managing Director – Whole-time	1 [IRSDC]	NIL	NIL
K.K. Garg	Director Finance – Whole-time	3 [CEWRL, CERL and CCFB]	1	3
Deepak Sabhlok	Director Projects – Whole-time	2 [ISTPL and IRSDC]	NIL	3
Hitesh Khanna	Director Works – Whole-time	1 [IrconISL]	NIL	1
S.S. Chatterji	Independent – Part-time (non-official)	1 [RVNL]	3	4
B.M. Sharma	Independent – Part-time (non-official)	1 [OPDPL]	1	3
Anjum Pervez [w.e.f. 15.07.2013]	Part-time (official)	NIL	1	3
A.K. Rawal [w.e.f. 28.01.2014]	Part-time (official)	1 [MRVC]	NIL	NIL

DIRECTORS WHO CEASED TO HOLD OFFICE
(During 2013-14 and thereafter till the date of this report)

Directors	Whole-time/ Part-time (Official)/ Independent	Directorships held in Companies/ Body Corporates (excluding Ircon)	No. of Committee Memberships held in Companies / Body Corporates (including Ircon)	
			As Chairman	As Member
D.K. Saraf	Part-time (official)	1 [MRVC]	1	2
G. V. Rao	Independent – Part-time (non-official)	1 [SMGSPL]	1	2

Notes:

a) The number of Directorships is within the maximum limit of:

- 15 Companies under the Companies Act, 1956, and
- 20 Companies (out of which maximum 10 public companies) under the Companies Act, 2013.

b) The Committees covered under the last column are Audit Committee, Shareholders'/ Investors' Grievance Committee, Remuneration Committee, ID Committee, CSR-SD Committee, and Share Issue Committee.

c) The number of committee memberships of directors is within the maximum limit of ten including the permitted limit of five chairmanships under the DPE Corporate Governance Guidelines, 2010 (DPE CG Guidelines). Only Audit Committee and Shareholders' / Investors' Grievance Committee are to be counted for the said limit.

d) The term 'whole-time director' used in this report refers to functional / executive directors.

e) The term 'part-time director' used in this report refers to non-executive directors.

f) The term 'official' indicates part-time Government nominated directors who hold office in the Government.

g) The term 'non-official/ independent' indicates part-time directors who hold no office in the Government and are independent.

h) Apart from the remuneration to directors as per the terms and conditions of their appointment and entitled sitting fee to part-time (non-official) directors, as detailed in para 4 of this Report, none of the directors has any material or pecuniary relationship with the Company which can affect their independence of judgment.

i) Full name of companies referred:

a) MRVC – Mumbai Rail Vikas Corporation Limited

b) RVNL – Rail Vikas Nigam Limited

c) CCFB – Companhia Dos Caminhos De Ferro Da Beira, a JV Company in Mozambique in which Ircon has 25% equity

d) ISTPL - Ircon-Soma Tollway Private Limited, a JV Company at New Delhi (India) in which Ircon has 50% equity

e) IrconISL – Ircon Infrastructure & Services Limited, a wholly owned subsidiary company of Ircon at New Delhi (India)

f) IRSDC – Indian Railway Stations Development Corporation Limited, a joint venture and a subsidiary company of Ircon (51% equity) at New Delhi (India)

g) CERL – Chhattisgarh East Railway Limited, a JV Company in Chhattisgarh (India) in which Ircon has 26% equity

h) CEWRL – Chhattisgarh East-West Railway Limited, a JV Company in Chhattisgarh (India) in which Ircon has 26% equity

i) OPDPL - Omni-Protech Drugs Private Limited

j) SMGSPL - Sai Master Geoenvironmental Services Private Limited

3. DISCLOSURES ABOUT DIRECTORS

As per the disclosures made by the directors in terms of section 184 of the Companies Act, 2013, read with Companies (Meetings of Board and its Powers) Rules, 2014, no relationship exists between directors inter-se. Two directors (part-time official) are officials from the Ministry of Railways and thus related to the promoter.

Since appointment of all the directors including part-time directors is not in the hands of the Company and is done by the Government in the name of the President of India, it has not been possible to have an item in the notice of AGM for appointment of directors as per section 152 of the Companies Act, 2013, which require determining not less than 2/3rd of the directors as persons whose period of office is liable to determination by retirement of directors by rotation at a general meeting. Further, Government appoints (not the Company) the part-time directors including independent directors with a fixed tenure due to which there is no scope for actually retiring any director by rotation every year and in the process it has not been possible to apply section 152 of the Companies Act, 2013.

At the first meeting of the Board, in the financial year 2014-15, both the Independent Directors of the Company had given a Declaration that they meet the criteria of independence as prescribed under section 149(6) of the Companies Act, 2013.

3.1 Brief Resume of Director who joined the Company

a) Mr. Anjum Pervez, (DIN 06682287) Executive Director (Projects Monitoring), Railway Board, is a part-time Official Director of Ircon, w.e.f. 15th July 2013 (date of his consent), in terms of Presidential Order dated 8th July 2013 issued by the Ministry of Railways.

Born on 17th September 1966, Mr. Pervez has done B.E.(Civil Engineering) from Delhi Technical University (erstwhile Delhi College of Engineering). He belongs to Indian Railway Service of Engineers (IRSE) and joined Indian Railways in 1991. He has over 22 years of experience of working in various capacities in Indian Railways including track modernization; civil engineering structure; planning, execution, and commissioning of various Railway projects.

As Executive Director (Project Monitoring), Railway Board, he is responsible for processing and sanction of railway projects viz. new line, gauge conversion, and doubling projects.

b) Mr. A.K. Rawal, (DIN 06806261) Additional Member (Planning), Railway Board, is a part-time Official Director of Ircon, w.e.f. 28th January 2014 (date of his consent), in terms of Presidential Order dated 22nd January 2014 issued by the Ministry of Railways.

Born on 6th March 1955, Mr. Rawal has done B.E. (Electrical) from IIT Roorkee and M.Tech (Power Apparatus & Systems) from IIT Bombay. He is an Indian Railway Service of Electrical Engineers (IRSEE) officer of 1976 batch who joined Indian Railways in November 1977. He has over 36 years of experience of working in various capacities in the Indian Railways including the designing of 750V high capacity power car for Rajdhani Express and preparation of Scheme for a new generation system called 'Head-on Generation System' for Indian Railways, which is also presented by him at a seminar held at Vigyan Bhawan, Delhi. Apart from varied expertise in the areas of Research and Development, operations & maintenance of coaching, traction distribution and electrical locos, he has teaching experience in the institutes of Indian Railways.

He has had training from prestigious Institutions like Rail Engineering School, UK; Stern Business School, USA; training in Management subjects from UP Academy, India and from HEC Paris, France.

As an Additional Member (Planning), Railway Board, he is responsible for planning and investment decisions in Railways.

4. REMUNERATION OF DIRECTORS

Being a government company, the whole-time directors are appointed by the President of India through the Ministry of Railways and draw remuneration as per Industrial Dearness Allowance (IDA) pay scales pre-determined by the Government and as per the terms and conditions of their appointment issued by the Government.

The part-time official director nominated on the Board do not draw any remuneration from the Company for their role as director but draw their remuneration under Central Dearness Allowance (CDA) pay scales from the Government as government officials.

The Shareholders, at their 31st Annual General Meeting held on 26th September 2007, had authorized the Board of Directors to fix remuneration payable to part-time (non official)/ independent directors by way of sitting fees within the ceiling prescribed by Rule 10-B of the Companies (Central Government's) General Rules and Forms. Pursuant to this authority, the Board of Directors, at its 174th meeting held on 26th October 2007, fixed the sitting fee at ` 10,000/- for every meeting of the Board of Directors and any Committee(s) thereof.

4.1 Disclosure on Remuneration package of Whole-time Directors during 2013-14:

(in `)

Sl. No.	Name of the Directors	Salary & Allowances	Other Benefits & Perks	Performance Linked Incentive	Retirements Benefits	Bonus/ Commission/ Ex-gratia	Stock Option during the year	Total
1	Mr. Mohan Tiwari, Chairman & Managing Director (throughout 2013-14)	32,98,693	8,27,721	4,19,496	2,43,660	-	-	47,89,570
2	Mr. K.K. Garg, Director Finance (throughout 2013-14)	24,65,469	6,24,889	-	2,18,076	-	-	33,08,434
3	Mr. Deepak Sabhlok Director Projects (throughout 2013-14)	23,25,995	5,91,333	-	2,15,080	-	-	31,32,408
4	Mr. Hitesh Khanna Director Works (throughout 2013-14)	23,58,991	5,86,149	-	2,11,677	-	-	31,56,817

4.2 Details of payments made to Independent Directors / Part-time (Non-official) Directors during 2013-14:

(in `)

Sl. No.	Name of the Independent Directors/ Part-time (Non-official) Directors	Sitting Fee		Total
		Board Meetings	Committee Meetings	
1	Dr. G. V. Rao (up to 07.10.2013)	20,000	40,000	60,000
2	Prof. (Dr.) S.S. Chatterji (throughout 2013-14)	40,000	90,000	1,30,000
3	Mr. B.M. Sharma (throughout 2013-14)	40,000	60,000	1,00,000

5. BOARD PROCEDURE

5.1 BoD Charter:

a) The Company has in place a BoD approved Formal Board Charter with Corporate Governance objectives & approach and Role & Responsibility of BoD (including Whole-time Directors, Independent Directors, Government Directors), and Management (Senior Management).

b) This BoD Charter sets out essentially the composition & structure and role & responsibilities of the Board of Directors of the Company keeping the Corporate Governance objectives and approach in perspective.

c) To facilitate the part-time directors to discharge their responsibilities, independent office room in the registered office of the Company has been earmarked for them.

5.2 BoD Meetings and Attendance during 2013-14:

a) The Board of Directors met 4 times during the financial year 2013-14 on:

27th April 2013, 26th July 2013, 31st October 2013, and 31st January 2014.

b) Leave of absence was granted in terms of section 283(1)(g) of the Companies Act, 1956.

c) Details of attendance of the Directors during 2013-14:

Directors	No. of Board Meetings during 2013-14		Attended last Annual General Meeting
	Held (during their respective tenures)	Attended	
Mohan Tiwari	4	4	YES
K.K. Garg	4	4	YES
Deepak Sabhlok	4	4	YES
Hitesh Khanna	4	4	YES
G. V. Rao	2	2	YES
S.S. Chatterji	4	4	YES
B.M. Sharma	4	4	YES
D.K .Saraf	1	NIL	NA
Anjum Pervez	3	3	YES
A.K. Rawal	1	1	NA

NA- Not Applicable

Ms. Lalitha Gupta, Company Secretary & GM (Law), attended two out of four Board meetings held during the year 2013-14. The other two meetings (held in October 2013 and January 2014), in which she was absent, were attended by Asst. Manager/ Company Affairs.

Ms. Lalitha Gupta, Company Secretary & GM (Law), superannuated on 30th April 2014 and w.e.f. 1st May 2014, Ms. Iti Matta, Asst. Manager/ Company Affairs, has been appointed as Company Secretary.

6. CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT OF THE COMPANY AND KEY VALUES FOR ENTIRE ORGANIZATION

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

The declaration signed by Chairman & Managing Director affirming receipt of compliance with the Code of Conduct and Key Values from Board of Directors and Members of Senior Management team during 2013-14 is placed as Annexure – C1.

7 COMMITTEES OF BOD

7.1 Audit Committee

7.1.1 Terms of Reference:

After the close of the year, the Company, with the approval of its Board, had revised terms of reference for Audit Committee in line with the Companies Act, 2013; DPE CG Guidelines, 2010; and the revised clause 49 of the Listing Agreement. The core areas in the revised Terms of Reference for Audit Committee include the following:

a) Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient, and credible.

b) Review and monitor the auditor's independence and performance, and effectiveness of audit process;

c) Approval or any subsequent modification of transactions of the company with related parties and to review the statement of related party transactions submitted by management.

d) Scrutiny of inter-corporate loans and investments;

e) Evaluation of internal financial controls and risk management systems;

f) Reviewing the appointment, reappointment, replacement, removal, etc. of the statutory auditors and recommending their audit fees including approval of fee for any other permissible service by the auditors except the services covered under section 144 of the Companies Act, 2013.

g) Reviewing, with the management, the annual financial statements and Auditors report thereon before submission to the Board for approval, with particular reference to:

   i) Matters required to be included in the Director's Responsibility Statement to be included in the Board report in terms of clause (c) of section 134(3) of the Companies Act, 2013;

   ii) Changes, if any, in accounting policies and practices and reasons for the same;

   iii) Major accounting entries involving estimates based on the exercise of judgment by management;

   iv) Significant adjustments made in the financial statements arising out of audit findings;

   v) Compliance with legal requirements relating to financial statements;

   vi) Disclosure of any related party transactions; and

   vii) Qualifications in the draft audit report.

h) Reviewing, with the management, the quarterly financial statements and Auditors report thereon before submission to the Board for approval.

i) Management Discussion and analysis of financial conditions and results of operations.

j) Discussion with the auditors -- both internal and statutory auditors – to address significant issues and areas of concern.

k) Reviewing with the Management, the performance of statutory and internal auditors, adequacy of internal control systems and functions including the structure and working of internal audit department, and internal audit reports.

l) Considering such other item/ matters as may be decided by the Board / Audit Committee.

The Audit Committee had reviewed the matters as per the said Terms of Reference including the financial reporting process, the Financial Statements for 2013-14, the declaration of due compliance by Chairman & Managing Director and Director Finance, role of auditors, internal control systems, etc. before recommending the Financial Statements for 2013-14 for approval by the Board of Directors. The Audit Committee had also reviewed the financial statements and performance of subsidiary companies of Ircon.

7.1.2 Composition and Attendance:

The Audit Committee of the Board, consisting of four part-time non-official (independent) Directors of the Company, was originally set up on 28th April 2000 with the approval of Board of Directors pursuant to Clause 49 of the Listing Agreement and as per the conditions for a Mini Ratna public sector company. This has been reconstituted as and when there has been a change in independent directors.

The Audit Committee was last re-constituted in October 2013, as under, with two independent directors and one part-time (Official) Director in compliance of section 292A of the Companies Act, 1956, and DPE CG Guidelines:

Mr. B. M. Sharma, Independent Director – Chairman

Prof. (Dr.) S.S. Chatterji, Independent Director – Member

Mr. Anjum Pervez, Part-time (official) Director – Member

The present composition of Audit Committee is, also, in compliance with section 177 of the Companies Act, 2013.

The Audit Committee had 4 meetings during 2013-14 on:

26th April 2013, 25th July 2013, 30th October 2013, and 30th January 2014.

The attendance details are:

Member	Status	Meetings held (during their respective tenures)	Meetings attended
B. M. Sharma	Chairman	4	4
S.S. Chatterji	Member	4	4
G. V. Rao	Member (up to 01.10.2013)	2	2
Anjum Pervez	Member (w.e.f. 01.10.2013)	2	2

During 2013-14, Ms. Lalitha Gupta, Company Secretary & GM (Law), is the Secretary of the Audit Committee and attended two out of four Audit Committee meetings held during the year. The other two meetings (held in October 2013 and January 2014), in which she was absent, were attended by Asst. Manager/ Company Affairs.

Ms. Lalitha Gupta, Company Secretary & GM (Law), superannuated on 30th April 2014 and w.e.f. 1st May 2014, Ms. Iti Matta, Asst. Manager/ Company Affairs, has been appointed as Company Secretary.

7.2 Shareholders' / Investors' Grievance Committee

The Company constituted a Shareholders / Investors Grievance Committee of directors on 6th June 2001. The Committee has been re-constituted from time to time due to change in directorships.

Ms. Lalitha Gupta, Company Secretary & GM (Law), is the Compliance Officer up to 30th April 2014 and w.e.f. 1st May 2014, Ms. Iti Matta, Asst. Manager/ Co. Affairs & Company Secretary, is the Compliance Officer. No complaint has been received so far and no share transfer is pending.

A half yearly report stating that 'there has been no investor grievance regarding transfer of shares, non-receipt of balance sheet, or non-receipt of declared dividend' is circulated to all the members of the Committee.

The Committee was last re-constituted in July 2013 as under:

Mr. Anjum Pervez, Part-time Official Director – Chairman

Mr. K.K. Garg, Director Finance – Member

Mr. Deepak Sabhlok, Director Projects – Member

7.3 Remuneration Committee

Remuneration Committee has been constituted pursuant to para 5.1 of the DPE CG Guidelines for deciding the annual bonus/ variable pay pool and policy for its distribution across executives and non-unionized supervisors. It has been reconstituted as and when there has been a change in directorships.

The Committee had a meeting on 4th October 2013 for payment of PRP for 2012-13, which was attended by all the then members of the Committee. Ms. Lalitha Gupta, Company Secretary & GM (Law) and Secretary of the Remuneration Committee, was not able to attend this meeting which was attended by Asst. Manager/ Company Affairs.

Ms. Lalitha Gupta, Company Secretary & GM (Law), superannuated on 30th April 2014 and w.e.f. 1st May 2014, Ms. Iti Matta, Asst. Manager/ Company Affairs, has been appointed as Company Secretary.

The Committee was last re-constituted in October 2013 as under:

Prof. (Dr.) S.S. Chatterji, Independent Director	–	Chairman
Mr. B. M. Sharma, Independent Director	–	Member
Mr. Anjum Pervez, Part-time Official Director	–	Member

7.4 Corporate Social Responsibility - Sustainable Development (CSR-SD) Committee

DPE has issued a new Guideline on CSR and Sustainability (instead of having separate guidelines for CSR and SD) which became effective from 1st April 2013.

An integrated BoD Committee for CSR and Sustainable Development has been constituted in April 2013, in place of SD Committee, to oversee the implementation of the CSR and Sustainability Policy of the Company and to assist the BoD to formulate suitable policies and strategies to take the CSR and Sustainability agenda of the Company forward in the desired direction.

The Committee was constituted in April 2013 as under:

Prof.(Dr.) S.S. Chatterji, Independent Director	-	Chairman
Mr. K.K. Garg, Director Finance	-	Member
Mr. Deepak Sabhlok, Director Projects	-	Member
Mr. Hitesh Khanna, Director Works	-	Member

The Committee had 4 meetings during 2013-14 on:

27th April 2013, 26th July 2013, 31st October 2013, and 31st January 2014.

The attendance details are:

Member	Status	Meetings held	Meetings attended
S.S. Chatterji	Chairman	4	4
K.K. Garg	Member	4	4
Deepak Sabhlok	Member	4	4
Hitesh Khanna	Member	4	4

During the year, Ms. Lalitha Gupta, Company Secretary & GM (Law), is the Secretary of the CSR-SD Committee and attended two out of four CSR-SD Committee meetings held during the year. The other two meetings (held in October 2013 and January 2014), in which she was absent, were attended by Asst. Manager/ Company Affairs.

Ms. Lalitha Gupta, Company Secretary & GM (Law), superannuated on 30th April 2014 and w.e.f. 1st May 2014, Ms. Iti Matta, Asst. Manager/ Company Affairs, has been appointed as Company Secretary.

The BoD at its meeting held on 31st July 2014 had re-named the 'CSR-SD Committee' as 'CSR Committee'.

7.5 Share Issue Committee

The Company has constituted Share Issue Committee as per the Companies (Issue of Share Certificates) Rules, 1956, for approving the issue of share certificate, etc. The Committee was last re-constituted in October 2013 as under:

Mr. K.K. Garg, Director Finance	–	Chairman
Mr. B.M. Sharma, Independent Director	–	Member
Mr. Anjum Pervez, Part-time Official Director	–	Member

Ms. Lalitha Gupta, Company Secretary & GM (Law), is the Secretary of the Share Issue Committee up to 30th April 2014 and Ms. Iti Matta, Asst. Manager/ Company Affairs & Company Secretary, is the secretary of this Committee.

7.6 Investment Committee

BoD, at its meeting held on 26th July 2013, had dissolved the Investment Committee in view of the fact that short-term investments (which is not covered under section 372A of the Companies Act, 1956) can be done by the delegated officials/ principal officers within the specified limits under the BoD approved Policy on Investment of Funds, whereas Long-term Investments, covered under section 372A of the Companies Act, 1956, can be done only at a meeting of the Board.

No Committee meeting was held during the year 2013-14, before the dissolution of the said Committee.

7.7 Independent Directors Committee

The Company has constituted a Committee of Independent Directors known as 'ID Committee' in terms of DPE – OMs dated 28th December 2012 (amended vide DPE-OM dated 20th June 2013) on 'Role & responsibilities of Non-official Directors' in October 2013.

As per the said OMs, at least one meeting in a year should be held without the attendance of functional and government directors and members of management to assess the quality, quantity, and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform the duties.

The ID Committee of the Board, consisting of following three independent directors of the Company was set up in October 2013 with the approval of the Board pursuant to the said DPE –OMs:

Dr. G. V. Rao, Independent Director	–	Chairman
Prof. (Dr.) S.S. Chatterji, Independent Director	–	Member
Mr. B. M. Sharma, Independent Director	–	Member

The Committee had a meeting on 4th October 2013, which was attended by all the three Independent Directors of the Company without the attendance of non-independent directors and members of management. However, upon the conclusion of tenure of Dr. Rao, on 7th October 2013, ID Committee comprises, as on the date, only two remaining independent directors.

8. COMPLIANCE OF PROVISIONS RELATING TO SUBSIDIARY (IES)

Ircon Infrastructure & Services Limited (IrconISL) is a 100% subsidiary company of Ircon. Indian Railway Stations Development Corporation Limited (IRSDC) is a subsidiary of Ircon and also a joint venture between Ircon and Rail Land Development Authority (RLDA) in which Ircon has 51% equity. Both IrconISL and IRSDC are not listed companies.

Turnover / net worth of IrconISL and IRSDC did not exceed 20% of the turnover or net worth of Ircon (holding company) during 2013-14. Therefore, neither IrconISL nor IRSDC is a 'material subsidiary' under the Listing agreement or a 'subsidiary' as per the DPE CG Guidelines.

9. GENERAL BODY MEETINGS

9.1 The last three Annual General Meetings were held as under:

Financial Year	Date of holding meeting	Time	Location/ Venue
2012-13	3rd September 2013	5 P.M.	Company's Registered Office, Delhi
2011-12	25th September 2012	5 P.M.	Company's Registered Office, Delhi
2010-11	20th September 2011	12.30 P.M.	Company's Registered Office, Delhi

9.2 No special resolution was required or passed in the last three Annual General Meetings (from 2010-11 to 2012-13). However, one special resolution was passed through Postal Ballot during the year 2010-11 for the proposal of delisting of equity shares of Ircon from Mumbai and Delhi Stock Exchanges and, based on Scrutinizer's Report, it was declared at the Annual General Meeting held on 22nd September 2010.

9.3 No special resolution is proposed to be conducted through Postal Ballot in the ensuing Annual General Meeting of Ircon.

10. DISCLOSURES

10.1 There has been no related party transaction of material nature with potential conflict of interest.

10.2 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 given at note no. 40 forming part of the Financial Statements and also in Directors' Report under the heading "Compliances".

10.3 During 2013-14, there are no items of expenditure debited in books of accounts, other than for the business purposes of the Company. Also, no expenses have been incurred by the Company which are personal in nature for the Directors and Top Management except for the remuneration paid to Directors, which is as per Government approved pay and perks (Details given in para 4 of this report and also disclosed in Note no. 37 forming part of the Stand-alone Financial Statements).

10.4 Administrative and office expenses as a percentage of total expenses vis-a-vis financial expenses are given below:

(` in Crores)

Particulars	2013-14	2012-13	Remarks
Administrative expenses	35.84	23.66	NIL
Bank & Other Finance Charges	38.45	10.87	
Total Expenses	3057.51	3456.48	
Administration expenses/ Total expenses (in %)	1.17	0.68	
Bank & Financial Charges/ Total expenses (in %)	1.26	0.31	

10.5 The Company periodically informs the Board about the risks associated with its projects in risky areas and foreign exchange management. Details pertaining to risk management have been given in Management Discussion and Analysis Report under the heading 'Risks and Concerns'.

10.6 The Company has in place a BoD approved Fraud Prevention, Detection, and Control Policy so as to provide a system for detection and prevention of fraud, reporting of any fraud that is detected or suspected and fair dealing of matters pertaining to fraud.

10.7 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 behaviour, 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.

10.8 Question of denying access to any of the personnel to Audit Committee has not arisen so far.

10.9 The Company made no public issue of shares nor issued any prospectus or letter of offer during 2013-14.

10.10 There has been no instance of non-compliance of any statutory regulation or government guidelines nor there has been any penalties or strictures imposed on the Company on any matter related to the capital market and guidelines issued by government

10.11 DPE has awarded 'Excellent' grading to Ircon for compliance of DPE Corporate Governance Guidelines during 2012-13.

10.12 Ircon has secured, based on self-evaluation, an annual score of '98' out of 100 which falls under 'Excellent' grade for compliance of DPE Corporate Governance Guidelines for the year 2013-14.

11. CEO/CFO CERTIFICATION

The Chairman & Managing Director and Director Finance have certified in writing with respect to the truth and fairness of the financial statements, due compliances, and financial reporting which was placed before the Audit Committee and the Board of Directors (placed as Annexure – C2 to this Report).

12. GENERAL INFORMATION FOR SHAREHOLDERS

12.1 Means of communication

a) Apart from the annual report, etc., being sent to the shareholders before the Annual General Meeting, periodical reports on the progress of projects of the Company including financial performance vis-a-vis the targets are being sent to the Administrative Ministry, Government of India.

b) The Annual Report including the audited financial statements for the year 2012-13 are available on the website of the Company.

c) The following have also been displayed on the Company's website:

i) Shareholding pattern of the Company.

ii) Important corporate governance policies like Fraud Prevention, Detection, and Control Policy, and Whistle Blower Policy along with confidential e-mail ids of nodal officers/CMD/ Chairman Audit Committee.

iii) CSR Policy and the CSR Activities for 2014-15.

iv) Code of Conduct for Board Members and Senior Management and Key Values of the Company.

d) E-mail ID of the compliance officer exclusively for the purpose of registering complaints by investors has been displayed on the website under the head "Investor Corner" for creating investor awareness.

12.2 Annual General Meeting of the Current Year

Date : 12th September 2014

Time : 1700 Hours

Venue : Board Room of the Company's Registered Office -
C-4, District Centre, Saket, New Delhi - 110 017

12.3 Dates of book closure

The Register of Members and Transfer Books will remain closed on 11th September 2014 and 12th September 2014.

12.4 Distribution of Shareholding (As on the date of this report)

Category	No. of shares held (` 10/- each)	Percentage of shareholding
Central Government in the name of the President of India and Government nominees	1,97,42,400	99.729
Indian Railway Finance Corporation Limited	48,800	0.247
Bank of India	4,800	0.024
Total	1,97,96,000	100

Transfer of shares is normally technical in nature, from one Government nominee shareholder to another consequent upon change of officials, as the Government holds 99.729% of the shares. To effect this transfer, Company Secretary is the authorized officer, and no transfer is pending.

12.5 Plant Locations/ Operating Units

The Company does not have plant locations, but is widespread with operating units/ offices in more than fourteen different States in the Country and five other countries. A list of the units is available on the website of the Company.

12.6 Address for correspondence with the Registered Office
(Regarding Corporate Governance matters covered under this report)
Company Secretary
Ircon International Limited,
C-4, District Centre, Saket, New Delhi - 110 017
Telephone: 91-11-26545265 / 26530456
Fax: 91-11-26522000 / 26854000
E-Mail: cosecy@ircon.org
Website : www.ircon.org

13. TRAINING OF BOARD MEMBERS

13.1 The Company has a Board approved Training Policy for Board Members. According to the Policy, the Company has a regular practice of imparting introductory training to new Board members through a presentation about the Company in the first BoD meeting after their appointment and also periodically every year during consideration of Financial Statements of the Company. They are also given documents about the Company which includes Memorandum and Articles of Association, Brochure, Annual Report, latest unaudited financial results, Corporate Plan with MoU targets and achievements, and practical handbooks on Corporate Governance and Duties, Rights, Role, and Responsibilities of Directors.

13.2 Ircon's Directors were nominated / had attended training programs organized by Institute of Directors, ASSOCHAM, Institute of Public Enterprises, Indian Railways, Confederation of Indian Industry, Institute of Chartered Accountant of India in collaboration with SCOPE, etc. during the year. Directors and other key officials of the Company had also attended in-house training programs organized by the Company on 'Management Development Programs' and 'Major legal compliances of a construction company'.

14. COMPLIANCE ON CORPORATE GOVERNANCE

This Report duly complies with the legal requirements in respect of data that should be disclosed in a Corporate Governance Report for the year 2013-14.

Certificate obtained from a Practising Company Secretary regarding compliance of the conditions of Corporate Governance is placed as Annexure – C3 to this Report.

For and on behalf of the Board of Directors

Mohan Tiwari
Chairman and Managing Director

Place : New Delhi
Date : 01.08.2014

Annexure – C1

DECLARATION BY CHAIRMAN & MANAGING DIRECTOR REGARDING COMPLIANCE WITH THE CODE OF CONDUCT BY BOD MEMBERS AND SENIOR MANAGEMENT DURING THE FINANCIAL YEAR 2013-14.

I, Mohan Tiwari, Chairman & Managing Director, Ircon International Limited, do hereby declare that all the members of the Board of Directors and the Senior Management Team of the Company have affirmed their compliance of the Code of Conduct and Key Values of the Company during 2013-14.

Place : New Delhi
Date : 09.06.2014

Mohan Tiwari
Chairman and Managing Director

Annexure – C2

CHAIRMAN & MANAGING DIRECTOR AND FINANCE HEAD CERTIFICATION

We have reviewed the Financial Statements including the Balance Sheet, Statement of Profit & Loss, and the Cash Flow Statement for the financial year 2013-14 and to the best of our knowledge and belief:

(i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;

(iii) there are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal, or violative of the Company's code of conduct;

(iv) we accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting. We have disclosed to the auditors and the Audit Committee deficiencies in the design or operation of such internal controls of which we are aware and the steps we have taken or propose to take to rectify these deficiencies;

(v) we have indicated to Auditors and the Audit Committee changes in Accounting Policies during the year, and that the same have been disclosed in the Notes to the Financial Statements; and

(vi) there was no instance of fraud of which we are aware nor there has been involvement of the Management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : New Delhi
Date : 01.08.2014

K.K. Garg
Director Finance

Mohan Tiwari
Chairman and Managing Director

Annexure – C3

M. Bangia & Associates
Company Secretaries

B-152 Dayanand Colony, Lajpat Nagar-IV
New Delhi-110 024 Tel.: 011-41625462
Mobile : 9873426246
E-mail : manojbangia.mb@gmail.com

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CORPORATE GOVERNANCE GUIDELINES OF DPE

To
The Members of
Ircon International Limited
New Delhi

In respect of the compliance of the conditions of Corporate Governance for the year ended 31st March, 2014, by Ircon International Limited, a Government Company under section 617 of the Companies Act, 1956, as required by the Guidelines on Corporate Governance issued by the Department of Public Enterprises (DPE):

We have studied the Report on Corporate Governance of the said Company as approved by its Board of Directors. We have also examined the relevant records and documents maintained by the Company and furnished to us for our review in this regard.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

We state that there has been no investor grievance during the year against the Company as per the records maintained by the Company.

We further comment that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

In our opinion and to the best of our information and on the basis of our review and according to the information and explanations given to us, we certify that the Company has complied with the mandatory requirements of Corporate Governance in all material respects as required by the Guidelines on Corporate Governance issued by the Department of Public Enterprises (DPE).

FOR M. BANGIA & ASSOCIATES
COMPANY SECRETARIES

MANOJ BANAGIA
Proprietor
CP NO. 3655

Place : New Delhi
Date : 01.08.2014

Annexure – C4

ADDENDUM TO CORPORATE GOVERNANCE REPORT

The changes in the Corporate Governance Report consequential to the change in the date of the Annual General Meeting are as given below:-

Para No. in said Report	Existing	As Modified
12	GENERAL INFORMATION FOR SHAREHOLDERS	
12.2	"Annual General Meeting of the Current Year Date : 12th September 2014"	"Annual General Meeting of the Current Year Date : 25th September 2014"
12.3	"Dates of book closure The Register of Members and Transfer Books will remain closed on 11th September 2014 and 12th September 2014".	"Dates of book closure The Register of Members and Transfer Books will remain closed on 24th September 2014 and 25th September 2014."

For and on behalf of the Board of Directors

Place : New Delhi
Date : 11.09.2014

Mohan Tiwari
Chairman and Managing Director

AWARDS & CERTIFICATES

Awarding Authority	Nature of Award	Years
Ministry of Commerce Government of India Ministry of Programme Implementation, Department of Public Enterprises	National Export Award *(Received from the President of India) "Award for Excellence" in performance as leading international Railway and Road construction company	1983, 1984 1991 & 1993* 1988
EEPC India previously known as Engineering Export Promotion Council (EEPC) (25 Awards in all since inception)	i. All India Top Exporters Shield for Export Excellence ii. Regional Top Exporters shield-civil engg. Contractors iii. All India Special Shield in the field of export iv. All India Trophy for Highest Exports (Turnkey Industrial Project Exporters NON-SSI) v. All India Trophy for Top Exporters in the category of "Merchant Exporters" vi. All India Shield for Star performer as Large Enterprise in the field of Project Exports vii. Silver Trophy for Top Exporters as Medium Enterprises viii. Gold Trophy for Top Exporters in the category of "Top Exporters as Merchant Exporters" ix. All India Export Award x. Silver Trophy in the category of Top Merchant Exporter for 2010-11 xi. Silver Trophy in the category of Top Merchant Exporter for 2011-12 xii. Gold Trophy for Export Excellence in the category of Top Merchant Exporter for 2012-13	1986 to 1993 1995 & 1996 1994, 1997 1997 1998 1999 to 2002 2004 & 2007 2005 2006 2008 2009 2011 2013 2014
Project Export Promotion Council of India (PEPC) (previously known as Overseas Construction Council of India OCCI) (45 Awards in all since inception)	i. Maximum foreign exchange earned and repatriated to India. ii. Second Best Performance in maximum foreign exchange earned and repatriated to India iii. Maximum turnover in overseas construction Projects iv. Second Best performance in turnover from overseas projects v. Maximum foreign works secured in new areas in construction contracts vi. Maximum foreign business attempted vii. Maximum foreign exchange earned and repatriated viii. Second Best in the category of Maximum Foreign Exchange earned and repatriated to India	1985,1989 to 1993, 1995 1997, 2000. 2002 & 2004 1994, 2001, 2003 & 2005 1985 to 1989, 1992 to 1994, 1996, 1999, 2001 & 2002 1990,1991, 1995 & 2000 1995, 1996, 2000 & 2001 1995 to 1998, 2002 & 2004 2001 & 2003 2006 & 2007
Construction World	One of India's most admired construction companies	2009
Essar Steel & E-18 and CNBC TV-18	Infrastructure Excellence Award in Railway category	2009

AWARDS & CERTIFICATES

'India Pride Awards' by Dainik Bhaskar and Daily News & Analysis (DNA)	Silver Trophy for Excellence in Central PSUs in Transport Gold Trophy for excellence in Central PSUs in Infrastructure Development Excellence in Central PSUs in India Image Enhancement	2010 2011 2013
Construction Industry Development Council (CIDC)	CIDC Vishwakarma Award 2012 in the category of best professionally managed company with a turnover of over ` 1,000 crores CIDC Vishwakarma Award 2014 in the categories of : a) Best professionally managed company with a turnover of over ` 1,000 crores b) Best Construction Project for Pir Panjal Railway Tunnel, J&K	2012 2014
Dun & Bradstreet	India's Top PSU Award 2012 in Engineering & Construction Silver Trophy for Top Infrastructure Company under the category Construction - Infrastructure Development - Mid Best Project under the category 'Railways' for Qazigund - Banihal section of J&K rail link Project	2012 2013 2013
Institute of Public Enterprises	"Global HR Excellence" Award for "CEO with HR Orientation presented to Mr. Mohan Tiwari, CMD, Ircon "Asia Pacific HRM Congress Award 2013" for "CEO with HR Orientation" presented to Mr. Mohan Tiwari, CMD, Ircon	2013

Financial Highlights of Ircon

(` in Crores)

S.No.	Particulars	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05
1	Operating Income	4,067	4,232	3,601	3,182	3,153	2,654	1,968	1,475	1,058	964
2	Company Share of Turnover in Integrated JVs	(9)	(13)	(23)	(7)	(13)	(27)	(65)	(11)	(29)	(47)
3	Company Share of Profit/(loss)in Integrated JVs	(1)	1	2	7	2	7	(7)	1	1	-
4	Net Operating Income	4,057	4,220	3,580	3,182	3,142	2,634	1,896	1,465	1,030	917
5	Other Income	250	251	181	72	64	85	81	68	55	50
6	Total Income	4,307	4,471	3,761	3,254	3,206	2,719	1,977	1,533	1,085	967
7	Expenditure (Incl.increase/decrease in stock)	3,024	3,412	3,102	2,816	2,901	2,487	1,776	1,398	954	845
8	Operating Margin (PBDIT)	1,283	1,059	659	438	305	232	201	135	131	122
9	Interest Expenses	-	-	-	-	-	-	-	-	-	-
10	Depreciation	34	44	57	37	41	44	41	24	20	14
11	Profit Before Tax	1,249	1,015	602	401	264	188	160	111	111	108
12	Profit After Tax	907	730	470	241	182	140	114	76	81	89
13	Dividend	182	148	94	49	37	30	30	26	26	20
14	General Reserves	2,971	2,277	1,733	1,372	1,181	1,012	903	824	768	721
15	Foreign Project Reserve	-	-	-	-	3	28	30	33	44	45
16	Other Reserves	2	3	-	-	5	25	6	7	7	7
17	Total Reserves & Surplus	2,973	2,280	1,733	1,372	1,189	1,065	939	864	819	773
18	Net Fixed Assets	170	180	196	244	236	260	279	260	160	136
19	Inventories	119	125	135	165	373	430	159	89	42	41
20	Foreign Exchange Earnings (net)	1,042	822	444	428	264	96	37	51	56	73
21	Share Capital	20	20	10	10	10	10	10	10	10	5
22	Capital Employed	2,993	2,300	1,743	1,382	1,205	1,078	951	876	830	778
23	Government Investments	-	-	-	-	-	-	-	-	-	-
24	Net Worth	2,993	2,300	1,743	1,382	1,199	1,075	949	874	829	778
25	Profit Before Tax to Capital Employed (%)*	42	44	35	29	22	17	17	13	13	14
26	Operating Margin to Capital Employed (%)*	43	46	38	32	25	22	21	15	16	16
27	Profit After Tax to Share Capital (%)*	4,578	3,687	4,747	2,429	1,841	1,416	1,150	765	815	1,795
28	Expenditure to Income (%)*	70	76	82	87	90	91	90	91	88	87
29	Number of Employees**	1,579	1,704	1,703	1,678	1,751	1,964	1,978	1,830	1,723	1,652
30	Income per Employee	2.73	2.62	2.21	1.94	1.83	1.39	1.00	0.84	0.63	0.59
31	Foreign Exchange Earning per Employee	0.66	0.48	0.26	0.25	0.15	0.05	0.02	0.03	0.03	0.04
32	Current Ratio**	1.81	1.61	1.47	1.53	1.31	1.24	1.21	1.25	1.41	1.54
33	Debt/Equity Ratio**	-	-	-	-	-	-	-	-	-	-
34	Investments	494	295	208	185	130	234	246	234	213	200

Notes

* 25 to 28 are in percentage

** 29,32 & 33 are not in rupees

Standalone Financial Statements

2013-14

BALANCE SHEET

as at 31st March 2014

(` in Crore)

	Particulars	Note No.	As at 31st March 2014		As at 31st March 2013	
I.	EQUITY AND LIABILITIES					
1	Shareholders' funds					
	(a) Share capital	2	19.80		19.80	
	(b) Reserves and surplus	3	2,973.23	2,993.03	2,280.57	2,300.37
2	Non-current liabilities					
	(a) Long term liabilities	4	172.22		382.61	
	(b) Long term provisions	5	407.15	579.37	420.10	802.71
3	Current liabilities					
	(a) Trade payables	6	594.50		633.71	
	(b) Other current liabilities	7	1,178.01		1,781.59	
	(c) Short-term provisions	8	815.85	2,588.36	692.22	3,107.52
	TOTAL			6,160.76		6,210.60
II.	ASSETS					
1	Non-current assets					
	(a) Fixed assets	9				
	(i) Tangible assets		153.09		177.93	
	(ii) Intangible assets		0.01		-	
	(iii) Intangible assets under development	10	1.01		0.80	
	(iv) Capital work-in-progress	11	-		0.88	
	(v) Machinery in Transit		15.64		-	
	(b) Non-current investments	12	318.21		230.34	
	(c) Deferred tax assets (Net)	13	301.37		268.98	
	(d) Long-term loans and advances	14	674.52		404.07	
	(e) Other non-current assets	15	4.89	1,468.74	67.46	1,150.46
2	Current assets					
	(a) Current investments	16	176.02		64.95	
	(b) Inventories	17	118.80		124.56	
	(c) Trade receivables	18	662.43		1,098.78	
	(d) Cash and Bank balances	19	2,675.36		3,083.77	
	(e) Short-term loans and advances	20	561.06		444.76	
	(f) Other current assets	21	498.35	4,692.02	243.32	5,060.14
	TOTAL			6,160.76		6,210.60
			-		-	
III.	Significant Accounting Policies	1				
IV.	Notes forming part of Financial Statements	2-50				

As per our Report of even date attached

For Vinod Kumar & Associates
Chartered Accountants
FRN 002304N

For and on behalf of the Board of Directors

Mukesh Dadhich	Iti Matta	K.K. Garg	Mohan Tiwari
Partner	AM / Co. Affairs	Director Finance	Chairman & Managing Director
M. No. 511741	& Company Secretary		

Place : New Delhi
Date : 27.08.2014

Place : New Delhi
Date : 01.08.2014

STATEMENT OF PROFIT AND LOSS

For Year ended 31st March 2014 (` in Crore)

	Particulars	Note No.	2013-14	2012-13
I.	Revenue :			
	Revenue from operations	22	4,066.82	4,232.43
	Less :- Company share of turnover in Integrated Joint Ventures		8.81	12.96
	Add:- Company share of profit / (loss) in Integrated Joint Ventures		(0.81)	1.37
			4,057.20	4,220.84
	Other income	23	249.37	250.37
	Total Revenue		4,306.57	4,471.21
II.	Expenses:			
	Operating and administrative expenses :	24		
	- Operating Expenses		2,728.51	3,180.11
	- Administrative Expenses		35.84	23.66
	Employee remuneration and benefits	25	221.07	197.61
	Finance costs	26	38.45	10.87
	Depreciation and amortization expense	9	33.64	44.23
	Total Expenses		3,057.51	3,456.48
III.	Profit Before Tax (I - II)		1,249.06	1,014.73
IV.	Tax expense:			
	(1) Current tax			
	- For the year		348.20	302.00
	- For earlier years (net)		26.75	62.34
	(2) Deferred tax (net)	13	(32.39)	(79.60)
	Total Tax Expense		342.56	284.74
V.	Profit for the year (III - IV)		906.50	729.99
VI.	Earnings per equity share-Basic and Diluted (in `)	45	457.92	368.76
VII.	Significant Accounting Policies	1		
VIII.	Prior period adjustments	28		
IX.	Notes forming part of Financial Statements	2-50		

As per our Report of even date attached

For Vinod Kumar & Associates
Chartered Accountants
FRN 002304N

For and on behalf of the Board of Directors

Mukesh Dadhich
Partner
M. No. 511741

Iti Matta
AM / Co. Affairs
& Company Secretary

K.K. Garg
Director Finance

Mohan Tiwari
Chairman & Managing Director

Place : New Delhi
Date : 27.08.2014

Place : New Delhi
Date : 01.08.2014

CASH FLOW STATEMENT
For the year ended on 31st March 2014

(` in Crore)

Particulars		2013-14	2012-13
CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before taxation & extraordinary items		1,249.06	1,014.73
Adjustment for :			
Depreciation		33.64	44.23
Amortisation of premium on investment		0.35	0.36
Impairement of Investment		-	-
Loss / (Profit) on sale of assets(net)		(0.19)	(3.04)
Interest Income		(229.51)	(208.67)
Provisions - (Additions - Write back) (Net)		140.02	101.95
Effect of Exchange differences on translation of Foreign Currency Cash & Cash Equivalents		7.72	(13.07)
Operating Profit before working capital changes	(1)	1,201.09	936.49
Adjustment for :			
"Decrease / (Increase) in Trade Receivables/ Loans & Advances"		284.55	(29.70)
Decrease / (Increase) in Inventories		5.76	9.95
Decrease / (Increase) in Other Assets		(213.61)	74.25
(Decrease) / Increase in Trade Payables		(39.21)	103.80
(Decrease) / Increase in Other Liabilities & Provisions		(1,198.94)	(256.11)
	(2)	(1,161.45)	(97.81)
Cash generated from operation	(1+2)	39.64	838.68
Income Tax Paid		(234.95)	(282.67)
NET CASH FROM OPERATING ACTIVITIES	(A)	(195.31)	556.01
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets including Capital WIP		(25.62)	(30.24)
Sale of Fixed Assets		2.03	5.54
Interest Received		250.66	157.85
Investment in Equity and Bonds		(199.29)	(87.35)
NET CASH FROM INVESTING ACTIVITIES	(B)	27.78	45.80
CASH FLOW FROM FINANCING ACTIVITIES			
Dividend (including Dividend Distribution Tax) paid		(233.16)	(132.30)
NET CASH FROM FINANCING ACTIVITIES	(C)	(233.16)	- (132.30)
Effect of Exchange differences on translation of Foreign Currency Cash & Cash Equivalents	(D)	(7.72)	13.07
NET INCREASE IN CASH & CASH EQUIVALENT	(A+B+C+D)	(408.41)	482.58
CASH AND CASH EQUIVALENT (OPENING)	(E)	3,083.77	2,601.19
CASH AND CASH EQUIVALENT (CLOSING)	(F)	2,675.36	3,083.77
NET INCREASE IN CASH & CASH EQUIVALENT	(F - E)	(408.41)	482.58

Note:
1. Cash and cash equivalents consist of cash in hand and balances with banks.
2. Figures in brackets represent outflow of cash.
3. Figures of the previous year have been regrouped/recast wherever necessary.
4. Cash & Cash Equivalent (closing) Includes FDR ` 272.31 crore (` 470.40 crore) against advances from clients on which interest is passed on to them.

For Vinod Kumar & Associates
Chartered Accountants
FRN 002304N

Mukesh Dadhich
Partner
M. No. 511741

Place : New Delhi
Date : 27.08.2014

For and on behalf of the Board of Directors

Iti Matta	K.K. Garg	Mohan Tiwari
AM / Co. Affairs & Company Secretary	Director Finance	Chairman & Managing Director

Place : New Delhi
Date : 01.08.2014

1. SIGNIFICANT ACCOUNTING POLICIES

(i) Basis of Preparation

(a) The financial statements are prepared according to the historical cost convention on accrual basis and in line with the fundamental accounting principles of prudence, consistency and materiality.

(b) The financial statements are reported in Indian rupees and all values are rounded to the nearest crore rupees with two decimal points except where otherwise stated.

(ii) Statement of Compliance

The financial statements are prepared on the basis of generally accepted accounting principles in India and in accordance with Companies Act, 1956.

(iii) Foreign Currency Transactions

(a) Transactions of Indian operations:

Foreign Currency transactions are translated in the following manner:

i) All foreign currency transactions are translated into Indian Currency at the rate prevalent on the date of transaction.

ii) Fixed assets and non-monetary items are translated at the rate on the date of transaction.

iii) Depreciation is translated at the rates used for translation of the value of the assets on which depreciation is calculated.

iv) Monetary items and contingent liabilities denominated in foreign currency are translated at the prevailing closing buying rate at each balance sheet date.

(b) Transactions of Integral Foreign Operations

Foreign currency transactions of foreign branches are translated in the following manner:

i) Revenue items are translated into Indian Currency at the rate prevalent on the date of transaction.

ii) Fixed assets and non-monetary items are translated at the rate on the date of transaction.

iii) Depreciation is translated at the rates used for the translation of the value of the assets on which depreciation is calculated.

iv) Monetary items and contingent liabilities are translated at the prevailing closing buying rate at each balance sheet date.

(c) The net exchange differences resulting from the translations at (a) & (b) above are recognized as income or expense for the year.

(d) Transactions of Non-Integral Foreign Operations

Financial statements of Non- Integral Foreign Operations are translated in the following manner-

i) The assets and liabilities, both monetary and non-monetary are translated at the closing buying rate.

ii) Income and expense items are translated at the rate on date of transaction.

iii) All resulting exchange difference is accumulated in foreign currency translation reserve until disposal of the net investment and is recognized as income or expense in the same period in which gain or loss on disposal is recognized.

(iv) Fixed assets

Tangible Assets

(a) Tangible assets are stated at historical cost less accumulated depreciation and impairment loss, if any.

(b) The machinery spares which can be used only in connection with an item of Tangible asset and whose use is expected to be irregular are capitalized & depreciated/amortized over the balance life of such Tangible assets.

(c) Incidental expenditure during construction period incurred up to the date of commissioning is capitalized.

Intangible Assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at historical cost less accumulated amortization and impairment loss, if any.

(v) Investments

a) Non Current Investments are valued at cost less provision for permanent diminution in value, if any.

b) Current Investments are valued at lower of cost and fair value.

c) An investment in land or buildings, which is not intended to be occupied substantially for use by, or in the operation of the Company, is classified as investment property. Investment Properties are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

(vi) Inventories

(a) Construction Work in Progress

Construction work-in-progress is valued at cost till such time the outcome of the job cannot be ascertained reliably and at realizable value thereafter. Site mobilization expenditure to the extent not written off is valued at cost.

(b) Others

(i) In Cost Plus contracts, the cost of all materials, spares and stores not reimbursable as per the terms of the contract is shown as inventory valued as per (iii) below.

(ii) In Item Rate and Lump Sum Turnkey contracts, the cost of all materials, spares (other than capitalized) and stores are charged to Statement of Profit and Loss in the year of use.

(iii) Inventories are valued at lower of the cost arrived at on First in First out (FIFO) basis and net realisable value.

(iv) Loose tools are expensed in the year of purchase.

(vii) Cash and Bank balance

Cash and bank balances comprise of cash at bank, cash in hand, Cheques in hand, demand deposits and bank deposits with maturity period up to 12 months from Balance Sheet date.

For the purpose of cash flow statement, cash and cash equivalents consist of cash and bank balances, cheques in hand and demand deposits net of bank overdrafts.

(viii) Provisions

(a) Provision for Maintenance

(i) In Cost Plus contract, no provision for maintenance is required to be made where cost is reimbursable.

(ii) Item Rate and Lump Sum turnkey contracts, provision is made for maintenance to cover company's liability during defect liability period keeping into consideration the contractual obligations, the obligations of the sub-contractors, operating turnover and other relevant factors.

(iii) Provision for unforeseen expenditure during design guarantee period is made based on risk perception of management in each contract assessed at the end of each financial year. This shall, however, be subject to a minimum of ` 50 lakhs and maximum of the amount of Design guarantee specified in Contract Agreement with the Client.

(b) Provision for Demobilisation

Provision for demobilisation to meet the expenditure towards demobilisation of Manpower and Plant & Equipment is made in foreign projects.

(c) Provision for Doubtful Debts /Advances

Provision for Doubtful Debts /Advances is made when there is uncertainty of realisation irrespective of the period of its dues. For outstanding over 3 years full provision is made unless the amount is considered recoverable. Debts/Advances are written off when unrealisibility is almost established.

(d) Others

Provision is recognised when:

i) The Company has a present obligation as a result of a past event,

ii) A probable outflow of resources is expected to settle the obligation and

iii) A reliable estimate of the amount of the obligation can be made.

Reimbursement of the expenditure required to settle a provision is recognised as per contract provisions or when it is virtually certain that reimbursement will be received. Provisions are reviewed at each Balance Sheet date.

(ix) Contract Revenue Recognition

Contract Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Depending on the nature of contract, revenue is recognised as under-

(a) In cost plus contracts, revenue is worked out by including eligible items of expenditure in the bills raised on the clients and charging specified margin thereon.

(b) In fixed price contracts, revenue is recognized by adding the aggregate cost of work certified and proportionate margin using the percentage of completion method. The percentage of completion is determined as a proportion of cost incurred to date to the total estimated cost of the contract.

Full provision is made for any loss in the period in which it is foreseen.

Revenue does not include Sales Tax/VAT/WCT/Service Tax etc.

(x) Accounting for Joint Venture (JV) Contracts

(i) Jointly controlled operations under work sharing arrangements are accounted as independent contracts;

(ii) In respect of contracts executed by a jointly controlled entity,

(a) Unincorporated joint ventures:

- Company's share in profits or losses is accounted on determination of the profits or losses by the joint ventures.
- Investments are carried at cost net of Company's share in recognised profits or losses and net investment is reflected as investments, loans & advances or current liabilities as the case may be.

(b) Incorporated jointly controlled entities:

- Income on investments is recognised when the right to receive the same is established.

- Investment in such joint ventures is carried at cost after providing for any diminution in value which is other than temporary in nature.

(xi) Leases

(i) Lease incomes from assets given on operating lease are recognized as income in the statement of profit & loss on straight-line basis over the lease term.

(ii) Lease payments for assets taken on operating lease are recognized as expense in the statement of profit & loss on straight-line basis over the lease term.

(xii) Liquidated Damages and Escalations

(i) Liquidated damages/penalties (LD) due to delays arising out of the contractual obligations and provisionally withheld from contractors/under dispute are adjusted against contract cost only on final decision in this regard. However, LD recovered/withheld by client is accounted for on recovery/withholding & adjusted against contract revenue. Possible Liquidated Damages in cases where extension is granted by the client subject to their right for levy of penalty is shown as contingent liability

(ii) Escalation receivable/payable is accounted for as per the provisions of the contract. Escalation receivable but not certified before close of project accounts is included in work- in- progress.

(xiii) Research & Development Expenses

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are charged to the Statement of Profit and Loss unless a product's technological feasibility has been established, in which case such expenditure is capitalised.

(xiv) Mobilisation Expenses

The initial contract expenses on new projects for mobilisation will be recognised as construction work in progress in the year of incidence, and pro rata charged off to the project over the years at the same percentage as the stage of completion of the contract as at the end of financial year.

(xv) Depreciation & Amortisation

Tangible Assets

(a) Depreciation on Tangible assets in India is provided on Straight Line basis (SLM) in the manner and at the rates specified in Schedule XIV of the Companies Act, 1956 except in following cases where it is provided at the rates higher than prescribed in the said Schedule:

(i)	General Construction Equipment	19.00%
(ii)	Office Equipment	19.00%
(iii)	Computer incl. UPS, Inverters & Mobile handsets	31.67%
(iv)	Vehicles (including Heavy Vehicles)	23.75%
(v)	Furniture & Fixtures	23.75%
(vi)	Speed Boats	19.00%

(b) Depreciation on tangible assets in foreign countries is provided on straight-line method taking into consideration the commercial life of that asset and/or duration of the project. However, the rates adopted for depreciation are not lower than those specified in Schedule XIV for tangible assets in India (as stated in Para (xv) (a) above). On closure of the project, assets are reduced to residual value of 5% and balance is expensed in the year of closure and/or transferred to other project/ Plant & Machinery Division.

(c) In case of leasehold land (other than perpetual lease) and leasehold property, depreciation is provided proportionately over the period of lease.

(d) Tangible Assets acquired during the year costing up to ` 5000/-, tangible assets having written down value up ` Rs. 5000/- at the beginning of the year, and camps / caravans / temporary sheds/furnishings acquired during the year irrespective of the value of asset are fully depreciated.

Intangible Assets

Software cost exceeding ` 25 lakhs each is amortized over a period of 36 months on straight line basis from the date of successful commissioning of the software subject to review at each financial year end. Software cost up to ` 25 Lakhs in each case is fully amortized in the year of purchase.

(xvi) Borrowing Cost

(i) Borrowing cost in ordinary course of business are recognized as expense of the period in which they are incurred.

(ii) Borrowing cost that is directly attributable to acquisition, construction or production of a qualifying asset is capitalized as part of the cost of the asset.

(xvii) Retirement Benefits

(i) Provision for Leave Encashment, gratuity & other retirement benefits is made based on actuarial valuation at the year end.

(ii) Provident fund contribution is made to PF Trust on accrual basis.

(iii) Defined contributions for pension are charged to statement of profit and loss on accrual basis.

(xviii) Prior period adjustment and extraordinary items

(i) Income/expenditure relating to prior period and prepaid expenses not exceeding ` 50000/- in each case are treated as income/expenditure of the current year.

(ii) Voluntary Retirement Scheme expenses are charged off in the year of incidence of expense.

(xix) Taxes

(i) Taxes including current income-tax are computed using the applicable tax rates and tax laws. Liability for additional taxes, if any, is provided / paid as and when assessments are completed.

(ii) Deferred income- tax on timing differences is computed using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

(xx) Segment Reporting

The Company has identified two primary reporting segments based on geographic location of the project viz. Domestic & International and two secondary reporting segments based on business of construction and leasing of assets & its operation (Leasing & Operation).

(xxi) Contingent Liabilities and Contingent Assets

(a) Contingent Liabilities are disclosed in either of the following cases:

i) A present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation; or

ii) A reliable estimate of the present obligation cannot be made; or

iii) A possible obligation, unless the probability of outflow of resource is remote.

(b) Contingent Assets are neither recognized, nor disclosed.

(c) Contingent Liability and Provisions needed against Contingent Liability and Contingent Assets are reviewed at each Balance Sheet date.

(d) Contingent Liability is net of estimated provisions considering possible outflow on settlement.

2 Share capital

(` in Crore)

Particulars	As at 31st March 2014	As at 31st March 2013
Authorized 2,50,00,000 Equity shares of ` 10 each (2,50,00,000 Equity shares of ` 10 each)	25.00	25.00
Issued, Subscribed & Paid-up 1,97,96,000 Equity shares of ` 10 each-fully paid (1,97,96,000 Equity shares of ` 10 each-fully paid)	19.80	19.80
Total	19.80	19.80

i) Distribution of number of shares held:

Particulars	As at 31st March 2014		As at 31st March 2013	
	No. of Shares	% age	No. of Shares	% age
Government of India in the name of the President of India and Government nominees	19,742,400	99.729%	19,742,400	99.729%
Indian Railway Finance Corporation Limited	48,800	0.247%	48,800	0.247%
Bank of India	4,800	0.024%	4,800	0.024%
Total	19,796,000	100%	19,796,000	100%

ii) Shares issued other than cash

Bonus share issued during last five years: 98,98,000 Equity shares of ` 10 each have been isuued as fully paid up Bonus shares in FY 2012-13 in the ratio of 1:1

iii) Terms/rights attached to shares:

(a) Voting

The Company has only one class of equity shares having a par value of ` 10 per share. Each holder of equity share is entitled to one vote per share.

(b) Dividends

The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of Interim dividend.

(c) Liquidation

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

iv) Reconciliation of the number of equity shares and share capital :

Particulars	As at 31st March 2014		As at 31st March 2013	
	No. of Shares	` Crores	No. of Shares	` Crores
Issued, subscribed and fully paid up equity shares outstanding at the beginning of the year	19,796,000	19.80	9,898,000	9.90
Add: Shares issued during the year (Bonus Issue)	-	-	9,898,000	9.90
Issued, subscribed and fully paid up equity shares outstanding at the end of the year	19,796,000	19.80	19,796,000	19.80

3 Reserves and surplus

(` in Crore)

Particulars	Foot Note	As at 31st March 2014		As at 31st March 2013	
a. CSR Activities Reserve					
Opening Balance		2.90		-	
Add :- Transfer from Statement of Profit & Loss		-		2.90	
Less :- Transfer to Statement of Profit & Loss	(i)	1.19	1.71	-	2.90
b. General Reserve					
Opening Balance		2,277.67		1,733.04	
Add: Transfer from surplus in statement of profit and loss (Refer (c) below)		693.85		554.53	
Less : Utilized for issue of Bonus Shares		-	2,971.52	9.90	2,277.67
c. Surplus in Statement of Profit and Loss					
Net Profit for the current year		906.50		729.99	
Appropriations					
Add :-					
- Transfer from CSR Activities Reserve		1.19			
Less :-					
- Transfer to CSR Activities Reserve		-		2.90	
- Interim Dividends		100.96		49.49	
[(Dividend per share ` 51/- (` 25/-)]					
- Proposed Dividends		81.16		98.98	
[(Dividend per share ` 41 /- (` 50/-)]					
- Tax on Interim Dividend		17.16		8.03	
- Tax on Proposed Dividend		14.56		16.06	
- Transfer to General Reserve		693.85	-	554.53	-
Total			2,973.23		2,280.57

Foot Notes:-

(i) Company has spent an amount of ` 8.49 crores during the year as against requirement of ` 7.30 crores (1% of PAT of 2012-13). Excess amount of ` 1.19 crores than the minimum requirement has been utilised towards CSR activities from unspent amount of CSR Budget relating to prevoius years.

4 Long term liabilities

(` in Crore)

Particulars	Foot Note	As at 31st March 2014	As at 31st March 2013
(a) Trade Payables			
- Micro, Small & Medium Enterprises (Refer Note 44)		-	-
- Others		2.46	33.51
(b) Other Liabilities			
- Advance from clients	(i)	49.48	236.04
- Retention Money /Security Deposit		120.28	113.06
Total		172.22	382.61

Foot Notes:-

i) Includes Interest payable on advances from clients ` 2.13 Crores ( ` 9.35 Crores)

5 Long term provisions

(` in Crore)

Particulars	As at 31st March 2014		As at 31st March 2013	
(A) Provisions for employee benefits: (Refer Note 42)				
i) Gratuity	57.76		50.61	
ii) Leave Salary	73.54		58.50	
iii) Settlement Allowance on Retirement	1.20		1.31	
iv) Pension	-		17.88	
v) Leave Travel Concession	0.13	132.63	0.05	128.35
(B) Other Provisions :				
i) Demobilisation	24.01		4.97	
ii) Maintenance	55.37		46.87	
iii) Design Guarantee	172.20		221.86	
iv) Other Expenses	22.94	274.52	18.05	291.75
Total		407.15		420.10

6 Trade payables

(` in Crore)

Particulars	As at 31st March 2014	As at 31st March 2013
Trade Payables		
- Micro, Small & Medium Enterprises (Refer Note 44)	-	-
- Others		
(a) Contractors & Suppliers	576.65	624.03
(b) Related Parties	17.85	9.68
Total	594.50	633.71

7 Other current liabilities

(` in Crore)

Particulars	Foot Note	As at 31st March 2014		As at 31st March 2013	
(a) Advance Contract Receipts			109.78		530.86
(b) Advances from Client	(i)		604.59		776.21
(c) Deposits & Retention Money	(ii)		412.16		348.20
(d) Statutory Dues		196.09		183.86	
Less :- Deposited under Protest		(168.80)	27.29	(88.97)	94.89
(e) Book Overdraft			0.24		-
(f) Staff			2.82		16.19
(g) Others	(iii)		21.13		15.24
Total			1,178.01		1,781.59

Foot Notes:-

i) Includes Interest payable on advances from clients ` 67.96 Crores ( ` 34.09 Crores)

ii) Includes ` NIL (` 0.79 crore) advance from Ircon Infrastructure & Services Limited, a wholly owned subsidiary.

iii) Includes Outstanding and Other Liabilities.

8 Short-term provisions

(` in Crore)

Particulars	As at 31st March 2014			As at 31st March 2013		
(A) Provisions for employee benefits : (Refer Note 42)						
i) Gratuity		4.09			3.26	
ii) Leave Salary		6.56			6.20	
iii) Settlement Allowance on Retirement		0.09			0.11	
iv) Post Retirement Medical Benefits		17.50			9.36	
v) Pension		23.61			-	
vi) Performance Related Pay		22.42			11.44	
vii) Leave Travel Concession		0.01	74.28		0.03	30.40
(B) Other Provisions :						
i) Demobilisation		23.92			32.27	
ii) Maintenance		161.37			94.99	
iii) Foreseeable Loss		10.12			7.25	
iv) Design Guarantee		56.99			-	
v) Legal Cases		47.93			64.52	
vi) Other Expenses		28.05			25.66	
vii) Income tax and Wealth tax	868.46			819.74		
Less: Advance Tax (including TDS)	(550.23)	318.23		(497.65)	322.09	
viii) Dividend (Proposed)		81.16			98.98	
ix) Tax on Dividend (Proposed)		13.80	741.57		16.06	661.82
Total			815.85			692.22

9 Fixed assets

(` in Crore)

	Particulars	Foot Note	Gross Block				Accumulated Depreciation				Net Block	
			As at 01.04.2013	Additions	Sales/ Adjustments	As at 31.03.2014	Upto 31.03.2013	For the year	Sales/ Adjustments	Upto 31.03.2014	As at 31.03.2014	As at 01.04.2013
A	Tangible Assets											
	Freehold Land	(vi)	3.42	-	(1.12)	2.30	-	-	-	-	2.30	3.42
	Lease hold Land	(v)	36.39	-	-	36.39	0.17	0.01	-	0.18	36.21	36.22
	Lease hold Buildings	(iv)	42.44	-	-	42.44	5.12	0.67	-	5.79	36.65	37.32
	Freehold Buildings/ Flats-Residential		9.30	-	-	9.30	2.53	0.16	-	2.69	6.61	6.77
	Freehold Buildings/ Flats-Non-Residential		10.64	-	-	10.64	1.53	0.19	-	1.72	8.92	9.11
	Plant and Machinery	(i,ii & vii)	345.07	8.18	(11.50)	341.75	264.63	29.35	(10.84)	283.14	58.61	80.44
	Survey Instruments		3.68	0.42	(0.64)	3.46	3.37	0.49	(0.61)	3.25	0.21	0.31
	Computers		8.46	0.49	(0.52)	8.43	7.65	0.56	(0.52)	7.69	0.74	0.81
	Mobile Handset		0.24	0.03	(0.05)	0.22	0.20	0.04	(0.05)	0.19	0.03	0.04
	Office Equipments		7.17	0.51	(0.47)	7.21	6.14	0.76	(0.46)	6.44	0.77	1.03
	Furniture, Fixtures, Furnishings		8.01	0.35	(0.30)	8.06	7.36	0.50	(0.30)	7.56	0.50	0.65
	Caravans, Camps and Temporary Sheds		6.26	0.24	(0.50)	6.00	6.25	0.24	(0.50)	5.99	0.01	0.01
	Vehicles	(i)	14.63	0.38	(0.38)	14.63	12.83	0.63	(0.36)	13.10	1.53	1.80
	Current Year Total		495.71	10.60	(15.48)	490.83	317.78	33.60	(13.64)	337.74	153.09	177.93
	Previous Year		497.29	31.17	(32.75)	495.71	303.85	44.19	(30.26)	317.78	177.93	193.44
B	Intangible Assets											
	Softwares		1.71	0.05	-	1.76	1.71	0.04	-	1.75	0.01	-
	Current Year Total		1.71	0.05	-	1.76	1.71	0.04	-	1.75	0.01	-
	Previous Year		1.68	0.04	(0.01)	1.71	1.67	0.04	-	1.71	-	0.01
	GRAND TOTAL CURRENT YEAR		497.42	10.65	(15.48)	492.59	319.49	33.64	(13.64)	339.49	153.10	177.93
	PREVIOUS YEAR		498.97	31.21	(32.76)	497.42	305.52	44.23	(30.26)	319.49	177.93	193.45

Foot Notes:-

i) Fixed assets beyond economic repair and held for disposal included in sales/adjustment column and transferred to other current assets at Net Book value: -

(` in Crore)

Block of assets	As at March 2014		As at March 2013	
	Gross Block	Net Block	Gross Block	Net Block
Plant and Machinery	7.69	0.57	13.40	1.20
Vehicles	0.04	-	-	-
Total	7.73	0.57	13.40	1.20

ii) Includes Locomotives provided on short term operating lease and standby.

iii) Depreciation for the year has been allocated as given below :-

(` in Crore)

Description	2013-14	2012-13
Statement of Profit and Loss		
Current	33.64	44.23
Prior Period	-	1.27
Total	33.64	45.50

iv) Includes lease hold building on Railways land for 30 years lease (Gross value ` 5.30 crore) for which agreement is yet to be finalised.

v) Lease hold land includes land at Greater Noida Industrial Development Authority (GNIDA) for construction of proposed Central Inspection Cell (CIC) by the Company (Gross value ` 0.82 crore). The request for time extension for construction of Building has been submitted to the appropriate authority.

vi) Sale/Adjustment column in free hold land includes ` 1.12 crore transferred to investment property during the year 2013-14.

vii) One 48 Tonne Diesel Locomotive 777(Gross Block of ` 1.84 crore), (Accumulated depreciation up to 31.03.2013 ` 1.75 Crore) was found missing in May 2013 Loss of ` 0.09 Crore being the book value as on 31.03.2013 on account of this has been shown in sales / adjustment column of Accumulated depreciation and included in Misc Expenses.

10 Intangible asset under development

(` in Crore)

Particulars	As at 31st March 2014	As at 31st March 2013
Implementation of SAP		
Opening Balance	0.80	0.25
Additions during the year	0.21	0.55
Total	1.01	0.80

11 Capital work-in-progress

(` in Crore)

Particulars	As at 31st March 2014	As at 31st March 2013
Opening Balance	0.88	2.40
Additions during the year:		
- Work Expenses	0.73	0.82
Less:-		
Capitalised during the year	-	2.34
Transferred to Investment Property	1.61	-
Total	-	0.88

12 Non current investments

Particulars	Foot Note	As at 31st March 2014			As at 31st March 2013		
		Nos.	Amount (` in Crore)		Nos.	Amount (` in Crore)	
A Investment Property							
SRO Building at Old Airport Road, Bangalore				2.73			-
Total (A)							
B Trade Investments (At Cost)							
Un- Quoted							
Investment in Fully Paid up Equity Shares:							
In Subsidiaries							
Ircon Infrastructure & Services Limited		4,00,00,000		40.00	4,00,00,000		40.00
4,00,00,000 equity shares of ` 10 each							
Indian Railway Stations Development Corporation Limited							
2,04,00,000 equity shares of ` 10 each		20,400,000		20.40	10,200,000		10.20
In Incorporated Joint Venture/s							
CCFB, Mozambique							
12,50,000 equity shares of meticals 24000 each fully paid	(i)	12,50,000	5.53		12,50,000	5.53	
Less : Provision for diminution in value (Refer Note No. 40)			5.53	-		5.53	-
Ircon-Soma Tollway Private Limited (ISTPL)	(ii a & b)						
6,38,70,000 equity shares of ` 10 each fully paid		6,38,70,000		63.87	6,38,70,000		63.87
Chhattisgarh East Railway Limited							
13,000 equity shares of ` 10 each fully paid		13,000		0.01	-		-
Chhattisgarh East-West Railway Limited							
13,000 equity shares of ` 10 each fully paid		13,000		0.01	-		-
Total (B)				124.29			114.07
C Other Investments (At Cost)							
Quoted							
Investment in Bonds							
6.00% Tax Free Indian Railway Finance Company Limited (IRFC) Bonds of ` 1,00,000 each		-		-	5,000		50.00
8.00% Tax Free Indian Railway Finance Company Limited (IRFC) Bonds of ` 1,000 each		163,131		16.31	163,131		16.31
7.21% Tax Free Indian Railway Finance Company Limited (IRFC) Bonds of ` 10,00,000 each		500		49.96	500		49.96
8.23% Tax Free Indian Railway Finance Company Limited (IRFC) Bonds of ` 1,000 each		500,000		50.00	-	-	
8.35% Tax Free Indian Railway Finance Company Limited (IRFC) Bonds of ` 10,00,000 each		500	49.92		-		
Less : Amortisation of Premium	(iii)		-	49.92		-	
Investment in Mutual Fund							
SBI Debt Fund Series - A -14		25,000,000		25.00	-		-
Total (C)				191.19			116.27
Total				318.21			230.34

Disclosure regarding Quoted/Unquoted Investments:		` in Crore	` in Crore
Aggregate of Unquoted investments	- Book value	124.29	114.07
Aggregate of Quoted investments	- Book value	191.19	116.27
	- Market value	190.95	115.11

Foot Notes:-

i) The value of one equity share of Meticals 24000 was equivalent to ` 44.27

ii) (a) Out of 6,38,70,000 equity shares of ISTPL held by the company, 30 % shares (1,91,61,000 no.) are pledged with Punjab National Bank against the loan drawn by ISTPL outstanding as on 31.03.2014 is ` 444.30 crores. Further, an undertaking has been given by the company to Punjab National Bank for non disposal of its 21% (1,34,12,700 no. of shares) of the present holding (over and above the pledged over 30% of shareholding.

(b) As per Articles of Association (Article V) of ISTPL, shareholders can transfer their shareholding subject to Concession Agreement dated 28th September 2005 signed with NHAI which provides for equity holding of not less than 51% by Consortium members in ISTPL during the construction period and three years following Commercial Operation Date, which was achieved on 19.04.2010. Thereafter, the aforesaid shareholding can be diluted to 26% subject to the pre-emption right of the other shareholders.

iii) Amount less than ` 0.01 crore i.e. ` 1,794/-

13 Deferred tax assets (Net)

(` in Crore)

Particulars	As at 1st April 2013	Addition (Deletion) during the year	As at 31st March 2014
	Total	Total	Total
Asset			
Provision for :			
- Maintenance and demobilisation	48.94	21.17	70.11
- Foreseeable Loss	2.46	0.98	3.44
- Doubtful debts and advances	33.69	(2.62)	31.07
- Gratuity	18.31	2.71	21.02
- Leave Travel Concession	0.03	0.02	0.05
- Legal cases	21.93	(5.64)	16.29
- Design Guarantee	75.41	2.49	77.90
- Other Expenses	14.86	1.37	16.23
Expenses			
- On Voluntary retirement scheme	0.01	-	0.01
- Allowed for tax purpose when paid	40.88	8.21	49.09
- Depreciation	12.46	3.70	16.16
	268.98	32.39	301.37
Liability	-	-	-
	-	-	-
Net Deferred Tax Asset / (Liability)	268.98	32.39	301.37
Previous Year	189.38	79.60	268.98

14 Long term loans and advances

(` in Crore)

Particulars	As at 31st March 2014		As at 31st March 2013	
A. Secured, considered good				
Staff Loans and Advances	1.68		1.73	
Advances to Contractors against material and machinery	22.44		-	
		24.12		1.73
B. Unsecured, considered good				
Capital Advance for Purchase of Land		244.82		-
Security Deposits				
- Government Departments	0.58		0.61	
- With Clients	33.81		6.32	
- Others	0.21	34.60	4.88	11.81
Loans to Related Parties				
Joint Ventures				
- Companhia Dos Caminhos De Ferro Da Beira Sarl (Refer note 40)	61.16		58.96	
Subsidiaries				
- Ircon Infrastructure & Services Limited	48.15	109.31	34.01	92.97
Staff Loans & Advances	1.05		1.26	
Deposits with Government Departments	0.02		0.13	
Advances to Contractors and Suppliers	103.11		102.24	
Money with held by clients	7.45		14.75	
Deposit with Income Department against demand	142.72		166.53	
Advance Tax / TDS	5.93		11.01	
Less:- Provision for Tax	-	5.93	-	11.01
Prepaid Expenses	1.39	261.67	1.64	297.56
C. Considered Doubtful				
Loan to Related Parties				
Joint Venture				
- Companhia Dos Caminhos De Ferro Da Beira Sarl (Refer note 40)	27.66		29.86	
Advances to Contractors and Suppliers	8.62		8.48	
Deposits and Retention Money	-		0.02	
	36.28		38.36	
Less :- Provision for doubtful advances	36.28	-	38.36	-
Total		674.52		404.07

Foot Notes:-

(i) Debts due by directors, other officers of the company, firms in which any director is a partner or private company in which any director is a member except joint ventures and Subsidiaries are Nil (` Nil)

15 Other non current assets

(` in Crore)

Particulars	As at 31st March 2014		As at 31st March 2013	
A. Secured, considered good				
Interest Accrued on :				
- Advances to staff		0.88		0.96
B. Unsecured, considered good				
Interest Accrued on :				
- Advances to staff	0.34		0.31	
- Advances to Contractors, Suppliers & Others	3.47		33.96	
- Advance to IRWO	0.20		0.41	
- Deferred dues	-	4.01	31.82	66.50
C. Considered Doubtful				
Interest Accrued on :				
Joint Venture				
- Companhia Dos Caminhos De Ferro Da Beira Sarl (Refer note 40)	0.19		0.19	
Advances to Contractors, Suppliers & Others	0.40		0.40	
	0.59		0.59	
Less: Provision for doubtful	0.59	-	0.59	-
Total		4.89		67.46

Foot Notes:-

(i) Debts due by directors, other officers of the company, firms in which any director is a partner or private company in which any director is a member except joint ventures and Subsidiaries are Nil (` Nil)

16 Current investments

(` in Crore)

Particulars	As at 31st March 2014			As at 31st March 2013		
	Nos.	Amount (` in Crore)		Nos.	Amount (` in Crore)	
A Non Trade Investments Quoted						
Investment in Mutual Fund						
UTI Mutual Fund - Daily Dividend Plan	227,274	23.17		45,156	4.60	
UTI Fixed Income Series XVI - I	25,000,000	25.00		-	-	
UTI Fixed Income Series XVIII - IV	25,000,000	25.00		-	-	
SBI Debt Fund Series - 40	25,000,000	25.00		-	-	
SBI Premier Liquid Fund - Daily Dividend Plan	278,452	27.85	126.02	-	-	4.60
B Current Maturities of Long Term Bonds						
6.85% Tax Free India Infrastructure Finance Company Ltd. (IIFCL) Bonds of ` 1,00,000 each		-		6,000	60.71	
Less : Amortization of premium paid on investment		-	-		0.36	60.35
6.00% Tax Free Indian Railway Finance Company Limited (IRFC) Bonds of ` 1,00,000 each	5000	50.00	50.00	-	-	60.35
Total			176.02			64.95

Disclosure regarding Quoted Investments:		` in Crore	` in Crore
Aggregate of Quoted investments	- Book value	176.02	64.95
	- Market value	179.24	63.88

17 Inventories

(` in Crore)

Particulars	As at 31st March 2014		As at 31st March 2013	
a. Material and stores				
- In Hand	34.66		37.22	
- With Third Parties	0.83		1.06	
- In Transit	0.33		0.37	
		35.82		38.65
b. Construction work-in-progress at cost		82.98		85.91
Total		118.80		124.56

18 Trade receivables

(` in Crore)

Particulars	As at 31st March 2014		As at 31st March 2013	
Unsecured :				
Outstanding for a period exceeding six months from the date they were due for payment				
- Considered good	134.32		159.97	
- Considered doubtful & provided for	17.91	152.23	21.03	181.00
Other trade receivables				
- Considered good	528.11		938.81	
- Considered doubtful & provided for	-	528.11	0.58	939.39
		680.34		1,120.39
Less: Provision for doubtful debts		17.91		21.61
Total		662.43		1,098.78

Foot Notes:-

(i) Debts due by directors, other officers of the company, firms in which any director is a partner or private company in which any director is a member except joint ventures and Subsidiaries are Nil (` Nil)

(ii) Includes amount due from Subsidiaries :

(` in Crore)

Particulars	Balance at the end of year	
	31.03.2014	31.03.2013
Outstanding for a period exceeding six months from the date they were due for payment	-	1.58
Other trade receivables	2.82	5.10
Total	2.82	6.68

19 Cash & Bank balances

(` in Crore)

Particulars		As at 31st March 2014		As at 31st March 2013	
Cash and cash equivalents					
a) Cash In hand	(i)		0.16		0.24
b) Cheques / drafts in hand			7.57		0.02
c) Balances with banks :					
- In Current accounts		45.57		124.39	
- In Flexi accounts	(ii)	127.37		194.55	
- In Fixed deposits (with a maturity period of less than 3 months)	(ii)	1,344.14	1,517.08	1,243.74	1562.68
d) Remittance in Transit			-		4.19
Other bank balances					
- In Fixed deposits (with a maturity period of more than 3 months and upto 12 months)	(ii)		1,150.55		1516.64
Total			2,675.36		3,083.77

Foot Notes :-

i) Cash in hand includes cash imprest ` 0.02 crores (` 0.02 crores)

ii) Includes Clients Fund on which interest is passed on to them:

(` in Crore)

Particulars	Balance at the end of year	
	31.03.2014	31.03.2013
In Flexi accounts	73.65	72.55
In Fixed deposits (with a maturity period of less than 3 months)	272.31	470.00
In Fixed deposits (with a maturity period of more than 3 months and upto 12 months)		0.40
Total	345.96	542.95

20 Short term loans and advances

(` in Crore)

Particulars	As at 31st March 2014		As at 31st March 2013	
A. Secured, considered good				
Staff Loans and Advances	0.67		0.70	
Advances to Contractors against material and machinery	3.45	4.12	31.53	32.23
B. Unsecured, considered good				
Security Deposits				
- Government Departments	6.44		7.08	
- With Clients	65.21		90.65	
- Others	1.75	73.40	0.61	98.34
Amount Recoverable from :				
Joint Ventures				
- RICON CETA SARL	0.80		1.10	
- Companhia Dos Caminhos De Ferra Da Beira Sarl	4.67		0.67	
- RICON	9.41		9.48	
- International Metro Civil Contractor	3.21		3.01	
- Metro Tunnelling Group	5.51		5.13	
Subsidiaries				
- Ircon Infrastructure & Services Limited	0.93		1.95	
- Indian Railway Station Development Corporation Limited	0.30		-	
Others	0.57	25.40	-	21.34
Staff Loans and Advances	1.78		2.39	
Advances to Contractors and Suppliers	225.35		93.97	
Money with held by clients	82.42		72.46	
Sales Tax (including TDS)	197.53		118.06	
Less :- Deposited under protest	(168.80)	28.73	(88.97)	29.09
Value Added Tax		109.40		84.66
Service Tax input credit		0.39		1.07
Prepaid Expenses		5.28		5.39
Others		4.79	458.14	3.82	292.85
C. Considered Doubtful				
Staff Loans & Advances		0.01		0.01	
Advances to Contractors and Suppliers		8.49		8.62	
Deposits with Government Departments		2.26		2.25	
Deposits and Retention Money		13.30		16.93	
Sales Tax (including TDS)		12.56		10.73	
		36.62		38.54	
Less:- Provision for doubtful advances		36.62	-	38.54	-
Total			561.06		444.76

Foot Notes :-

(i) Debts due by officers of the company, firms in which any director is a partner or private company in which any director is a member except joint ventures and Subsidiaries are ` Nil (` Nil).

(ii) Details of amount due from Directors:

(` in Crore)

Particulars	As at 31st March 2014	As at 31st March 2013
Amount due from directors included in staff loans and advances	0.02	0.03
	0.02	0.03

21 Other current assets

(` in Crore)

Particulars	Foot Note	As at 31st March 2014	As at 31st March 2013
A) Interest Accrued on:			
Staff loans and advances (secured)		0.15	0.16
Bonds		8.63	3.41
Staff loans and advances (unsecured)		0.09	0.09
Loan to			
- Indian Railway Welfare Organisation		0.20	0.20
- Ircon Infrastructure & Services Limited		6.14	7.82
Deposits & Advances with:			
- Contractors, Suppliers & Others		55.38	0.53
- Deposit with banks		77.08	94.04
B) Construction Work in Progress (At realisable value)	(iii)	330.09	135.87
C) Assets held for disposal	(i)	1.59	1.20
D) Amount Invested in UTI for purchase of units	(ii)	19.00	-
Total		498.35	243.32

Foot Notes :-

(i) Fixed assets beyond economic repair and held for disposal (at lower of the realizable value and book value):-

(` in Crore)

Particulars	As at 31st March 2014		As at 31st March 2013	
	Gross Block	Net Block	Gross Block	Net Block
Plant and Machinery	19.91	1.59	13.40	1.20
Vehicles	0.04	-	-	-
Total	19.95	1.59	13.40	1.20

(ii) An amount of ` 19,00,00,000.00 (Rupees Nineteen Crores only) was paid to UTI mutual Fund towards purchase of units on 31-03-2014. As 31-03-2014 and 01-04-2014 was considered to be Bank Holiday for transaction in UTI mutual fund, hence, units were allotted to the folio no:509270058623 only on 02-04-2014

(iii) In one project, client has certified the work amounting to ` 144.02 crore stating that the payment will be released after due srcutiny of the claimed items / bill upto executed quantity in terms of the contract agreement and check lists. The work was executed before 31.03.2014 and bill was raised on 01.05.2014. This has been considered in contract receipts for the year and shown as construction work in progress at realisable value but the same was shown as debtor in the previous year (` 166.00 crore).

(iv) Debts due by officers of the company, firms in which any director is a partner or private company in which any director is a member except JVs and Subsidiaries are ` Nil (` Nil).

Details of amount due from Directors :

(` in Crore)

Particulars	As at 31st March 2014	As at 31st March 2013
Amount due from directors included in interest accrued on staff loans and advances	0.005	0.003
	0.005	0.003

22 Revenue from operations

(` in Crore)

Particulars	For the year ended 31st March 2014	For the year ended 31st March 2013
Contract Revenue	3,850.10	4,171.92
Company share of turnover in Integrated Joint Ventures	8.81	12.96
Loco lease	41.49	35.60
Machinery hire charges	0.04	0.08
Other Operating Receipts	11.85	11.22
Prior Period Contract Revenue(Refer Note 28)	154.53	0.65
Total	4,066.82	4,232.43

23 Other Income

(` in Crore)

Particulars	For the year ended 31st March 2014		For the year ended 31st March 2013	
Interest on Tax Free Bonds		13.78		9.66
Bank Interest Gross	227.88		235.35	
Less:- Interest passed to clients	35.20	192.68	48.37	186.98
Interest on refund of income-tax		8.74		7.51
Interest on staff advances		0.34		0.41
Interest on loan to IrconISL		6.82		8.69
Interest on other advances		4.10		4.11
Interest on Fixed Maturity Plan		3.05		-
Exchange Fluctuation Gain	-		27.53	
Less:- Exchange Fluctuation Loss	-	-	14.46	13.07
Dividend Income	4.05		3.05	
Less:-Dividend passed to clients	-	4.05	0.76	2.29
Profit on sale of assets		0.19		3.44
Miscellaneous		14.44		13.28
Prior Period Other Income (Refer Note 28)		1.18		0.93
Total		249.37		250.37

24 Operating expenses and administrative expenses

(` in Crore)

Particulars	Foot Note	Operating expenses		Administrative expenses	
		For the year ended 31st March 2014	For the year ended 31st March 2013	For the year ended 31st March 2014	For the year ended 31st March 2013
Materials and Stores consumed:					
Opening balance		38.28	67.75	-	-
Add: Purchases during the year		257.82	392.39	-	-
		296.10	460.14	-	-
Less: Closing Balance		35.49	38.28	-	-
		260.61	421.86		
Work expenses		2,169.10	2,360.51	-	-
(Increase) / Decrease in WIP		2.94	(19.37)	-	-
Design, Drawing, Business Development, Agency and Consultancy Charges		48.42	102.36	-	-
Inspection, Geo Technical Investigation and Survey expenses etc.		5.74	3.69	-	-
Repairs and maintenance of machinery		42.14	30.62	-	-
Hire charges of machinery		15.41	9.41	-	-
Exchange fluctuation loss				40.10	-
Less:- Exchange fluctuation gain				32.38	-
Net exchange fluctuation loss				7.72	-
Rent-Non-residential (Refer note 33 (II))		3.77	4.30	0.20	0.15
Rates and taxes		8.97	135.69	1.40	0.36
Vehicle operation and maintenance		11.71	14.19	0.82	0.78
Repairs and maintenance					
- Building		0.14	0.26	0.84	0.38
- Office and Others		3.51	3.17	2.05	3.17
Power, electricity and water charges		3.66	3.81	1.35	1.45
Insurance		7.16	10.17	0.03	0.18
Travelling and conveyance		9.26	9.96	1.84	1.54
Printing and stationery		1.82	1.96	0.65	0.98
Postage, telephone and telex		2.42	2.55	0.49	0.50
Legal and Professional charges		4.32	2.59	1.26	3.69
Security services		3.79	3.16	0.15	0.16
Business promotion		1.02	1.12	0.23	0.11
Write-off of :					
- Bad debts		31.98	0.10	-	-
- Bad advances		7.15	0.60	-	-
- Assets		0.01	-	-	-
Loss on sale of Assets/Stores		-	-	-	0.40
Amortization of premium paid on Investments		-	-	0.35	0.36
Director sitting fee		-	-	0.03	0.03
Donation		-	-	0.01	-
Auditors remuneration	(i)	-	-	0.63	0.77
Advertisement and publicity		-	-	4.43	3.30
Training and Recruitment		-	-	0.49	0.60
Research and Development expenses		-	-	0.96	2.42
Sustainable Development		-	-	-	0.90
Corporate social responsibility		-	-	8.49	9.84
Miscellaneous expenses		4.29	2.46	1.24	1.08
Prior Period Expenses (Refer Note 28)		0.41	4.91	0.18	0.35
Provisions (Addition - Write Back)	(ii)	140.02	101.95	-	-
Provisions / Reserves Utilised	(ii)	(61.26)	(31.92)	-	(9.84)
Total		2,728.51	3,180.11	35.84	23.66

Foot Notes :-

	2013-14	2012-13
(i) Payment to Statutory Auditors:		
(I) Audit Fee - current year	0.31	0.20
(ii) Tax Audit Fees - current year	0.08	0.06
(iii) Certification Fees	0.05	0.08
(iv) Reimbursement of Expenses:		
- Local	0.14	0.35
- Foreign	0.05	0.08
Total	0.63	0.77

(ii) Details given in Note - 27

25 Employee remuneration and benefits

(` in Crore)

Particulars	Foot Note	For the year ended 31st March 2014		For the year ended 31st March 2013	
		Operating	Administrative	Operating	Administrative
Salaries, wages and bonus (Refer note 33(II))	(i)	136.81	25.68	118.22	32.62
Contribution to provident and other funds		6.55	2.69	6.19	2.52
Foreign service contribution		0.49	0.58	0.75	0.39
Retirement benefits		11.48	34.16	10.62	23.62
Staff welfare		2.15	0.48	2.24	0.44
Sub Total		157.48	63.59	138.02	59.59
Total		221.07		197.61	

Foot Notes:-

(i) Includes income-tax on non-monetary perks ` 0.35 Crores ( ` 0.23 Crores).

26 Finance Cost

(` in Crore)

Particulars	Foot Note	For the year ended 31st March 2014	For the year ended 31st March 2013
Interest Expenses	(i)	26.32	0.08
Other Borrowing Cost			
- Bank guarantee & other bank charges		12.13	10.79
Total		38.45	10.87

Foot Notes:-

(i) Includes interest on income-tax ` 26.30 crores (` NIL).

27 Provisions (Net)

(` in Crore)

Particulars	Balance as on 01-04-2013			During the year 2013-14			Balance as on 31-3-2014		
	Long Term	Short Term	Total	Additions	Written Back	Utilisation	Total	Long Term	Short Term
Provided for :									
A Employees Related									
(i) Retirement Benefits									
Gratuity	50.61	3.26	53.87	10.33	-	2.35	61.85	57.76	4.09
Leave Salary	58.50	6.20	64.70	24.36	0.51	8.45	80.10	73.54	6.56
Settlement allowances on retirement	1.31	0.11	1.42	-	0.12	0.01	1.29	1.20	0.09
Post Retirement Medical Benefits	-	9.36	9.36	8.14	-	-	17.50	-	17.50
Pension	17.88	-	17.88	5.73	-	-	23.61	-	23.61
Total of Retirement Benefits (i)	128.30	18.93	147.23	48.56	0.63	10.81	184.35	132.50	51.85
(ii) Others									
Performance Related Pay	-	11.44	11.44	11.22	-	0.24	22.42	-	22.42
Leave Travel Concession	0.05	0.03	0.08	0.08	-	0.02	0.14	0.13	0.01
Total of Other Benefits (ii)	0.05	11.47	11.52	11.30	-	0.26	22.56	0.13	22.43
Total Employee Related Provisions (i+ii)	128.35	30.40	158.75	59.86	0.63	11.07	206.91	132.63	74.28
B Others									
Demobilisation	4.97	32.27	37.24	13.65	0.43	2.53	47.93	24.01	23.92
Maintenance	46.87	94.99	141.86	105.97	5.51	25.58	216.74	55.37	161.37
Foreseeable Loss	-	7.25	7.25	8.97	-	6.10	10.12	-	10.12
Design Guarantee	221.86	-	221.86	26.67	19.34	-	229.19	172.20	56.99
Doubtful debts	-	21.61	21.61	0.14	3.68	0.16	17.91	-	17.91
Doubtful advances	38.95	38.54	77.49	1.84	3.65	2.19	73.49	36.87	36.62
Diminution in value of Investment	5.53	-	5.53	-	-	-	5.53	5.53	-
Liabilties (Legal cases)	-	64.52	64.52	6.66	1.25	22.00	47.93	-	47.93
Other expenses	18.05	25.66	43.71	28.16	18.18	2.70	50.99	22.94	28.05
Income-tax and Wealth tax	-	819.73	819.73	392.20	14.27	329.20	868.46	-	868.46
Dividend (Interim and Proposed)	-	98.98	98.98	182.12	-	199.94	81.16	-	81.16
Tax on Dividend (Interim and Proposed)	-	16.06	16.06	31.72	-	33.98	13.80	-	13.80
Total Other Provisions (B)	336.23	1,219.61	1,555.84	798.10	66.31	624.38	1,663.25	316.92	1,346.33
GRAND TOTAL (C = A+B)	464.58	1,250.01	1,714.59	857.96	66.94	635.45	1,870.16	449.55	1,420.61
D Less:- Considered Separately									
Doubtful debts considered in Note 18	-	21.61	21.61				17.91	-	17.91
Doubtful advances considered in Note 14,15 & 20	38.95	38.54	77.49				73.49	36.87	36.62
Impairment of Investment considered in Note 12	5.53	-	5.53				5.53	5.53	-
Retirement Benefits considered in Note 25				48.56	0.63	10.81			
PRP & LTC included in Salaries, Wages and Benefits				11.30	-	0.26			
Income-tax adjusted/considered separately				392.20	14.27	329.20			
Dividend paid / considered separately				182.12	-	199.94			
Corporate-tax on Dividend paid/ considered separately				31.72	-	33.98			
Total (D)	44.48	60.15	104.63	665.90	14.90	574.19	96.93	42.40	54.53
Net : Current Year (C - D)	420.10	1,189.86	1,609.96	192.06	52.04	61.26	1,773.23	407.15	1,366.08
Previous Year	415.74	686.61	1,102.35	168.79	66.84	41.76	1,609.96	420.10	1,189.86

NOTE:

Net Provisions (Additions/Write Back) considered in Note 24	140.02			
Provisions Utilized considered in Note 24		61.26		
Retirement Benefits provisons considered in Note 25			37.12	
Performance Related Pay & LTC considered in Note 25 in Salary and Wages				11.04

28 Prior Period Adjustments

(` in Crore)

Particulars	For the year ended 31st March 2014		For the year ended 31st March 2013	
PRIOR PERIOD ITEMS:				
Income:				
Revenue from Operation (i)	154.53		0.65	
Interest income on deposits/ loans	0.21		0.71	
Miscellaneous	0.97		0.22	
		155.71		1.58
Expenses:				
Work expenses	0.41		1.75	
Administrative expenses	0.01		0.01	
Depreciation		-	1.27	
Interest & Financial Charges	-		0.22	
Design, Drawing, Business Development and Consultancy Charges	-		3.15	
Others	0.17		0.13	
		0.59		6.53
Total		155.12		(4.95)

(i) Based on opinion of Expert Advisory Committee of the Institute of Chartered Accountants of India dated 20.05.2014, the company during the year has changed the method for calculating percentage completion of its foreign projects for revenue recognition by ignoring the effect of foreign currency fluctuations. This has resulted into booking of additional revenue of ` 154.68 crore pretaining to the period upto 31.03.2013.

29. Contingent liabilities consist of:

(a) Claims against the Company not acknowledged as debt ` 1291.10 crore (` 597.21 crore). Against this the Company has counter claims of ` 303.06 crore (` 265.48 crore). In case claims against the Company do materialise, claims for ` 434.65 crore (` 88.14 crore) will be reimbursable from the clients. Interest on claims is not considered, being unascertainable.

(b) Few cases relating to employees/others are pending in the Courts against the Company in respect of which the liability is not ascertainable.

(c) Direct and Indirect disputed tax demands under appeal ` 302.29 crore (` 145.91 crore) of which ` 107.27 (` 23.06 crore) are reimbursable from the clients.

(d) Demands of Provident Fund Commissioner, J & K for ` 1.75 crore (` 1.75 crore).

(e) Undertaking to Punjab National Bank against term loan to ISTPL to make good 50% of any shortfall in the dues, if any, in the event of termination of concession agreement, Company's obligation as on 31.03.2014 for 50% of balance amount of loan is ` 222.15 crore (` 260.77 crore).

(f) Pending disposal of application for extension of time by clients, company is contingently liable to pay liquidated damages to the extent of ` 44.33 crore (NIL)

30. Commitments:

(a) Estimated amount of contracts remaining to be executed on capital account (net of advances) is ` 15.92 crore (` 0.51 crore).

(b) Other Commitments:

Commitments to fund subsidiaries/ Joint Ventures/ associates :

a. To IrconISL (100% subsidiary of Ircon) towards balance shareholder loan ` 16.75 crore (` 30.89 crore).

b. To IrconISL (100% subsidiary of Ircon) towards utilization of non funded credit limit with Indian Overseas Bank for issuance of bank guarantee, ` 10 crore (` 10 crore)

c. To Indian Railway Stations Development Corporation Limited towards its balance share of equity (51%) ` 20.40 crore (` 30.60 crore).

d. To Chhattisgarh East Railway Limited and Chhattisgarh East-West Railway Limited towards its balance share of equity (26% each) for ` 2.58 crore (` 2.60 crore).

e. Undertaking to Punjab National Bank for non disposal of 21% of present holding of company (1,34,12,700 shares of Rs 10 each) in ISTPL (Joint Venture), ` 13.41 crore (` 13.41 crore).

Other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.

31. (a) Some of the balances shown under debtors, advances, creditors and material lying with third parties are subject to confirmation / reconciliation/ adjustment, if any. The Company has been sending letters for confirmation to parties included in the above.

(b) Sales tax (including TDS), Value added tax (VAT) and Income tax (including TDS) shown under advances are subject to confirmation/reconciliation/adjustment, if any.

(c) In the opinion of the management, the value of current assets, loans and advances on realization in the ordinary course of business, will not be less than the value at which these are stated in the balance sheet.

32. (a) Earnings in foreign currency:

(` in Crore)

Particulars	2013-14	2012-13
Work Receipts & Loco lease	2172.97	1974.55
Bank Interest	9.75	6.11
Other Interest	0.20	0.15
Foreign Exchange Fluctuation Gain (Net)	-	13.07
Others	1.84	2.91
Total	2184.76	1996.79

(b) Expenditure in foreign currency:

(` in Crore)

Particulars	2013-14	2012-13
Operational Expenses	982.11	980.32
Consultancy charges	40.13	93.26
Foreign Exchange Fluctuation Loss (Net)	7.72	-
Administrative & Other Expenses	112.97	101.24
Total	1142.93	1174.82

(c) CIF value of Imports:

(` in Crore)

Particulars	2013-14	2012-13
Materials	60.02	55.74
Consumables, Components and Spares	-	-
Total	60.02	55.74

(d) Material & store consumed

(` in Crore)

Particulars	2013-14		2012-13	
	Amt	%age	Amt	%age
Imported	60.02	23.03	55.74	13.21
Indigenous	200.59	76.97	366.12	86.79
Total	260.61	100.00	421.86	100.00

33. Disclosure regarding Leases:

I. Operating leases for locomotives

(a) The Company has provided 25 locomotives on lease to a foreign client as on 31.03.2014.

(b) Future minimum lease rental payable / receivable under operating lease for each of the following period is as under:

(` in Crore)

Particulars	Not later than 1 year	Later than 1 year to 5 years	Later than 5 years
Receivable	42.20 (25.20)	31.80 (0.26)	Nil (Nil)
Payable	Nil (Nil)	Nil (Nil)	Nil (Nil)

(c) Disclosure of depreciation on lease business assets including standby locomotives for the year:

(` in Crore)

Particulars	As on 31 March 2014	As on 31 March 2013
Gross carrying amount of assets	35.66	26.79
Accumulated depreciation	33.87	25.45

(` in Crore)

Particulars	2013-14	2012-13
Depreciation for the year	1.16	1.87

II. Operating lease for premises

The Company's leasing arrangements are in respect of operating leases of premises for residential use of employees, offices, guesthouses and transit camps. These leasing arrangements, which are not non cancellable, are mostly for one year, and are usually renewable on mutually agreed terms. Employee remuneration and benefits (Note 25) include ` 6.52 crore (` 5.55 crore) towards lease payments, net of recoveries in respect of premises for residential use of employees. Lease payments in respect of premises for offices, guest houses and transit camps aggregate to ` 3.97 crore (` 4.45 crore) shown as rent in note 24.

34. Segment Reporting:

Primary Segment information (Geographic):

(` in Crore)

Particulars	International		Domestic		Total	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
A. Turnover						
Revenue from Operations	2137.49	1974.63	1929.33	2257.80	4066.82	4232.43
Less:- Share of Income in Joint Ventures	1.30	-	7.51	12.96	8.81	12.96
Share of Profit in Joint Ventures	(1.06)	-	0.25	1.37	(0.81)	1.37
Other Income	11.07	20.09	238.30	230.28	249.37	250.37
Inter-segment	-	-	-	-	-	-
Total Revenue	2146.20	1994.72	2160.37	2476.49	4306.57	4471.21
B. Result						
Profit before Provision, Depreciation, Interest and Tax.	1115.46	863.65	333.58	297.34	1449.04	1160.99
Less: Provision & write backs (Net)	134.43	106.25	5.59	(4.30)	140.02	101.95
Depreciation	25.21	34.89	8.43	9.34	33.64	44.23
Interest	-	-	26.32	0.08	26.32	0.08
Profit before Tax	955.82	722.51	293.24	292.22	1249.06	1014.73
Tax Expense	258.07	223.79	84.49	60.95	342.56	284.74
Profit after Tax	697.75	498.72	208.75	231.27	906.50	729.99
C. Other Information						
Assets	2214.19	2514.62	3946.57	3695.98	6160.76	6210.60
Include Fixed Assets (Net Block)	69.04	71.11	100.71	108.50	169.75	179.61
Liabilities	1516.40	1817.65	1651.33	2215.71	3167.73	4033.36
Capital Expenditure: Additions to Fixed Assets	7.32	28.42	3.33	2.79	10.65	31.21

Secondary Segment information (Business):

(` in Crore)

Particulars	Operating Income		Segment Assets		Additions to Fixed Assets	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Construction, etc.	4024.80	4196.42	6129.94	6179.78	8.57	29.16
Leasing operation	42.02	36.01	30.82	36.00	2.08	2.05
Total	4066.82	4232.43	6160.76	6210.60	10.65	31.21

35. Disclosure in respect of Joint-Ventures (JV)

(a) Unincorporated Joint-Ventures:

i) For projects in operation:

(` in Crore)

S. No.	Name of the JV	Partner(s) and Country of Origin	Participating Interest (in %) as on 31 March	
			2014	2013
1	Ircon-RCS-PFLEIDERER	Ircon, India Rayalseema Concrete Sleepers Pvt. Ltd, India Pfleiderer Infrastrukturtecnik Gmbh & Co, Germany	65.08 21.87 13.05	65.08 21.87 13.05
2	IRCON-SPSCPL	Ircon, India SPSCPL, India	50.00 50.00	50.00 50.00
3.	IRCON-AFCONS	Ircon, India Afcons Infrastructure Ltd., India	53.00 47.00	- -

ii) For projects which have been completed:

(` in Crore)

S. No.	Name of the JV	Partner(s) and Country of Origin	Participating Interest (in %) as on 31 March	
			2014	2013
1	RICON	Ircon, India RITES, India	49.00 51.00	49.00 51.00
2	RICON- CETA SARL	RICON,India CETA, Mozambique	49.00 51.00	49.00 51.00
3	Ircon-COBRA-ELIOP	Ircon, India COBRA, Spain ELIOP, Spain	61.22 34.35 4.43	61.22 34.35 4.43
4	Ircon- Sree Bhawani Builders	Ircon, India Sree Bhawani Builders, India	24.21 75.79	24.21 75.79
5	Ircon-SMJ Project JV	Ircon, India Sumber Mitra Jaya, Indonesia	55.00 45.00	55.00 45.00
6	International Metro Civil Contractor. (IMCC)	Dywidag, Germany Larsen & Tubro Ltd., India Samsung Corp., Korea Shimizu Corp., Japan Ircon, India	29.00 26.00 26.00 9.50 9.50	29.00 26.00 26.00 9.50 9.50

(` in Crore)

S. No.	Name of the JV	Partner(s) and Country of Origin	Participating Interest (in %) as on 31March	
			2014	2013
7	Metro Tunnelling Group (MTG)	Dywidag, Germany Larsen & Tubro Ltd., India Samsung Corp., Korea Shimizu Corp., Japan Ircon, India	29.00 26.00 26.00 9.50 9.50	29.00 26.00 26.00 9.50 9.50
8	Ircon-GANNON Dunkerly	Ircon, India GANNON Dunkerly	55.70 44.30	55.70 44.30

(b) Joint-Venture Companies:

(` in Crore)

S. No.	Name of the JV Company	Shareholders and Country of Origin	Participating of Ownership	
			As at 31 March 2014	As at 31 March 2013
1	CCFB (Companhia Dos Caminhos De Ferro Da Beira SARL) Mozambique	Ircon, India RITES, India CFM, Mozambique	25.00 26.00 49.00	25.00 26.00 49.00
2	Ircon-Soma Tollway Private Limited. (ISTPL)	Ircon, India Soma Enterprise Limited, India	50.00 50.00	50.00 50.00
3	Chattisgarh East Railway Limited (CERL)	Ircon, India SECL,India GoCG	26.00 64.00 10.00	26.00 64.00 10.00
4	Chattisgarh East - West Railway Limited (CEWRL)	Ircon, India SECL, India GoCG	26.00 10.00 64.00	26.00 10.00 64.00

(c) Statement of Income, Expenditure, Profit, Assets and Liabilities of Jointly controlled entities

(` in Crore)

S.No	Particulars	RICON		IMCC		MTG		IRCON-SPSCPL		IRCON-AFCONS		Total	
		2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
1	Income	0.42	0.82	-	0.01		0.64	7.09	11.49	1.30	-	8.81	12.96
2	Expenditure	0.33	0.39	0.01	0.13	(0.18)	(0.15)	7.09	11.22	2.36	-	9.61	11.59
3	Fixed Assets	0.00	0.01	-	-	-	-	0.03	0.01	0.03	-	0.06	0.02
4	Current Assets	10.31	10.07	4.61	4.47	8.15	7.92	6.57	6.56	22.85	-	52.49	29.02
5	Current Liabilities	0.89	0.59	1.41	1.46	2.64	2.79	6.67	6.87	22.80	-	34.41	11.71

(d) Contingent liabilities towards the Company's proportionate share in JVs :

(i) Indemnity bond in case of IMCC ` 1.24 crore (` 1.24 crore).

(ii) Sales-tax liability in case of IMCC ` 4.25 crore (` 4.25 crore) and Service Tax ` 1.01 crore (` 1.01 crore).

(iii) Corporate guarantee to Central Excise in case of MTG ` 1.54 crore (` 1.54 crore).

(iv) Bank guarantee in case of Ircon-RCS- PFLEIDERER ` 1.40 crore (` 0.91 crore).

(v) Income Tax liability in the case of IMCC (Joint Venture) ` 5.29 crore (5.29 crore) and ` 0.88 crore (` 0.40 crore) in case of MTG.

(vi) Recovery suit against the IMCC by M/s Sai Engineers as on 31.03.2013 is ` 0.02 crore (` 0.02 crore).

(vii) Contingent liability towards the company's share against payments to sub-contractor for NIL (` 0.07 crore) for IMCC.

(viii) Bank Guarantee in case of Ircons-Afcons ` 56.71 crore (NIL) for Bhairab Railway Bridge Project, Bangladesh

36. Related Party disclosures:

a) Enterprises where control exists:

(i) Subsidiary Companies: -

- Ircon Infrastructure & Services Limited (IrconISL)
- Indian Railway Station Development Corporation Limited (IRSDC)

(ii) Joint Ventures: -

- Unincorporated Joint Ventures – As per Note no. 35(a) above
- Joint Venture Companies – As per Note no. 35(b) above.

b) Key management personnel:

Directors: -S/Shri Mohan Tiwari, K K Garg, Deepak Sabhlok and Hitesh Khanna.

Disclosure of transactions with related parties:

(` in Crore)

Particulars	Transactions		Outstanding Amount	
	2013-14	2012-13	As on 31-3-2014	As on 31-3-2014
Remuneration to key management personnel (b above) & Sitting Fees to other Independent Directors	As per Note No. 37		-	0.44
Investment in Subsidiaries & JV	10.22	45.30	124.29	119.60
Subsidiaries				
IrconISL	-	35.10	40.00	40.00
IRSDC	10.20	10.20	20.40	10.20
Joint Venture				
ISTPL	-	-	63.87	63.87
CERL/CEWRL	0.02	-	0.02	-
Loan to Subsidiaries & JV	14.14	(21.33)	136.97	122.83
Subsidiaries				
IrconISL	14.14	(16.91)	48.15	34.01
Joint Venture				
CCFB	-	(4.42)	88.82	88.82
Advances recoverable from Subsidiaries & JV	7.78	10.94	14.03	4.93
Amount payable to Subsidiaries & JV	28.08	4.28	17.30	13.77
Subsidiaries				
IrconISL	30.05	10.90	8.36	2.86
Joint Venture				
ISTPL	(2.35)	(3.80)	-	2.35
Income from Subsidiaries & JV	12.29	24.77	18.66	31.21
Subsidiaries				
IrconISL	11.87	22.15	8.68	14.51
Reimbursement from Subsidiaries	0.91	1.60	0.30	0.54
Reimbursement from JVs	0.24	-	-	-

37. Details of remuneration to Directors:

(` in Crore)

Sr.	Particulars	2013-14	2012-13
I	Salary & allowances	0.96	1.94
II	Contribution to provident fund	0.09	0.08
III	Superannuation including retirement benefits	0.10	0.03
IV	Reimbursement of medical expenses	0.03	0.04
V	Sitting fee	0.03	0.03
VI	Other benefits	0.26	0.22
	Total	1.47	2.33

Recovery as applicable has been made from Directors who have been provided with Company accommodation and car.

38. The Company has carried out the assessment on impairment of individual assets by working out the recoverable amount based on lower of the net realisable value and carrying cost during the year in terms of AS 28 "Impairment of Assets" notified by the Companies (Accounting Standards) Rules, 2006. The impairment loss is ` Nil (` Nil).

39. The lease agreement for locomotives given on hire to a foreign client has been renew up to 31.12.2015. The renewal of agreement, however, remains always uncertain. In the event of such non-renewal, the left-over spares meant for maintenance of the locomotives will become redundant and fetch insignificant value as it may be too expensive to ship them back to India. Keeping in view sound accounting practices, cost of such spares is expensed in the year of purchase/receipt and this practice is being followed consistently.

40. (a) The Company has 25% equity stake in CCFB, a Joint Venture Company incorporated as per Mozambican laws in the year 2004 to execute a railway project awarded by the Government of Mozambique (GOM) on BOT basis and has paid USD 1.25 Mn (` 5.53 crore shown in Non current investments (Note 12)). The Company has provided shareholders' loan to CCFB which together with accrued interest upto 31.03.2011 is USD 21.124 Mn (` 93.43 crore converted at exchange rate on 31.03.2011, against which a sum of USD 1 Mn (` 4.42 crore) was received from CCFB on 28.02.2013- leaving a balance of ` 88.82 crore (` 88.82 crore) shown in Long term loan and advances (Note 14 (B) and (C)) and ` 0.19 crore (` 0.19 crore) - shown in other non-current assets (Note 15(C)). An exchange gain of ` NIL (` 1.08 crore has been recognised during the year on realisation of USD 1 Mn. Although the project was complete, the GOM has terminated the concession on 9th November, 2011 and taken over the project on 8th December, 2011.

b) CCFB considers this termination against the contract provisions & unlawful and has initiated arbitration proceedings against GOM. The Company believes that it shall be able to retrieve its entire investment through arbitration by CCFB, yet as a matter of abundant caution and following a conservative approach, pending outcome of the arbitration, a provision of ` 33.38 (` 35.57 crore) [` 29.77 (` 29.77 crore) towards loan & interest accrued thereon, ` 3.21 crore (` 3.21 crore)] towards possible capital expenditure by CCFB to make railway line operable and ` 5.53 crore (` 5.53 crore) towards equity investment reduced by interest after termination of ` 5.13 crore (` 2.94 crore)] (refer Note12,14 &15) was made towards share of possible loss. The loan amount including interest due has been stated at the exchange rate prevailing on 31.03.2011. Further, for the reasons stated above, interest on loans for the year amounting to ` 3.79 crore (` 4.28 crore), cumulative ` 8.59 crore (` 7.66 crore) has not been recognized.

c) Had the dues been translated at the closing exchange rate as on 31.03.2014 as per AS-11, long term loan and advances would have been higher by ` 20.15 crore (` 13.10 crore) and profit before tax would have been higher by ` 20.15 crore (effect on current year ` 7.05 crore and of earlier years ` 13.10 crore).

41. The Company in its income tax returns has been claiming deduction under Section-80 IA of the Income Tax Act, 1961, in respect of eligible construction projects since assessment year 2000-01. The deduction has been disallowed by the Assessing Officer in all the assessment years. However, the CIT (A) has allowed our claim for the assessment year 2004-05, 2005-06 and 2007-08, but the income tax department has moved to the Tribunal against the order of CIT (A). Accordingly, provision for income tax is being made without considering the deduction under Section 80IA. The amount of deduction under section 80IA up to assessment year 2013-14 is ` 799.79 crore (` 700.53 crore). The tax impact of 80IA deduction from AY 2000-01 to AY 2013-14 is ` 272.92 crore. Out of this amount of ` 272.92 crores, ` 154.21 crore has been adjusted by way of payment of tax and balance of ` 118.71 crore is included in provision for Income tax as on 31.03.2014. The matter is pending before the Tribunal.

42. Disclosure under AS-15, Employee benefits

Provident Fund

The Company pays fixed contribution of Provident Fund at a pre determined rate to a separate trust, which invests the funds in permitted securities. The trust is required to pay a minimum rate of interest on contribution to the members of the trust. The amount available in the fund including the returns on investment is greater than the obligation of the company.

Gratuity

The liability towards gratuity as per rules of the Company is recognised on the basis of actuarial valuation.

Post-Retirement Medical Facility (PRMF)

The Company had established an irrevocable trust by initial one-time contribution of ` 12 crore during the year 2000-01 for providing annuity, medical and other benefits to the spouse of employees who die in harness as also the medical benefits to the employees (and spouse) who superannuate from the Company. Ircon Medical Trust has a combined fund of ` 31.83 crore as on 31.03.2014 (` 30.57 crore). This being a voluntary welfare measure, the Company is not liable for providing such benefits to its employees. However, company has also kept provision of ` 17.50 crore (` 9.36 crore) based on actuarial valuation.

Leave Encashment

The liability towards encashment of leave as per rules of the Company is recognised on the basis of actuarial valuation except for employees posted in foreign projects. Since the foreign assignments are treated as dies - non, liability for those employees is provided in the books on accrual basis as the amount is payable to employee on repatriation.

Other Retirement Benefits

Other retirement benefits include settlement at home-town or to the place where he or his family intends to settle in India including Baggage Allowance. The liability on this account is recognized on the basis of actuarial valuation.

The summarised position of various employee benefits recognised in the statement of profit and loss and balance sheet is as under:

i) Changes in the present value of obligations

(` in Crore)

	Gratuity	Leave Encashment *	LTC	Other Retirement Benefits
Present Value of Obligation as at beginning of the period	53.87 (49.63)	61.34 (55.61)	0.08 (-)	1.41 (1.57)
Interest Cost	4.04 (3.72)	4.60 (4.17)	0.01 (-)	0.11 (0.12)
Current Service Cost	3.16 (2.90)	4.72 (5.09)	- (-)	0.06 (0.07)
Past Service Cost	- (-)	- (-)	- (-)	- (-)
Benefit Paid	(2.35) ((3.51))	(7.16) ((3.56))	(0.02) (-)	- (-)
Actuarial (gain)/loss on obligation	3.12 (1.13)	13.45 (0.04)	0.07 (-)	(0.28) ((0.35))
Present Value of Obligation as at the end of the period	61.85 (53.87)	76.95 (61.34)	0.14 (0.08)	1.29 (1.41)

* Except employees posted on Foreign Projects.

ii) Changes in the fair value of plan assets

(` in Crore)

	Gratuity	Leave Encashment *	LTC	Other Retirement Benefits
Fair Value of plan assets as at beginning of the period	- (-)	- (-)	- (-)	- (-)
Expected return on Plan Assets	- (-)	- (-)	- (-)	- (-)
Contributions	- (-)	- (-)	- (-)	- (-)
Benefit Paid	- (-)	- (-)	- (-)	- (-)
Actuarial (gain)/loss on Plan Assets	- (-)	- (-)	- (-)	- (-)
Fair Value of Plan Assets as at the end of the period	- (-)	- (-)	- (-)	- (-)

* Except employees posted on Foreign Projects.

iii) Fair Value of plan assets

(` in Crore)

	Gratuity	Leave Encashment *	LTC	Other Retirement Benefits
Fair value of Plan Asset at the beginning of period	- (-)	- (-)	- (-)	- (-)
Actual return on Plan Assets	- (-)	- (-)	- (-)	- (-)
Benefits paid	- (-)	- (-)	- (-)	- (-)
Fair value of Plan Assets at the end of period	- (-)	- (-)	- (-)	- (-)
Funded Status	(61.85) ((53.87))	(76.95) ((61.34))	(0.14) ((0.08))	(1.29) ((1.41))
Excess of actual over expected return on plan assets	- (-)	- (-)	- (-)	- (-)

* Except employees posted on Foreign Projects.

iv) Actuarial gain/loss recognised for the period

(` in Crore)

	Gratuity	Leave Encashment *	LTC	Other Retirement Benefits
Actuarial gain/(loss) for the period- Obligation	(3.12) ((1.13))	(13.45) ((0.04))	(0.07) -	0.28 (0.35)
Actuarial gain/(loss) for the period- Plan Assets	- (-)	- (-)	- (-)	- (-)
Total (gain)/loss for the period	3.12 (1.13)	13.45 (0.04)	0.07 (-)	(0.28) ((0.35))
Actuarial (gain)/loss recognised in the period	3.12 (1.13)	13.45 (0.04)	0.07 (-)	(0.28) ((0.35))

* Except employees posted on Foreign Projects.

v) Amount recognised in balance sheet

(` in Crore)

	Gratuity	Leave Encashment *	LTC	Other Retirement Benefits
Present Value of Obligation as at the end of the period	61.85 (53.87)	76.95 (61.34)	0.14 (0.08)	1.29 (1.41)
Fair Value of Plan Assets as at the end of the period	- (-)	- (-)	- (-)	- (-)
Funded Status	(61.85) ((53.87))	(76.95) ((61.34))	(0.14) ((0.08))	(1.29) ((1.41))
Excess of actual over estimated	- ((-))	- -	- (-)	-
Net liability recognised in the balance sheet	(61.85) ((53.87))	(76.95) ((61.34))	(0.14) ((0.08))	(1.29) ((1.41))

* Except employees posted on Foreign Projects.

vi) Expenses recognised in statement of profit & loss

(` in Crore)

	Gratuity	Leave Encashment *	LTC	Other Retirement Benefits
Current Service Cost	3.16 (2.89)	4.72 (5.09)	- (-)	0.06 (0.07)
Past Service Cost	- (-)	- (-)	0.01 (-)	- (-)
Interest Cost	4.04 (3.72)	4.60 (4.17)	- (-)	0.11 (0.12)
Expected return on plan assets	- (-)	- (-)	- (-)	- (-)
Net actuarial (gain)/ loss recognised in the year	3.12 (1.13)	13.45 (0.04)	0.07 (-)	(0.28) ((0.35))
Expenses recognised in the statement of profit & loss	10.33 (7.75)	22.77 (9.30)	0.08 (-)	(0.12) ((0.16)

* Except employees posted on Foreign Projects.

vii) Amount for the current period

(` in Crore)

	Gratuity	Leave Encashment *	LTC	Other Retirement Benefits
Present Value of Obligation	61.85 (53.87)	76.95 (61.34)	0.14 (0.08)	1.29 (1.41)
Plan Assets	- (-)	- (-)	- (-)	- (-)
Surplus (Deficit)	(61.85) ((53.87))	(76.95) ((61.34))	(0.14) ((0.08))	(1.28) ((1.41))
Experience adjustments on plan liabilities -(Loss)/ Gain	(3.12) ((1.13))	(13.45) ((0.04))	(0.07) (-)	0.28 (0.35)
Experience adjustments on plan assets -(Loss)/ Gain	- (-)	- (-)	- (-)	- (-)

* Except employees posted on Foreign Projects.

viii) Actuarial Assumptions

I)	Method used	Projected Unit Credit Method
II)	Discount rate	8%
III)	Rate of increase in compensation levels	8%
IV)	Average outstanding service of employees up to retirement	12.96 years
V)	Estimated term of benefit obligations	12.96 years

43. Disclosure in respect of contracts in progress*

(` in Crore)

	Details	Up to 31 March 2014	Up to 31 March 2013
(a)	Aggregate amount of costs incurred and recognized profits (less recognized losses)	18309.48	16716.79
		As on 31 March 2014	As on 31 March 2013
(b)	Amount of advances received from client	314.77	1141.93
(c)	Amount of retentions (by client)	106.32	144.33

* excluding projects completed up to 31.03.2014

44. i) The Company has not received any information from any of its suppliers of their being covered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). Based on this information, there are no amounts due to Micro, Small and Medium Enterprises as at 31 March 2014.

ii) The Company has not received any information from any of its suppliers of their being a small scale industrial unit. Based on this information, amounts due to small-scale industrial undertaking, which are outstanding for more than 30 days as on 31st March 2014 is ` Nil (` Nil).

45. Basic earnings per share are computed by dividing net profit after tax ` 906.50 crore (` 729.99 crore) by 197,42,400 (197,42,400) fully paid up equity shares of ` 10 each. Diluted Earnings per share is not applicable, as there is no dilution involved.

46. "During the year, company has changed its accounting policy relating to translation of inventories from 'rate prevalent at each balance sheet date' to 'buying rate at the date of transaction'. However, there is no impact of this change on inventories & PBT for the year.

47. During the year, the Company has changed its accounting policy relating to recovery of Liquidated damages from Contractor, from accounting on “actual recovery” to “on final decision of recovery”. Due to this change, work expenses for the year is higher by ` 9.71 crore and operating Income for the year is higher by ` 10.69 crore and PBT for the year is higher by ` 0.98 crore.

48. During the year, the Company has changed its accounting policy relating to Contract Revenue Recognition as per which Sales Tax/VAT/WCT/Service Tax has been excluded from the revenue. Due to this change, Operating Income and Expenses for the year are lower by ` 27.54 crore. However, net impact on Profit/ Loss of the company is Nil.

49. Company is executing a Broad Gauge Rail Link Project called USBRL in the State of Jammu & Kashmir on Cost Plus Basis. Northern Railways, the client, has raised certain queries on admissibility of certain expenditure incurred by the company/contract addition payable on the cost incurred & certain observations on the quality of work done on the project which has also been suitably replied to. The company doesn’t expect any liability on this account. However, adjustment, if any, arising out of these issues will be made as and when required.

50. Previous year’s figures have been regrouped, rearranged and recast wherever necessary to make it comparable to the current year’s classification. Also, previous year figures are shown under bracket () to differentiate from current year figures.

For Vinod Kumar & Associates
Chartered Accountants
FRN 002304N

For and on behalf of the Board of Directors

Mukesh Dadhich	Iti Matta	K.K.Garg	Mohan Tiwari
Partner	AM / Co. Affairs	Director Finance	Chairman & Managing Director
M. No. 511741	& Company Secretary		

Place : New Delhi
Date : 27.08.2014

Place : New Delhi
Date : 01.08.2014

Vinod Kumar
& Associates

Chartered Accoutants
909, Chiranjiv Tower, 43 Nehru Place, New Delhi-110019 India
Phone : 2622 3712, 2622 6933, 2622 8410. Fax : 91-11-2622 3014

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED, NEW DELHI

1. Report on Financial Statements

We have audited the accompanying financial statements of IRCON INTERNATIONAL LIMITED (the Company) which comprise the Balance Sheet as at 31st March, 2014, and the Statement of Profit & Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

3. Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

4. Basis for Qualified Opinion

a. The Company has been carrying balances at exchange rate prevalent on 31st March, 2011, of shareholder's loan and interest accrued thereon due from Joint venture Company, Companhia Dos Caminhos De Ferro Da Beira SARL (CCFB), and not translating at rates prevalent on 31st March, 2014 is not in conformity with AS-11. As a result, Long term loan and advances is lower by ` 20.15 crore and Profit before tax is lower by ` 20.15 crore (current year ` 7.05 crore, earlier year ` 13.10 crore). (Refer Note No. 40).

b. During the year, the Company has changed its Accounting Policy relating to recovery of Liquidated damages from contractors, from accounting on "actual recovery" to "on final decision of recovery". Due to this change, operating Income for the year is higher by ` 10.69 crore, Operating expenses for the year is higher by ` 9.71 crore and Profit Before Tax for the year is higher by ` 0.98 crore. (Refer Note No.47)

c. During the year, the Company has changed its Accounting Policy relating to Contract Revenue Recognition as per which Sales Tax/VAT/WCT/Service Tax has been excluded from the revenue. Due to this change, Operating Income and Expenses for the year are lower by ` 27.54 crore. However, net impact on Profit/ Loss of the Company is Nil. (Refer Note No.48)

Had the effect of above (a), (b) and (c) would have been given cumulatively, the Long term loan and advances would be ` 694.67 crore, Operating Income would be ` 4074.05 crore, Operating Expenses would be ` 2746.74 crore and Profit Before Tax would be ` 1255.13 crore.

5. Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the basis for qualified opinion paragraph, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
(b) in the case of the Statement of Profit and Loss , of the profit for the year ended on that date; and
(c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

6. Emphasis of Matter

Design, Drawing, Business Development, agency and consultancy charges (Note No. 24) and Consultancy Charges (Note 32 (b) Expenditure in Foreign Currency), include expenses debited to the profit & loss account ` 37.91 crores (previous year ` 83.16 crores) paid as commission to the Foreign Agencies appointed by the Company to secure orders and provide other professional services for foreign projects. This has been a continuous practice by the Company. The internal control and documentation in respect of process of selection of the Commission Agent, documentation in respect of their KYC, Due Diligence and the evidence about the services received by the Company, are not commensurate with the size and volume of business of the Company. The matter has been brought to the notice of the Audit Committee and the top management. The Board of Directors has recently confirmed the delegation of power in this regard in favour of CMD. The Company has initiated steps to strengthen the policies, procedures and documentation in this regard, in pursuance to our observations.

Our opinion is not qualified in respect of Emphasis of matter.

7. Other Matters

The financial statements include the Company's share in Profit / Loss of Joint Venture (JVs) accounts out of which 4 JVs accounts have been certified by other firms of Chartered Accountants and 1 JV (IRCON-SPSCPL) has been certified by the management.

Our opinion is not qualified in respect of other matters.

8. Report on Other Legal and Regulatory Requirements

8.1 As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.

8.2 As required under provisions of section 227(3) of the Companies Act, 1956, we report that:

a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of audit.
b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
c) The report on the accounts of the Regions audited under section 228 by a person other than the Company's auditor has been forwarded to us as required by clause (c) of sub-section (3) of section 228 and have been dealt with in preparing our report in the manner considered necessary by us.
d) The Balance Sheet, Statement of Profit & Loss, and Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
e) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
f) Being a Government Company, pursuant to the Gazette notification No. GSR 829(E) dated 21st October, 2003 issued by Government of India, provisions of clause(g) of sub-section (1) of section 274 of the Companies Act, 1956, are not applicable to the Company.
g) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For Vinod Kumar & Associates
Chartered Accoutants
FRN 002304N
Mukesh Dadhich
Partner
Membership No. 511741

Place : New Delhi
Date : 27.08.2014

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph (8.1) thereof)

i. a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

b. The fixed assets were physically verified by the management during the year. There is a regular programme of verification, which in our opinion, is reasonable having regard to the size of the Company and nature of its business. No material discrepancies were noticed on such verifications.

c. During the year no substantial disposal of fixed assets of the Company has taken place which would have affected its going concern status.

ii. a. The inventory has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of verification is reasonable.

b. In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.

c. On the basis of our examination of records of inventory, we are of the opinion that the Company is maintaining proper records of inventory. The discrepancies noticed on comparison of physical verification results with the book records are not material and have been properly dealt with in the books of account.

iii. According to the information and explanation given to us by the management and records produced, the Company has neither granted nor taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Thus, the requirements under para 4(iii) (b) to (d) of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business, for purchase of inventory and fixed assets and for the sale of goods and services except as described in Emphasis of Matter Paragraph in the main report. During the course of our audit, we have not observed any continuing failure to correct major weakness in the internal control.

v. According to the information and explanations given to us by the management and records produced, there are no transactions that need to be entered into the register pursuant to Section 301 of the Companies Act, 1956.

vi. According to the information and explanations given to us, and as per our examination of records, the Company has not accepted any deposits from public and therefore, the directives issued by the Reserve Bank of India and the provisions of Section 58A and 58AA or any other relevant provision of the Companies Act, 1956, and rules framed there under, are not applicable.

vii. In our opinion, the Company does not have an adequate internal audit system commensurate with its size and nature of the business. The scope, coverage & reporting requirements need to be strengthened.

viii. The Company has maintained cost records as required under section 209(1)(d) of the Companies Act, 1956.

ix. a. The Company is generally regular in depositing undisputed statutory dues with appropriate Authority including provident fund, income tax, sales tax, wealth-tax, service-tax, custom duty, excise duty, cess and other statutory dues applicable with the appropriate authorities. The investor Education & Protection Fund and Employees' State Insurance are not applicable to the Company. According to the information and explanation given to us, there are no undisputed statutory dues which were outstanding as on 31.03.2014 for a period over six months from the date the same become payable.

b. According to information and explanation given to us, and as per our examination of records of the Company following are the particulars of dues on account of sales tax, entry tax, trade tax, income tax, custom duty, royalty, wealth tax, provident fund, excise duty and cess matters that have not been deposited on account of dispute as on 31.3.2014.

Name of the statute	Nature of disputed Dues	Amount outstanding (in ` Crores)	Period to which the amount relates	Forum where dispute is pending
Customs Act, 1962	Custom Duty levied for work executed in IA-Hanger, Bombay	5.81	1989-90	Dy. Commissioner (Custom), Mumbai
Maharashtra Value Added Tax Act, 2002	Disallowance of expenses	1.99	1995-96	Bombay High Court
Maharashtra Value Added Tax Act, 2002	Disallowance of expenses	1.53	1996-97	
Mines and Minerals (Development & Regulation) Act, 1952	Dispute with State Forest Department for Recovery of Royalty	0.02	1984-85 and 1985-86	High Court , Allahabad
Gujarat Value Added Tax Act, 2003.	Entry Tax on construction equipment	2.65	2003-04	Dy. Commissioner Sales Tax Authority, Vadodara
Gujarat Value Added Tax Act, 2003.	Entry Tax on construction equipment	0.80	2004-05	Dy. Commissioner Sales Tax Authority, Vadodara
Goa Value Added Tax Act, 2005	Disallowance of Input Tax Credit and issues regarding valuation of taxable amount.	0.05	2010-11	Asst Commercial Tax Officer, Margao
Orissa Value Added Tax Act, 2004	Demand raised for Sales Tax	0.99	2002-03	Commissioner Sales Tax, Orissa
Madhya Pradesh Vat Act, 2002	Demand raised for Sales Tax	0.03	1993-94	High Court, Jabalpur, M.P.
West Bengal Value Added Tax Act, 2003	Demand raised for Sales Tax	0.28	1998-1999	Sr.Jt. Commissioner (Appeals) Sales Tax, Behala
West Bengal Value Added Tax Act, 2003	Disallowance of Input Tax Credit	0.71	2004-05	Asst Commissioner Sales Tax, Behala
West Bengal Value Added Tax Act, 2003	Demand raised for Sales Tax	1.75	1987-88 to 1994-95	Bihar Sales Tax Tribunal- Kahalgaon
Bihar Value Added Tax Act, 2005	Disallowance of expenses	5.98	2005-06 & 2006-07	Commissioner Sales Tax, Bihar
Uttar Pradesh Tax on Entry of Goods into Local Area Act, 2007 & Uttar Pradesh Vat Act, 2008	Demand raised for Entry Tax/Sales Tax	4.80	2004-05 to 2009-10	Jt. Commissioner Appeal, Berally
West Bengal Value Added Tax Act, 2003	Disallowance of Input Tax Credit	0.31	2009-10	Dy. Commissioner, Sales Tax, Behala
West Bengal Value Added Tax Act, 2003	Disallowance of Input Tax Credit	0.26	2008-09	Dy. Commissioner, Sales Tax, Behala

Name of the statute	Nature of disputed Dues	Amount outstanding (in ` Crores)	Period to which the amount relates	Forum where dispute is pending
Madhya Pradesh Vat Act, 2002	Demand raised for Sales Tax	0.21	1997-98	Revenue Board, Gwalior
Uttar Pradesh Vat Act, 2008	Demand raised for Sales Tax	1.56	2007-08 & 2008-09	High Court, Allahabad
Uttar Pradesh Vat Act, 2008	Demand raised for Sales Tax	0.91	2008-09 & 2009-10	Dy. Commissioner, Sales Tax , Noida
Jammu and Kashmir Employees Provident Fund Act, 1961	Demand raised for Provident Fund deduction and deposit	1.75	2003-04 to 2006-07	Provident Fund Commissioner, J&K
Uttar Pradesh Tax on Entry of Goods into Local Area Act, 2007	Demand raised for Entry Tax	0.06	2007-08	Jt. Commissioner Appeals Jhansi
Uttar Pradesh Tax on Entry of Goods into Local Area Act, 2007	Demand raised for Entry Tax	0.03	2009-10	Dy Commissioner Sales Tax, Lucknow
Uttar Pradesh Vat Act, 2008	Demand raised for VAT	0.01	2005-06	High Court/ Allahabad
Uttar Pradesh Vat Act, 2008	Demand raised for VAT	1.02	2002-03 to 2004-05	High Court/ Allahabad
Uttar Pradesh Tax on Entry of Goods into Local Area Act, 2007	Demand raised for Entry Tax	0.15	2006-07	Jt. Commissioner Appeals, Jhansi
Uttar Pradesh Trade Tax Act, 1948	Demand raised by UPTT	0.43	2006-07	
Uttar Pradesh Trade Tax Act, 1948	Demand raised by UPTT	0.88	2007-08	
Uttar Pradesh Vat Act, 2008	Demand raised for VAT	0.60	2007-08	
Uttar Pradesh Vat Act, 2008	Demand raised for VAT	1.30	2008-09	
Uttar Pradesh Vat Act, 2008	Demand raised for VAT	1.38	2009-10	

x. The Company has no cash losses during the financial year covered by our audit and in the immediately preceding financial year nor are there any accumulated losses in this period.

xi. The Company is a debt free Company, so the question of default by the Company in repayment of dues to financial institution, bank or debenture holder does not arise.

xii. According to the information and explanations given to us and as per our examination of records, the Company has not granted loans and advances on the pledge of shares, debentures and other securities.

xiii. In our opinion, the Company is neither a chit fund nor a nidhi mutual benefit fund/society, so the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order 2003, are not applicable to the Company.

xv. In our opinion, the terms and conditions on which the Company has given guarantees for loans taken by others from banks or financial institutions are not prejudicial to the interest of the Company.

xvi. The Company is a debt free Company, so the question of use by the Company of term loan for the purpose for which it was given, does not arise.

xvii. As the Company is a debt free Company, the use of short-term funds for long-term investment does not arise.

xviii. According to the information and explanations given to us, the Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.

xix. According to the information and explanations given to us, during the year under audit, the Company has not issued any debentures.

xx. The Company has not raised any money by way of public issue during the year.

xxi. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For Vinod Kumar & Associates
Chartered Accoutants
FRN 002304N

Mukesh Dadhich
Partner
Membership No. 511741

Place : New Delhi
Date : 27.08.2014

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF IRCON INTERNATIONAL LTD. FOR THE YEAR ENDED 31st MARCH 2014.

The preparation of financial statement of Ircon International Ltd. for the year ended 31st March 2014 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 is responsible for expressing opinion on these financial statement under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 27.08.2014.

I on the behalf of the Comptroller and Auditor General of India have conducted a supplementary audit under Section 619(3)(b) of the Companies Act, 1956 on the financial statements of Ircon International Ltd for the year ended 31st March 2014. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditor's report under Section 619(4) of the Companies Act, 1956.

For and on the behalf of the
Comptroller & Auditor General of India

Dinesh Bhargav
Pr. Director of Audit
(Railway Commercial)

Place : New Delhi
Date : 15.09.2014

Consolidated Financial Statements

2013-14

CONSOLIDATED BALANCE SHEET
as at 31st March 2014

(` in Crore)

	Particulars	Note No.	As at 31st March 2014		As at 31st March 2013	
I.	EQUITY AND LIABILITIES					
1	Shareholders' funds					
	(a) Share capital	2	19.80		19.80	
	(b) Reserves and surplus	3	2,964.43	2,984.23	2,264.00	2,283.80
	Minority Interest			20.32		9.28
2	Non-current liabilities					
	(a) Long term liabilities	4	193.12		382.60	
	(b) Long term provisions	5	407.15	600.27	420.10	802.70
3	Current liabilities					
	(a) Trade payables	6	589.90		636.98	
	(b) Other current liabilities	7	1,187.38		1,785.05	
	(c) Short-term provisions	8	820.29	2,597.57	692.34	3,114.37
	TOTAL			6,202.39		6,210.15
I.	ASSETS					
1	Non-current assets					
	(a) Fixed assets	9				
	(i) Tangible assets		165.32		178.07	
	(ii) Intangible assets		50.75		-	
	(iii) Intangible assets under development	10	10.72		0.80	
	(iv) Capital work-in-progress	11	22.09		69.17	
	(v) Machinery in Transit		15.64		-	
	(b) Non-current investments	12	257.81		180.14	
	(c) Deferred tax assets (Net)	13	300.69		268.99	
	(d) Long-term loans and advances	14	630.51		374.10	
	(e) Other non-current assets	15	4.92	1,458.45	67.48	1,138.75
2	Current assets					
	(a) Current investments	16	176.02		64.95	
	(b) Inventories	17	124.19		124.57	
	(c) Trade receivables	18	661.91		1,094.05	
	(d) Cash and Bank balances	19	2,737.72		3,116.47	
	(e) Short-term loans and advances	20	549.86		435.02	
	(f) Other current assets	21	494.24	4,743.94	236.34	5,071.40
	TOTAL			6,202.39		6,210.15
III.	Significant Accounting Policies	1				
IV.	Notes forming part of Financial Statements	2-50				

As per our Report of even date attached

For Vinod Kumar & Associates
Chartered Accountants
FRN 002304N

Mukesh Dadhich
Partner
M. No. 511741

Place : New Delhi
Date : 27.08.2014

For and on behalf of the Board of Directors

Iti Matta
AM / Co. Affairs
& Company Secretary

K.K. Garg
Director Finance

Mohan Tiwari
Chairman & Managing Director

Place : New Delhi
Date : 01.08.2014

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

For Year ended 31st March 2014

(` in Crore)

	Particulars	Note No.	2013-14	2012-13
I.	Revenue :			
	Revenue from operations	22	4,060.68	4,222.23
	Other income	23	247.50	243.66
	Total Revenue		4,308.18	4,465.89
II.	Expenses:			
	Operating and administrative expenses :	24		
	- Operating Expenses		2,702.41	3,179.25
	- Administrative Expenses		37.34	24.55
	Employee remuneration and benefits	25	232.12	200.16
	Finance costs	26	38.54	10.89
	Depreciation and amortization expense	9	34.27	44.24
	Total Expenses		3,044.68	3,459.09
III.	Profit Before Tax (I - II)		1,263.50	1,006.80
IV.	Add / (less) minority interest in (income) / losses		(1.24)	0.52
V.	Tax expense:			
	(1) Current tax			
	- For the year		354.18	302.84
	- For earlier years (net)		26.66	62.37
	(2) Deferred tax (net)	13	(31.70)	(79.60)
	Total Tax Expense		349.14	285.61
VI.	Profit for the year (III + IV - V)		913.12	721.71
VII.	Earnings per equity share - Basic and Diluted (in `)	45	461.26	364.57
VIII.	Significant Accounting Policies	1		
IX.	Notes forming part of Financial Statements	2-50		

As per our Report of even date attached

For Vinod Kumar & Associates
Chartered Accountants
FRN 002304N

For and on behalf of the Board of Directors

Mukesh Dadhich	Iti Matta	K.K. Garg	Mohan Tiwari
Partner	AM / Co. Affairs	Director Finance	Chairman & Managing Director
M. No. 511741	& Company Secretary		

Place : New Delhi
Date : 27.08.2014

Place : New Delhi
Date : 01.08.2014

CONSOLIDATED CASH FLOW STATEMENT
For the year ended on 31st March 2014

(` in Crore)

Particulars		2013-14	2012-13
CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before taxation & extraordinary items		1,263.50	1,006.80
Adjustment for :			
Depreciation		34.30	44.24
Amortisation of premium on investment		0.35	0.36
Impairement of Investment		-	-
Loss / (Profit) on sale of assets(net)		(0.19)	(3.04)
Interest Income		(227.11)	(210.27)
Provisions - (Additions - Write back) (Net)		140.02	101.95
Minority interest in (income) / losses		(1.24)	0.52
Effect of Exchange differences on translation of Foreign Currency Cash & Cash Equivalents		8.76	(13.39)
Operating Profit before working capital changes	(1)	1,218.39	927.17
Adjustment for :			
"Decrease / (Increase) in Trade Receivables/ Loans & Advances"		297.34	(26.09)
Decrease / (Increase) in Inventories		0.38	9.94
Decrease / (Increase) in Other Assets		(213.61)	74.25
(Decrease) / Increase in Trade Payables		(47.08)	107.01
(Decrease) / Increase in Other Liabilities & Provisions		(1,173.69)	(268.92)
(Decrease) / Increase in Minority Interest		11.04	9.28
	(2)	(1,125.62)	(94.53)
Cash generated from operation	(1+2)	92.77	832.64
Income Tax Paid		(236.45)	(283.31)
NET CASH FROM OPERATING ACTIVITIES	(A)	(143.68)	549.33
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets including Capital WIP		(52.62)	(42.72)
Sale of Fixed Assets		2.03	5.55
Interest Received		245.38	161.98
Investment in Equity and Bonds		(189.09)	(42.05)
NET CASH FROM INVESTING ACTIVITIES	(B)	5.70	82.76
CASH FLOW FROM FINANCING ACTIVITIES			
Dividend (including Dividend Distribution Tax) paid		(233.16)	(132.30)
NET CASH FROM FINANCING ACTIVITIES	(C)	(233.16)	(132.30)
Effect of Exchange differences on translation of Foreign Currency Cash & Cash Equivalents	(D)	(7.61)	13.39
NET INCREASE IN CASH & CASH EQUIVALENT	(A+B+C+D)	(378.75)	513.18
CASH AND CASH EQUIVALENT (OPENING)	(E)	3,116.47	2,603.29
CASH AND CASH EQUIVALENT (CLOSING)	(F)	2,737.72	3,116.47
NET INCREASE IN CASH & CASH EQUIVALENT	(F - E)	(378.75)	513.18

Note : 1. Cash and cash equivalents consist of cash in hand and balances with banks.
2. Figures in brackets represent outflow of cash.
3. Figures of the previous year have been regrouped/recast wherever necessary.
4. Cash & Cash Equivalent (closing) Includes FDR ` 272.31 crore (` 470.40 crore) against advances from clients on which interest is passed on to them.

As per our Report of even date attached
For Vinod Kumar & Associates
Chartered Accountants
FRN 002304N

Mukesh Dadhich
Partner
M. No. 511741

Place : New Delhi
Date : 27.08.2014

For and on behalf of the Board of Directors

Iti Matta
AM / Co. Affairs
& Company Secretary

K.K. Garg
Director Finance

Mohan Tiwari
Chairman & Managing Director

Place : New Delhi
Date : 01.08.2014

1. SIGNIFICANT ACCOUNTING POLICIES

(i) Basis of Preparation

(a) The consolidated financial statements are prepared according to the historical cost convention on accrual basis and in line with the fundamental accounting principles of prudence, consistency and materiality.

(b) The consolidated financial statements are reported in Indian rupees and all values are rounded to the nearest crore rupees with two decimal points except where otherwise stated.

(ii) Statement of Compliance

The consolidated financial statements are prepared on the basis of generally accepted accounting principles in India and in accordance with Companies Act, 1956.

(iii) Consolidated Financial statements

(a) The consolidated financial statements of Ircon International Limited and its subsidiaries have been consolidated on a line- by-line basis by adding together the book value of the like items of assets, liabilities, income and expenses, after eliminating intra-group balances and unrealized profits/losses on intra-group transactions, and are presented to the extent possible, in the same manner as the Company's independent financial statements.

(b) The company's Interest in jointly Controlled entities are proportionately consolidated on a line-to-line basis by adding together the book values of assets, liabilities, income & expenses, after eliminating the unrealised profits/losses on intra-group transactions.

(c) In case of jointly controlled operations, company's share of revenues, common expenses, assets & liabilities are included in revenues, expenses, assets & liabilities respectively.

(iv) Foreign Currency Transactions

(a) Transactions of Indian operations:

Foreign Currency transactions are translated in the following manner:

i) All foreign currency transactions are translated into Indian Currency at the rate prevalent on the date of transaction.

ii) Fixed assets and non-monetary items are translated at the rate on the date of transaction.

iii) Depreciation is translated at the rates used for translation of the value of the assets on which depreciation is calculated.

iv) Monetary items and contingent liabilities denominated in foreign currency are translated at the prevailing closing buying rate at each balance sheet date.

(b) Transactions of Integral Foreign Operations:

Foreign currency transactions of foreign branches are translated in the following manner:

i) Revenue items are translated into Indian Currency at the rate prevalent on the date of transaction.

ii) Fixed assets and non-monetary items are translated at the rate on the date of transaction.

iii) Depreciation is translated at the rates used for the translation of the value of the assets on which depreciation is calculated.

iv) Monetary items and contingent liabilities are translated at the prevailing closing buying rate at each balance sheet date.

(c) The net exchange differences resulting from the translations at (a) & (b) above are recognized as income or expense for the year.

(d) Transactions of Non-Integral Foreign Operations

Financial statements of Non- Integral Foreign Operations are translated in the following manner-

i) The assets and liabilities, both monetary and non-monetary are translated at the closing buying rate.

ii) Income and expense items are translated at the rate on date of transaction.

iii) All resulting exchange difference is accumulated in foreign currency translation reserve until disposal of the net investment and is recognized as income or expense in the same period in which gain or loss on disposal is recognized.

(v) Fixed assets

Tangible Assets

a) Tangible assets are stated at historical cost less accumulated depreciation and impairment loss, if any.

b) The machinery spares which can be used only in connection with an item of Tangible asset and whose use is expected to be irregular are capitalized & depreciated/amortized over the balance life of such Tangible assets.

c) Incidental expenditure during construction period incurred up to the date of commissioning is capitalized.

Intangible Assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at historical cost less accumulated amortization and impairment loss, if any.

(vi) Investments

a) Non Current Investments are valued at cost less provision for permanent diminution in value, if any.

b) Current Investments are valued at lower of cost and fair value.

c) An investment in land or buildings, which is not intended to be occupied substantially for use by, or in the operation of the Company, is classified as investment property. Investment Properties are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

(vii) Inventories

(a) Construction Work in Progress

Construction work-in-progress is valued at cost till such time the outcome of the job cannot be ascertained reliably and at realizable value thereafter. Site mobilization expenditure to the extent not written off is valued at cost.

(b) Others

(i) In Cost Plus contracts, the cost of all materials, spares and stores not reimbursable as per the terms of the contract is shown as inventory valued as per (iii) below.

(ii) In Item Rate and Lump Sum Turnkey contracts, the cost of all materials, spares (other than capitalized) and stores are charged to Statement of Profit and Loss in the year of use.

(iii) Inventories are valued at lower of the cost arrived at on First in First out (FIFO) basis and net realisable value.

(iv) Loose tools are expensed in the year of purchase.

(viii) Cash and Bank balance

Cash and bank balances comprise of cash at bank, cash in hand, Cheques in hand, demand deposits and bank deposits with maturity period up to 12 months from Balance Sheet date.

For the purpose of cash flow statement, cash and cash equivalents consist of cash and bank balances, cheques in hand and demand deposits net of bank overdrafts.

(ix) Provisions

(a) Provision for Maintenance

(i) In Cost Plus contract, no provision for maintenance is required to be made where cost is reimbursable.

(ii) Item Rate and Lump Sum turnkey contracts, provision is made for maintenance to cover company's liability during defect liability period keeping into consideration the contractual obligations, the obligations of the sub-contractors, operating turnover and other relevant factors.

(iii) Provision for unforeseen expenditure during design guarantee period is made based on risk perception of management in each contract assessed at the end of each financial year. This shall, however, be subject to a minimum of ` 50 lakhs and maximum of the amount of Design guarantee specified in Contract Agreement with the Client.

(b) Provision for Demobilisation

Provision for demobilisation to meet the expenditure towards demobilisation of Manpower and Plant & Equipment is made in foreign projects.

(c) Provision for Doubtful Debts /Advances

Provision for Doubtful Debts /Advances is made when there is uncertainty of realisation irrespective of the period of its dues. For outstanding over 3 years full provision is made unless the amount is considered recoverable. Debts/Advances are written off when unrealisibility is almost established.

(d) Others

Provision is recognised when:

i) The Company has a present obligation as a result of a past event,

ii) A probable outflow of resources is expected to settle the obligation and

iii) A reliable estimate of the amount of the obligation can be made.

Reimbursement of the expenditure required to settle a provision is recognised as per contract provisions or when it is virtually certain that reimbursement will be received. Provisions are reviewed at each Balance Sheet date.

(x) Contract Revenue Recognition

Contract Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Depending on the nature of contract, revenue is recognised as under-

a) In cost plus contracts, revenue is worked out by including eligible items of expenditure in the bills raised on the clients and charging specified margin thereon.

b) In fixed price contracts, revenue is recognized by adding the aggregate cost of work certified and proportionate margin using the percentage of completion method. The percentage of completion is determined as a proportion of cost incurred to date to the total estimated cost of the contract.

Full provision is made for any loss in the period in which it is foreseen.

Revenue does not include Sales Tax/VAT/WCT/Service Tax etc.

(xi) Leases

(i) Lease incomes from assets given on operating lease are recognized as income in the statement of profit & loss on straight-line basis over the lease term.

(ii) Lease payments for assets taken on operating lease are recognized as expense in the statement of profit & loss on straight-line basis over the lease term.

(xii) Liquidated Damages and Escalations

(i) Liquidated damages/penalties (LD) due to delays arising out of the contractual obligations and provisionally withheld from contractors/under dispute are adjusted against contract cost only on final decision in this regard. However, LD recovered/withheld by client is accounted for on recovery/withholding & adjusted against contract revenue. Possible Liquidated Damages in cases where extension is granted by the client subject to their right for levy of penalty is shown as contingent liability

(ii) Escalation receivable/payable is accounted for as per the provisions of the contract. Escalation receivable but not certified before close of project accounts is included in work- in- progress.

(xiii)Research & Development Expenses

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are charged to the Statement of Profit and Loss unless a product's technological feasibility has been established, in which case such expenditure is capitalised.

(xiv) Mobilisation Expenses

The initial contract expenses on new projects for mobilisation will be recognised as construction work in progress in the year of incidence, and pro rata charged off to the project over the years at the same percentage as the stage of completion of the contract as at the end of financial year.

(xv) Depreciation & Amortisation

Tangible Assets

(a) Depreciation on Tangible assets in India is provided on Straight Line basis (SLM) in the manner and at the rates specified in Schedule XIV of the Companies Act, 1956 except in following cases where it is provided at the rates higher than prescribed in the said Schedule:

(i)	General Construction Equipment	19.00%
(ii)	Office Equipment	19.00%
(iii)	Computer incl. UPS, Inverters & Mobile handsets	31.67%
(iv)	Vehicles (including Heavy Vehicles)	23.75%
(v)	Furniture & Fixtures	23.75%
(vi)	Speed Boats	19.00%

(b) Depreciation on tangible assets in foreign countries is provided on straight-line method taking into consideration the commercial life of that asset and/or duration of the project. However, the rates adopted for depreciation are not lower than those specified in Schedule XIV for tangible assets in India (as stated in Para (xv) (a) above). On closure of the project, assets are reduced to residual value of 5% and balance is expensed in the year of closure and/or transferred to other project/ Plant & Machinery Division.

(c) In case of leasehold land (other than perpetual lease) and leasehold property, depreciation is provided proportionately over the period of lease.

(d) Tangible Assets acquired during the year costing up to ` 5000/-, tangible assets having written down value up to ` 5000/- at the beginning of the year, and camps / caravans / temporary sheds/furnishings acquired during the year irrespective of the value of asset are fully depreciated.

Intangible Assets

Software cost exceeding ` 25 lakhs each is amortized over a period of 36 months on straight line basis from the date of successful commissioning of the software subject to review at each financial year end. Software cost up to ` 25 Lakhs in each case is fully amortized in the year of purchase.

(xvi) Borrowing Cost

(i) Borrowing cost in ordinary course of business are recognized as expense of the period in which they are incurred.

(ii) Borrowing cost that is directly attributable to acquisition, construction or production of a qualifying asset is capitalized as part of the cost of the asset.

(xvii) Retirement Benefits

(i) Provision for leave Encashment, gratuity & other retirement benefits is made based on actuarial valuation at the year end.

(ii) Provident fund contribution is made to PF Trust on accrual basis.

(iii) Defined contributions for pension are charged to statement of profit and loss on accrual basis.

(xviii) Prior period adjustment and extraordinary items

i) Income/expenditure relating to prior period and prepaid expenses not exceeding ` 50000/- in each case are treated as income/expenditure of the current year.

(ii) Voluntary Retirement Scheme expenses are charged off in the year of incidence of expense.

(xix) Taxes

(i) Taxes including current income-tax are computed using the applicable tax rates and tax laws. Liability for additional taxes, if any, is provided / paid as and when assessments are completed.

(ii) Deferred income- tax on timing differences is computed using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

(xx) Segment Reporting

The Company has identified two primary reporting segments based on geographic location of the project viz. Domestic & International and two secondary reporting segments based on business of construction and leasing of assets & its operation (Leasing & Operation).

(xxi) Contingent Liabilities and Contingent Assets

(a) Contingent Liabilities are disclosed in either of the following cases

i) A present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation; or

ii) A reliable estimate of the present obligation cannot be made; or

iii) A possible obligation, unless the probability of outflow of resource is remote.

(b) Contingent Assets are neither recognized, nor disclosed.

(c) Contingent Liability and Provisions needed against Contingent Liability and Contingent Assets are reviewed at each Balance Sheet date.

(d) Contingent Liability is net of estimated provisions considering possible outflow on settlement.

2 Share capital

(` in Crore)

Particulars	As at 31st March 2014	As at 31st March 2013
Authorized		
2,50,00,000 Equity shares of ` 10 each	25.00	25.00
Issued, Subscribed & Paid-up		
1,97,96,000 Equity shares of ` 10 each-fully paid	19.80	19.80
Total	19.80	19.80

i) Distribution of number of shares held:

Particulars	As at 31st March 2014		As at 31st March 2013	
	No. of Shares	% age	No. of Shares	% age
Government of India in the name of the President of India and Government nominees	19,742,400	99.729%	19,742,400	99.729%
Indian Railway Finance Corporation Limited	48,800	0.247%	48,800	0.247%
Bank of India	4,800	0.024%	4,800	0.024%
Total	19,796,000	100%	19,796,000	100%

ii) Shares issued other than cash

Bonus share issued during last five years: 98,98,000 Equity shares of ` 10 each have been isuued as fully paid up Bonus shares in FY 2012-13 in the ratio of 1:1

iii) Terms/rights attached to shares :

(a) Voting

The Company has only one class of equity shares having a par value of ` 10 per share. Each holder of equity share is entitled to one vote per share.

(b) Dividends

The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of Interim dividend.

(c) Liquidation

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

iv) Reconciliation of the number of equity shares and share capital :

Particulars	As at 31st March 2014		As at 31st March 2013	
	No. of Shares	` Crores	No. of Shares	` Crores
Issued, subscribed and fully paid up equity shares outstanding at the beginning of the year	19,796,000	19.80	9,898,000	9.90
Add: Shares issued during the year (Bonus Issue)	-	-	9,898,000	9.90
Issued, subscribed and fully paid up equity shares outstanding at the end of the year	19,796,000	19.80	19,796,000	19.80

3 Reserves and surplus

(` in Crore)

Particulars	Foot Note	As at 31st March 2014		As at 31st March 2013	
a. CSR Activities Reserve					
Opening Balance		2.90		-	
Add :- Transfer from Statement of Profit & Loss		-		2.90	
Less :- Transfer to Statement of Profit & Loss	(i)	1.19	1.71	-	2.90
b. Foreign Exchange Fluctuation Reserve					
Opening Balance		-		-	
Add :- Proportionate Share in Integrated Joint Ventures		1.15	1.15	-	-
c. General Reserve					
Opening Balance		2,261.10		1,724.75	
Add: Transfer from surplus in statement of profit and loss		700.47		546.25	
Less : Utilized for issue of Bonus Shares		-	2,961.57	9.90	2,261.10
d. Surplus in Statement of Profit and Loss					
Net Profit for the current year		913.12		721.71	
Appropriations					
Add :-					
- Transfer from CSR Activities Reserve		1.19		-	
Less :-					
- Transfer to CSR Activities Reserve		-		2.90	
- Interim Dividends		100.96		49.49	
[(Dividend per share ` 51/- (` 25/-)]					
- Proposed Dividends		81.16		98.98	
[(Dividend per share ` 41 /- (` 50/-)]					
- Tax on Interim Dividend		17.16		8.03	
- Tax on Proposed Dividend		14.56		16.06	
- Transfer to General Reserve		700.47	-	546.25	-
Total			2,964.43		2,264.00

Foot Notes:-

(i) Company has spent an amount of ` 8.49 crores during the year as against requirement of ` 7.30 crores (1% of PAT of 2012-13). Excess amount of ` 1.19 crores than the minimum requirement has been utilised towards CSR activities from unspent amount of CSR Budget relating to prevoius years.

4 Long term liabilities

(` in Crore)

Particulars	Foot Note	As at 31st March 2014	As at 31st March 2013
(a) Trade Payables			
- Micro, Small & Medium Enterprises (Refer Note 44)		-	-
- Others		2.46	33.51
(b) Other Liabilities			
- Advance from clients	(i)	70.38	236.04
- Retention Money /Security Deposit		120.28	113.05
Total		193.12	382.60

Foot Notes:-

i) Includes Interest payable on advances from clients ` 2.13 Crores (` 9.35 Crores)

5 Long term provisions

(` in Crore)

Particulars	As at 31st March 2014		As at 31st March 2013	
(A) Provisions for employee benefits: (Refer Note 42)				
i) Gratuity	57.76		50.61	
ii) Leave Salary	73.54		58.50	
iii) Settlement Allowance on Retirement	1.20		1.31	
iv) Pension	-		17.88	
v) Leave Travel Concession	0.13	132.63	0.05	128.35
(B) Other Provisions :				
i) Demobilisation	24.01		4.97	
ii) Maintenance	55.37		46.87	
iii) Design Guarantee	172.20		221.86	
iv) Other Expenses	22.94	274.52	18.05	291.75
Total		407.15		420.10

6 Trade payables

(` in Crore)

Particulars	Foot Note	As at 31st March 2014	As at 31st March 2013
Trade Payables			
- Micro, Small & Medium Enterprises (Refer Note 44)		-	-
- Others			
(a) Contractors & Suppliers		584.48	631.76
(b) Related Parties		4.57	4.66
(c) Others		0.85	0.56
Total		589.90	636.98

7 Other current liabilities

(` in Crore)

Particulars	Foot Note	As at 31st March 2014		As at 31st March 2013	
(a) Advance Contract Receipts			110.16		530.86
(b) Advances from Client	(i)		610.87		776.30
(c) Deposits & Retention Money			412.98		349.24
(d) Statutory Dues		197.06		185.31	
Less :- Deposited under Protest		(168.80)	28.26	(88.97)	96.34
(e) Book Overdraft			0.24		-
(f) Staff			3.69		16.95
(g) Others	(ii)		21.18		15.36
Total			1,187.38		1,785.05

Foot Notes:-

i) Includes Interest payable on advances from clients ` 67.96 Crores (` 34.09 Crores)

ii) Includes Outstanding and Other Liabilities.

8 Short-term provisions

(` in Crore)

Particulars	As at 31st March 2014			As at 31st March 2013		
(A) Provisions for employee benefits: (Refer Note 42)						
i) Gratuity		4.09			3.26	
ii) Leave Salary		7.05			6.32	
iii) Settlement Allowance on Retirement		0.09			0.11	
iv) Post Retirement Medical Benefits		17.50			9.36	
v) Pension		23.61			-	
vi) Performance Related Pay		22.42			11.44	
vii) Leave Travel Concession		0.01	74.77		0.03	30.52
(B) Other Provisions :						
i) Demobilisation		23.92			32.27	
ii) Maintenance		161.37			94.99	
iii) Foreseeable Loss		10.12			7.25	
iv) Design Guarantee		56.99			-	
v) Legal Cases		47.93			64.52	
vi) Other Expenses		28.05			25.66	
vii) Income tax and Wealth tax	877.59			823.35		
Less: Advance Tax (including TDS)	(555.41)	322.18		(501.26)	322.09	
viii) Dividend (Proposed)		81.16			98.98	
ix) Tax on Dividend (Proposed)		13.80	745.52		16.06	661.82
Total			820.29			692.34

9 Fixed assets

(` in Crore)

	Particulars	Foot Note	Gross Block				Accumulated Depreciation				Net Block	
			As at 01.04.2013	Additions	Sales/ Adjustments	As at 31.03.2014	Upto 31.03.2013	For the year	Sales/ Adjustments	Upto 31.03.2014	As at 31.03.2014	As at 01.04.2013
A	Tangible Assets											
	Freehold Land	(vi)	3.41	-	(1.12)	2.29	-	-	-	-	2.29	3.41
	Lease hold Land	(v)	36.39	-	-	36.39	0.18	0.01	-	0.19	36.20	36.21
	Lease hold Buildings	(iv)	42.44	-	-	42.44	5.13	0.67	-	5.80	36.64	37.31
	Freehold Buildings /Flats-Residential		9.30	-	-	9.30	2.54	0.16	-	2.70	6.60	6.76
	Freehold Buildings /Flats-Non-Residential		10.65	0.01	-	10.66	1.53	0.19	-	1.72	8.94	9.12
	Plant and Machinery	(i,ii & vii)	345.08	20.74	(11.50)	354.32	264.62	29.85	(10.83)	283.64	70.68	80.46
	Survey Instruments		3.68	0.42	(0.64)	3.46	3.37	0.49	(0.61)	3.25	0.21	0.31
	Computers		8.52	0.51	(0.52)	8.51	7.65	0.58	(0.52)	7.71	0.80	0.87
	Mobile Handset		0.24	0.03	(0.04)	0.23	0.19	0.04	(0.05)	0.18	0.05	0.05
	Office Equipments		7.25	0.53	(0.47)	7.31	6.17	0.77	(0.46)	6.48	0.83	1.08
	Furniture, Fixtures, Furnishings		8.03	0.37	(0.29)	8.11	7.36	0.51	(0.29)	7.58	0.53	0.67
	Caravans, Camps and Temporary Sheds		6.26	0.24	(0.50)	6.00	6.24	0.24	(0.50)	5.98	0.02	0.02
	Vehicles	(i)	14.62	0.38	(0.38)	14.62	12.82	0.63	(0.36)	13.09	1.53	1.80
	Current Year Total		495.87	23.23	(15.46)	503.64	317.80	34.14	(13.62)	338.32	165.32	178.07
	Previous Year		497.32	31.32	(32.77)	495.87	303.87	44.20	(30.27)	317.79	178.07	193.45
B	Intangible Assets											
	Softwares		1.71	0.05	-	1.76	1.71	0.04	-	1.75	0.01	-
	Lease Rights		-	50.86	-	50.86	-	0.12	-	0.12	50.74	-
	Current Year Total		1.71	50.91	-	52.62	1.71	0.16	-	1.87	50.75	-
	Previous Year		1.68	0.04	(0.01)	1.71	1.67	0.04	-	1.71	-	0.01
	GRAND TOTAL CURRENT YEAR		497.58	74.14	(15.46)	556.26	319.51	34.30	(13.62)	340.19	216.07	178.07
	PREVIOUS YEAR		499.00	31.36	(32.78)	497.58	305.54	44.24	(30.27)	319.50	178.07	193.46

Foot Notes:-

i) Fixed assets beyond economic repair and held for disposal included in sales/adjustment column and transferred to other current assets at Net Book value: -

(` in Crore)

Block of assets	As at March 2014		As at March 2013	
	Gross Block	Net Block	Gross Block	Net Block
Plant and Machinery	7.69	0.57	13.40	1.20
Vehicles	0.04	-	-	-
Total	7.73	0.57	13.40	1.20

ii) Includes Locomotives provided on short term operating lease and standby.

iii) Depreciation for the year has been allocated as given below :-

(` in Crore)

Description	2013-14	2012-13
Statement of Profit and Loss		
Current	34.27	42.97
Prior Period	-	1.27
Capitalised	0.03	-
Total	34.30	44.24

iv) Includes lease hold building on Railways land for 30 years lease (Gross value ` 5.30 crore) for which agreement is yet to be finalised.

v) Lease hold land includes land at Greater Noida Industrial Development Authority (GNIDA) for construction of proposed Central Inspection Cell (CIC) by the Company (Gross value ` 0.82 crore). The request for time extension for construction of Building has been submitted to the appropriate authority.

vi) Sale/Adjustment column in free hold land includes ` 1.12 crore transferred to investment property during the year 2013-14.

vii) One 48 Tonne Diesel Locomotive 777(Gross Block of ` 1.84 crore), (Accumulated depreciation up to 31.03.2013 ` 1.75 Crore) was found missing in May 2013 Loss of ` 0.09 Crore being the book value as on 31.03.2013 on account of this has been shown in sales / adjustment column of Accumulated depreciation and included in Misc Expenses.

10 Intangible asset under development

(` in Crore)

Particulars	As at 31st March 2014	As at 31st March 2013
Opening Balance	0.80	0.25
Additions during the year	9.92	0.55
Total	10.72	10.72
Break up:-		
Implementation of SAP	1.01	0.80
Development / Redevelopment of Railway Stations	9.71	-

11 Capital work-in-progress

(` in Crore)

Particulars	As at 31st March 2014	As at 31st March 2013
Opening Balance	69.17	58.36
Additions during the year:		
- Work Expenses	5.02	11.26
- Salaries, Wages & Benefits	0.17	1.14
- Cont to PF & Other Funds	0.01	0.08
- Design, Drawing, Business Development & Consultancy Charges	0.06	0.11
- Inspection, Geo Techincal Investigation & Survey Exp.	0.01	-
- Rent - Non Residential	-	0.02
- Rates & Taxes	0.01	0.03
- Repairs & Maintenance		
- Office & Others	-	0.01
- Travelling Expenses	0.05	0.06
- Printing & Stationery	-	0.01
- Postage, telephone & telex	-	0.01
- Security Services	0.01	0.03
- Legal & Professional Charges	0.01	0.02
- Auditors Remuneration	-	0.01
- Prior Period Expenses	0.04	-
- Advertisement & Publicity	-	0.16
- Issue of Authorised Capital	-	0.15
- Misc Operating Exp.	-	0.05
Less:-		
Capitalised during the year	50.86	2.34
Transferred to Investment Property	1.61	-
Total	22.09	69.17

12 Non current investments

(` in Crore)

Particulars	Foot Note	As at 31st March 2014			As at 31st March 2013		
		Nos.	Amount (` in Crore)		Nos.	Amount (` in Crore)	
A Investment Property							
SRO Building at Old Airport Road, Bangalore				2.73			-
Total (A)							
B Trade Investments (At Cost)							
Un- Quoted							
Investment in Fully Paid up Equity Shares:							
In Incorporated Joint Venture/s							
CCFB, Mozambique							
12,50,000 equity shares of meticals 24000 each fully paid	(i)	12,50,000	5.53		12,50,000	5.53	
Less : Provision for diminution in value (Refer Note No. 40)			5.53	-		5.53	-
Ircon-Soma Tollway Private Limited (ISTPL)	(ii a & b)						
6,38,70,000 equity shares of ` 10 each fully paid.		6,38,70,000		63.87	6,38,70,000		63.87
Chhattisgarh East Railway Limited							
13,000 equity shares of ` 10 each fully paid.		13,000		0.01			-
Chhattisgarh East-West Railway Limited							
13,000 equity shares of ` 10 each fully paid.		13,000		0.01			-
Total (B)				63.89			63.87
C Other Investments (At Cost)							
Quoted							
Investment in Bonds							
6.00% Tax Free Indian Railway Finance Company Limited (IRFC) Bonds of ` 1,00,000 each		-		-	5,000		50.00
8.00% Tax Free Indian Railway Finance Company Limited (IRFC) Bonds of ` 1,000 each		163,131		16.31	163,131		16.31
7.21% Tax Free Indian Railway Finance Company Limited (IRFC) Bonds of ` 10,00,000 each		500		49.96	500		49.96
8.23% Tax Free Indian Railway Finance Company Limited (IRFC) Bonds of ` 1,000 each		500,000		50.00	-		-
8.35% Tax Free Indian Railway Finance Company Limited (IRFC) Bonds of ` 10,00,000 each		500	49.92		-		
Less : Amortisation of Premium	(iii)		-	49.92			-
Investment in Mutual Fund							
SBI Debt Fund Series - A -14		25,000,000		25.00	-		-
Total (C)				191.19			116.27
Total				257.81			180.14

Disclosure regarding Quoted/Unquoted Investments:		` in Crore	` in Crore
Aggregate of Unquoted investments	- Book value	63.89	63.87
Aggregate of Quoted investments	- Book value	191.19	116.27
	- Market value	190.95	115.11

Foot Notes:-

i) The value of one equity share of Meticals 24000 was equivalent to ` 44.27.

ii) (a) Out of 6,38,70,000 equity shares of ISTPL held by the company, 30 % shares (1,91,61,000 no.) are pledged with Punjab National Bank against the loan drawn by ISTPL outstanding as on 31.03.2014 is ` 444.30 crores. Further, an undertaking has been given by the company to Punjab National Bank for non disposal of its 21% (1,34,12,700 no. of shares) of the present holding (over and above the pledged over 30% of shareholding) .

(b) As per Articles of Association (Article V) of ISTPL, shareholders can transfer their shareholding subject to Concession Agreement dated 28th September 2005 signed with NHAI which provides for equity holding of not less than 51% by Consortium members in ISTPL during the construction period and three years following Commercial Operation Date, which was achieved on 19.04.2010. Thereafter, the aforesaid shareholding can be diluted to 26% subject to the pre-emption right of the other shareholders.

iii) Amount less than ` 0.01 crore i.e. ` 1,794/-

13 Deferred tax assets (Net)

(` in Crore)

Particulars	As at 1st April 2013	Addition (Deletion) during the year	As at 31st March 2014
	Total	Total	Total
Asset			
Provision for :			
- Maintenance and demobilisation	48.94	21.17	70.11
- Foreseeable Loss	2.46	0.98	3.44
- Doubtful debts and advances	33.69	(2.62)	31.07
- Gratuity	18.31	2.71	21.02
- Leave Travel Concession	0.03	0.02	0.05
- Legal cases	21.93	(5.64)	16.29
- Design Guarantee	75.41	2.49	77.90
- Other Expenses	14.86	1.37	16.23
Expenses :			
- On Voluntary retirement scheme	0.01	-	0.01
- Allowed for tax purpose when paid	40.88	8.40	49.28
- Depreciation	12.46	2.70	15.16
- 3/5th of Preliminary Expenses	0.01	0.12	0.13
	268.99	31.70	300.69
Liability	-	-	-
Net Deferred Tax Asset / (Liability)	268.99	31.70	300.69
Previous Year	189.39	79.60	268.99

14 Long term loans and advances

(` in Crore)

Particulars	As at 31st March 2014		As at 31st March 2013	
A. Secured, considered good				
Staff Loans and Advances	1.71		1.77	
Advances to Contractors against material and machinery	22.45	24.16	-	1.77
B.Unsecured, considered good				
Capital Advance for Purchase of Land		244.82		-
Security Deposits				
- Government Departments	0.58		0.61	
- With Clients	33.81		6.32	
- Others	0.21	34.60	4.88	11.81
Loans to Related Parties				
Joint Ventures				
- Companhia Dos Caminhos De Ferro Da Beira Sarl (Refer note 40)		61.16		58.96
Staff Loans & Advances	1.05		1.28	
Deposits with Government Departments	0.04		0.16	
Advances to Contractors and Suppliers	103.12		102.24	
Money with held by clients	7.45		14.75	
Deposit with Income Department against demand	142.72		166.53	
Advance Tax / TDS	15.18		18.57	
Less:- Provision for Tax	5.18	10.00	3.61	14.96
Prepaid Expenses	1.39	265.77	1.64	301.56
C. Considered Doubtful				
Loan to Related Parties				
Joint Venture				
- Companhia Dos Caminhos De Ferro Da Beira Sarl (Refer note 40)	27.66		29.86	
Advances to Contractors and Suppliers	8.62		8.48	
Deposits and Retention Money	-		0.02	
	36.28		38.36	
Less :- Provision for doubtful advances	36.28	-	38.36	-
Total		630.51		374.10

Foot Notes:-

(i) Debts due by directors, other officers of the company, firms in which any director is a partner or private company in which any director is a member except joint ventures and Subsidiaries are Nil (` Nil)

15 Other non current assets

(` in Crore)

Particulars	As at 31st March 2014		As at 31st March 2013	
A. Secured, considered good				
Interest Accrued on :				
- Advances to staff		0.90		0.97
B. Unsecured, considered good				
Interest Accrued on :				
- Advances to staff	0.35		0.32	
- Advances to Contractors, Suppliers & Others	3.47		33.96	
- Advance to IRWO	0.20		0.41	
- Deferred dues	-	4.02	31.82	66.51
C. Considered Doubtful				
Interest Accrued on :				
Joint Venture				
- Companhia Dos Caminhos De Ferro Da Beira Sarl (Refer note 40)	0.19		0.19	
Advances to Contractors, Suppliers & Others	0.40		0.40	
	0.59		0.59	
Less: Provision for doubtful	0.59	-	0.59	-
Total		4.92		67.48

Foot Notes:-

(i) Includes Fixed Deposits ` 8.70 Crore (` 14.70 Crore) received from contractors towards Earnest money deposit / security deposit

(ii) Debts due by directors, other officers of the company, firms in which any director is a partner or private company in which any director is a member except joint ventures and Subsidiaries are Nil (` Nil).

16 Current investments

(` in Crore)

Particulars	As at 31st March 2014			As at 31st March 2013		
	Nos.	Amount (` in Crore)		Nos.	Amount (` in Crore)	
A Investment in Mutual Fund						
Quoted						
Mutual Fund						
UTI Mutual Fund - Daily Dividend Plan	227,274	23.17		45,156	4.60	
UTI Fixed Income Series XVI - I	25,000,000	25.00		-	-	
UTI Fixed Income Series XVIII - IV	25,000,000	25.00		-	-	
SBI Debt Fund Series - 40	25,000,000	25.00		-	-	
SBI Premier Liquid Fund - Daily Dividend Plan	278,452	27.85	126.02	-	-	4.60
B Current Maturities of Long Term Bonds						
6.85% Tax Free India Infrastructure Finance Company Ltd. (IIFCL) Bonds of ` 1,00,000 each		-		6,000	60.71	
Less : Amortization of premium paid on investment		-	-		0.36	60.35
6.00% Tax Free Indian Railway Finance Company Limited (IRFC) Bonds of ` 1,00,000 each	5000	50.00	50.00	-	-	60.35
Total			176.02			64.95

Disclosure regarding Quoted Investments:		` in Crore	` in Crore
Aggregate of Quoted investments	- Book value	176.02	64.95
	- Market value	179.24	63.88

17 Inventories

(` in Crore)

Particulars	As at 31st March 2014		As at 31st March 2013	
a. Material and stores				
- In Hand	38.48		37.22	
- With Third Parties	0.84		1.06	
- In Transit	0.33		0.37	
		39.65		38.65
b. Construction work-in-progress at cost		84.54		85.92
Total		124.19		124.57

18 Trade receivables

(` in Crore)

Particulars	As at 31st March 2014		As at 31st March 2013	
Unsecured :				
Outstanding for a period exceeding six months from the date they were due for payment				
- Considered good	134.96		159.48	
- Considered doubtful & provided for	17.91	152.87	21.03	180.51
Other trade receivables				
- Considered good	526.95		934.57	
- Considered doubtful & provided for	-	526.95	0.58	935.15
		679.82		1,115.66
Less: Provision for doubtful debts		17.91		21.61
		661.91		1,094.05
Total		661.91		1,094.05

Foot Notes:-

(i) Debts due by directors, other officers of the company, firms in which any director is a partner or private company in which any director is a member are Nil (` Nil)

19 Cash & Bank balances

(` in Crore)

Particulars	Foot Note	As at 31st March 2014		As at 31st March 2013	
Cash and cash equivalents					
a) Cash in hand (i)	(i)		0.16		0.27
b) Cheques / drafts in hand			7.71		0.02
c) Balances with banks :					
- In Current accounts		69.69		128.95	
- In Flexi accounts (ii)	(ii)	128.22		194.55	
- In Fixed deposits (with a maturity period of less than 3 months) (ii)	(ii)	1,358.86	1,556.77	1,255.45	1578.95
d) Remittance in Transit			-		4.19
Other bank balances					
- In Fixed deposits (with a maturity period of more than 3 months and upto 12 months) (ii)	(ii)		1,173.08		1533.04
Total			2,737.72		3,116.47

Foot Notes :-

i) Cash in hand includes cash imprest ` 0.02 crores (` 0.02 crores)

ii) Includes Clients Fund on which interest is passed on to them:

(` in Crore)

Particulars	Balance at the end of year	
	31.03.2014	31.03.2013
In Flexi accounts	73.65	72.55
In Fixed deposits (with a maturity period of less than 3 months)	272.31	470.00
In Fixed deposits (with a maturity period of more than 3 months and upto 12 months)	-	0.40
Total	345.96	542.95

20 Short term loans and advances

(` in Crore)

Particulars	As at 31st March 2014		As at 31st March 2013	
A. Secured, considered good				
Staff Loans and Advances	0.75		0.71	
Advances to Contractors against material and machinery	3.45	4.20	31.53	32.24
B. Unsecured, considered good				
Security Deposits				
- Government Departments	6.44		7.08	
- With Clients	66.45		91.09	
- Others	1.76	74.65	0.62	98.79
Amount Recoverable from :				
Joint Ventures				
- RICON CETA SARL	0.80		1.10	
- Companhia Dos Caminhos De Ferro Da Beira Sarl	4.67		0.67	
- IRCON - AFCON	0.30		-	
Others	0.57	6.34	3.54	5.31
Inter Corporate Deposits		2.85		2.85
Staff Loans and Advances	1.85		2.45	
Advances to Contractors and Suppliers	225.35		93.88	
Deposits with Government Departments	-		-	
Money with held by clients	82.42		72.46	
Sales Tax (including TDS)	200.36		120.88	
Less :- Deposited under protest	(168.80)	31.56	(88.97)	31.91
Value Added Tax	109.47		84.73	
Service Tax input credit	0.46		1.18	
Prepaid Expenses	5.29		5.40	
Others	5.42	461.82	3.82	295.83
C. Considered Doubtful				
Staff Loans & Advances	0.01		0.01	
Advances to Contractors and Suppliers	8.49		8.62	
Deposits with Government Departments	2.26		2.25	
Deposits and Retention Money	13.30		16.93	
Sales Tax (including TDS)	12.56		10.73	
	36.62		38.54	
Less:- Provision for doubtful advances	36.62	-	38.54	-
Total		549.86		435.02

Foot Notes :-

(i) Debts due by other officers of the company, firms in which any director is a partner or private company in which any director is a member except joint ventures and Subsidiaries are Nil (` Nil)

Details of amount due from Directors:

(` in Crore)

Particulars	As at 31st March 2014	As at 31st March 2013
Amount due from directors included in staff loans and advances	0.02	0.03
	0.02	0.03

21 Other current assets

(` in Crore)

Particulars	Foot Note	As at 31st March 2014	As at 31st March 2013
A) Interest Accrued on:			
Staff loans and advances (secured)		0.17	0.16
Bonds		8.63	3.41
Staff loans and advances (unsecured)		0.09	0.09
Loan to:			
- Indian Railway Welfare Organisation		0.20	0.20
Deposits & Advances with:			
- Contractors, Suppliers & Others		55.57	0.64
- Deposit with banks		78.90	94.77
B) Construction Work in Progress (At realisable value)	(iii)	330.09	135.87
C) Assets held for disposal	(i)	1.59	1.20
D) Amount Invested in UTI for purchase of units	(ii)	19.00	-
Total		494.24	236.34

Foot Notes:-

(i) Fixed assets beyond economic repair and held for disposal (at lower of the realizable value and book value):-

(` in Crore)

Particulars	As at 31st March 2014		As at 31st March 2013	
	Gross Block	Net Block	Gross Block	Net Block
Plant and Machinery	19.91	1.59	13.40	1.20
Vehicles	0.04	-	-	-
Total	19.95	1.59	13.40	1.20

(ii) An amount of ` 19,00,00,000.00 (Rupees Nineteen Crores only) was paid to UTI mutual Fund towards purchase of units on 31-03-2014. As 31-03-2014 and 01-04-2014 was considered to be Bank Holiday for transaction in UTI mutual fund, hence, units were allotted to the folio no:509270058623 only on 02-04-2014

(iii) In one project, client has certified the work amounting to ` 144.02 crore stating that the payment will be released after due srcutiny of the claimed items / bill upto executed quantity in terms of the contract agreement and check lists. The work was executed before 31.03.2014 and bill was raised on 01.05.2014. This has been considered in contract receipts for the year and shown as construction work in progress at realisable value but the same was shown as debtor in the previous year (` 166.00 crore).

(iv) Debts due by officers of the company, firms in which any director is a partner or private company in which any director is a member except JVs and Subsidiaries are ` Nil (` Nil).

Details of amount due from Directors:

(` in Crore)

Particulars	As at 31st March 2014	As at 31st March 2013
Amount due from directors included in interest accrued on staff loans and advances	0.005	0.003
	0.005	0.003

22 Revenue from operations

(` in Crore)

Particulars	For the year ended 31st March 2014	For the year ended 31st March 2013
Contract Revenue	3,852.28	4,174.68
MFC Leasing	0.49	-
Loco lease	41.49	35.60
Machinery hire charges	0.04	0.08
Other Operating Receipts	11.85	11.22
Prior Period Contract Revenue (Refer Note 28)	154.53	0.65
Total	4,060.68	4,222.23

23 Other Income

(` in Crore)

Particulars	For the year ended 31st March 2014		For the year ended 31st March 2013	
Interest on Tax Free Bonds		13.78		9.66
Bank Interest Gross	232.29		236.94	
Less:- Interest passed to clients	35.20	197.09	48.37	188.57
Interest on refund of income-tax		8.74		7.51
Interest on staff advances		0.35		0.42
Interest on other advances		4.10		4.11
Interest on Fixed Maturity Plan		3.05		-
Exchange Fluctuation Gain	-		27.86	
Less:- Exchange Fluctuation Loss	-	-	14.47	13.39
Dividend Income	4.05		3.05	
Less:-Dividend passed to clients	-	4.05	0.76	2.29
Profit on sale of assets		0.19		3.44
Miscellaneous		14.93		13.34
Prior Period Other Income (Refer Note 28)		1.22		0.93
Total		247.50		243.66

24 Operating expenses and administrative expenses

(` in Crore)

Particulars	Foot Note	Operating expenses		Administrative expenses	
		For the year ended 31st March 2014	For the year ended 31st March 2013	For the year ended 31st March 2014	For the year ended 31st March 2013
Materials and Stores consumed:					
Opening balance		38.28	67.75	-	-
Add: Purchases during the year		262.02	398.30	-	-
		300.30	466.05	-	-
Less: Closing Balance		39.32	38.28	-	-
		260.98	427.77	-	-
Work expenses		2,144.57	2,352.16	-	-
(Increase) / Decrease in WIP		1.38	(19.37)	-	-
Design, Drawing, Business Development, Agency and Consultancy Charges		48.92	102.60	-	-
Inspection, Geo Technical Investigation and Survey expenses etc.		5.74	3.70	-	-
Repairs and maintenance of machinery		42.44	30.89	-	-
Hire charges of machinery		13.34	9.55	-	-
Exchange fluctuation loss				41.28	-
Less:- Exchange fluctuation gain				32.52	-
Net exchange fluctuation loss		-	-	8.76	-
Rent - Non-residential (Refer note 33 (II))		3.83	4.40	0.20	0.30
Rates and taxes		9.49	136.29	1.42	0.38
Vehicle operation and maintenance		11.71	14.20	0.82	0.82
Repairs and maintenance					
- Building		0.14	0.26	0.84	0.38
- Office and Others		3.54	3.22	2.05	3.23
Power, electricity and water charges		3.67	3.82	1.35	1.47
Insurance		7.16	10.17	0.10	0.18
Travelling and conveyance		9.44	9.97	1.95	1.55
Printing and stationery		1.82	1.96	0.69	0.99
Postage, telephone and telex		2.42	2.55	0.51	0.51
Legal and Professional charges		4.38	2.70	1.32	3.81
Security services		3.79	3.13	0.15	0.16
Business promotion		1.02	1.12	0.28	0.15
Write-off of :					
- Bad debts		31.98	0.10	-	-
- Bad advances		7.15	0.60	-	-
- Assets		0.01	-	-	-
Loss on sale of Assets/Stores		-	-	-	0.40
Amortization of premium paid on Investments		-	-	0.35	0.36
Director sitting fee		-	-	0.03	0.03
Donation		-	-	0.01	-
Auditors remuneration	(i)	-	-	0.65	0.79
Advertisement and publicity		-	-	4.44	3.28
Training and Recruitment		-	-	0.49	0.60
Preliminary Expenses Written off		-	-	-	0.68
Research and Development expenses		-	-	0.96	2.42
Sustainable Development		-	-	-	0.90
Corporate social responsibility		-	-	8.41	9.53
Miscellaneous expenses		4.32	2.52	1.38	1.12
Corporate Overheads		-	-	-	-
Prior Period Expenses (Refer Note 28)		0.41	4.91	0.18	0.35
Provisions (Addition - Write Back)	(ii)	140.02	101.95	-	-
Provisions / Reserves Utilised	(ii)	(61.26)	(31.92)	-	(9.84)
Total		2,702.41	3,179.25	37.34	24.55

Foot Notes :-

(i) Payment to Statutory Auditors:	2013-14	2012-13
(i) Audit Fee - current year	0.33	0.21
(ii) Tax Audit Fees - current year	0.08	0.06
(iii) Certification Fees	0.05	0.08
(iv) Reimbursement of Expenses:		
- Local	0.14	0.35
- Foreign	0.05	0.08
Total	0.65	0.78

(ii) Details given in Note - 27

25 Employee remuneration and benefits

(` in Crore)

Particulars	For the year ended 31st March 2014		For the year ended 31st March 2013	
	Operating	Administrative	Operating	Administrative
Salaries, wages and bonus (i) (Refer note 33(II))	146.13	26.78	119.91	33.23
Contribution to provident and other funds	6.70	2.77	6.21	2.56
Foreign service contribution	0.50	0.58	0.76	0.40
Retirement benefits	11.45	34.58	10.58	23.81
Staff welfare	2.15	0.48	2.25	0.45
Sub Total	166.93	65.19	139.71	60.45
Total	232.12		200.16	

Foot Notes:-

(i) Includes income-tax on non-monetary perks ` 0.35 Crores (` 0.23 Crores).

26 Finance Cost

(` in Crore)

Particulars	For the year ended 31st March 2014	For the year ended 31st March 2013
Interest Expenses (i)	26.37	0.09
Other Borrowing Cost		
- Bank Guarantee & Other Charges	12.17	10.80
Total	38.54	10.89

Foot Notes:-

(i) Includes interest on income-tax ` 26.34 crores (` NIL).

27 Provisions (Net)

(` in Crore)

Particulars	Balance as on 01-4-2013			During the year 2013-14			Balance as on 31-3-2014		
	Long Term	Short Term	Total	Additions	Written Back	Utilisation	Total	Long Term	Short Term
Provided for :									
A Employees Related									
(i) Retirement Benefits									
Gratuity	50.61	3.26	53.87	10.33	-	2.35	61.85	57.76	4.09
Leave Salary	58.50	6.32	64.82	24.73	0.51	8.45	80.59	73.54	7.05
Settlement allowances on retirement	1.31	0.11	1.42	-	0.12	0.01	1.29	1.20	0.09
Post Retirement Medical Benefits	-	9.36	9.36	8.14	-	-	17.50	-	17.50
Pension	17.88	-	17.88	5.73	-	-	23.61	-	23.61
Total of Retirement Benefits (i)	128.30	19.05	147.35	48.93	0.63	10.81	184.84	132.50	52.34
(ii) Others									
Performance Related Pay	-	11.44	11.44	11.22	-	0.24	22.42	-	22.42
Leave Travel Concession	0.05	0.03	0.08	0.08	-	0.02	0.14	0.13	0.01
Total of Other Benefits (ii)	0.05	11.47	11.52	11.30	-	0.26	22.56	0.13	22.43
Total Employee Related Provisions (i+ii)	128.35	30.52	158.87	60.23	0.63	11.07	207.40	132.63	74.77
B Others									
Demobilisation	4.97	32.27	37.24	13.65	0.43	2.53	47.93	24.01	23.92
Maintenance	46.87	94.99	141.86	105.97	5.51	25.58	216.74	55.37	161.37
Foreseeable Loss	-	7.25	7.25	8.97	-	6.10	10.12	-	10.12
Design Guarantee	221.86	-	221.86	26.67	19.34	-	229.19	172.20	56.99
Doubtful debts	-	21.61	21.61	0.14	3.68	0.16	17.91	-	17.91
Doubtful advances	38.95	38.54	77.49	1.84	3.65	2.19	73.49	36.87	36.62
Diminution in value of Investment	5.53	-	5.53	-	-	-	5.53	5.53	-
Liabilties(Legal cases)	-	64.52	64.52	6.66	1.25	22.00	47.93	-	47.93
Other expenses	18.05	25.66	43.71	28.16	18.18	2.70	50.99	22.94	28.05
Income-tax and Wealth tax	-	823.35	823.35	398.56	14.37	329.95	877.59	-	877.59
Dividend (Interim and Proposed)	-	98.98	98.98	182.12	-	199.94	81.16	-	81.16
Tax on Dividend (Interim and Proposed)	-	16.06	16.06	31.72	-	33.98	13.80	-	13.80
Total Other Provisions (B)	336.23	1,223.23	1,559.46	804.46	66.41	625.13	1,672.38	316.92	1,355.46
GRAND TOTAL (C = A+B)	464.58	1,253.75	1,718.33	864.69	67.04	636.20	1,879.78	449.55	1,430.23
D Less:- Considered Separately									
Doubtful debts considered in Note 18	-	21.61	21.61				17.91	-	17.91
Doubtful advances considered in Note 14,15 & 20	38.95	38.54	77.49				73.49	36.87	36.62
Impairment of Investment considered in Note 12	5.53	-	5.53				5.53	5.53	-
Retirement Benefits considered in Note 25				48.93	0.63	10.81			
PRP & LTC included in Salaries, Wages and Benefits				11.30	-	0.26			
Income-tax adjusted/considered separately				398.56	14.37	329.95			
Dividend paid / considered separately				182.12	-	199.94			
Corporate-tax on Dividend paid / considered separately				31.72	-	33.98			
Total (D)	44.48	60.15	104.63	672.63	15.00	574.94	96.93	42.40	54.53
Net: Current Year (C - D)	420.10	1,193.60	1,613.70	192.06	52.04	61.26	1,782.85	407.15	1,375.70
Previous Year	415.74	686.61	1,102.35	168.79	66.84	41.76	1,609.96	420.10	1,189.86

NOTE:

Net Provisions(Additions/Write Back) considered in Note 24	140.02		
Provisions Utilized considered in Note 24		61.26	
Retirement Benefits provisons considered in Note 25			37.49
Performance Related Pay & LTC considered in Note 25 in Salary and Wages			11.04

28 Prior Period Adjustments

(` in Crore)

Particulars	For the year ended 31st March 2014		For the year ended 31st March 2013	
PRIOR PERIOD ITEMS:				
Income:				
Revenue from Operation (i)	154.53		0.65	
Interest income on deposits/ loans	0.21		0.71	
Miscellaneous	1.01		0.22	
		155.75		1.58
Expenses:				
Work expenses	0.41		1.75	
Administrative expenses	0.01		0.01	
Depreciation		-	1.27	
Interest & Financial Charges	-		0.22	
Design, Drawing, Business Development and Consultancy Charges	-		3.15	
Others	0.17		0.13	
		0.59		6.53
Total		155.16		(4.95)

(i) Based on opinion of Expert Advisory Committee of the Institute of Chartered Accountants of India dated 20.05.2014, the company during the year has changed the method for calculating percentage completion of its foreign projects for revenue recognition by ignoring the effect of foreign currency fluctuations. This has resulted into booking of additional revenue of ` 154.68 crore pretaining to the period upto 31.03.2013.

29. Contingent liabilities consist of:

(a) Claims against the Company not acknowledged as debt ` 1291.12 crore (` 597.30 crore). Against this the Company has counter claims of ` 303.06 crore (` 265.48 crore). In case claims against the Company do materialise, claims for ` 434.65 crore (` 88.14 crore) will be reimbursable from the clients. Interest on claims is not considered, being unascertainable.

(b) Few cases relating to employees/others are pending in the Courts against the Company in respect of which the liability is not ascertainable.

(c) Direct and Indirect disputed tax demands under appeal ` 313.72 crore (` 156.86 crore) of which ` 107.27 (` 23.06 crore) are reimbursable from the clients.

(d) Demands of Provident Fund Commissioner, J & K for ` 1.75 crore (` 1.75 crore).

(e) Undertaking to Punjab National Bank against term loan to ISTPL to make good 50% of any shortfall in the dues, if any, in the event of termination of concession agreement, Company's obligation as on 31.03.2014 for 50% of balance amount of loan is ` 222.15 crore (` 260.77 crore).

(f) Proportionate share in corporate guarantee ` 1.54 crore (` 1.54 crore) submitted to Central Excise by MTG (JV) as a security bond for release of Pre-cast segment as per Central Excise & Salt Act, 1994 against the possible levy of central excise on pre cast segment.

(g) Pending disposal of application for extension of time by clients, company is contingently liable to pay liquidated damages to the extent of ` 44.33 crore (NIL).

30. Commitments:

(a) Estimated amount of contracts remaining to be executed on capital account (net of advances) is ` 40.76 crore (` 16.95 crore).

(b) Other Commitments:

Commitments to fund Joint Ventures/ associates:

I. To Chhattisgarh East Railway Limited and Chhattisgarh East-West Railway Limited towards its balance share of equity (26% each) for ` 2.58 crore (` 2.60 crore).

II. Undertaking to Punjab National Bank for non disposal of 21% of present holding of company (1,34,12,700 shares of Rs 10 each) in ISTPL (Joint Venture), ` 13.41 crore (` 13.41 crore).

Other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.

31. (a) Some of the balances shown under debtors, advances, creditors and material lying with third parties are subject to confirmation / reconciliation/ adjustment, if any. The Company has been sending letters for confirmation to parties included in the above.

(b) Sales tax (including TDS), Value added tax (VAT) and Income tax (including TDS) shown under advances are subject to confirmation/reconciliation/adjustment, if any.

(c) In the opinion of the management, the value of current assets, loans and advances on realization in the ordinary course of business, will not be less than the value at which these are stated in the balance sheet.

32. (a) Earnings in foreign currency:

(` in Crore)

Particulars	2013-14	2012-13
Work Receipts & Loco lease	2172.97	1978.03
Bank Interest	9.79	6.11
Other Interest	0.20	0.15
Foreign Exchange Fluctuation Gain (Net)	-	13.09
Others	2.26	2.91
Total	2185.22	2000.29

(b) Expenditure in foreign currency:

(` in Crore)

Particulars	2013-14	2012-13
Operational Expenses	962.21	982.07
Consultancy charges	40.16	93.26
Foreign Exchange Fluctuation Loss (Net)	8.76	-
Administrative & Other Expenses	113.86	101.73
Total	1124.99	1177.06

(c) CIF value of Imports:

(` in Crore)

Particulars	2013-14	2012-13
Capital Goods	12.34	-
Materials	60.02	55.74
Consumables, Components and Spares	-	-
Total	72.36	55.74

(d) Material & store consumed

(` in Crore)

Particulars	2013-14		2012-13	
	Amt	%age	Amt	%age
Imported	60.02	23.00	55.74	13.03%
Indigenous	200.96	77.00	372.03	86.97%
Total	260.98	100.00	427.77	100.00

33. Disclosure regarding Leases:

I. Operating leases for locomotives

(a) The Company has provided 25 locomotives on lease to a foreign client as on 31.03.2014.

(b) Future minimum lease rental payable / receivable under operating lease for each of the following period is as under:

(` in Crore)

Particulars	Not later than 1 year	Later than 1 year to 5 years	Later than 5 years
Receivable	42.20 (25.20)	31.80 (0.26)	Nil (Nil)
Payable	Nil (Nil)	Nil (Nil)	Nil (Nil)

(c) Disclosure of depreciation on lease business assets including standby locomotives for the year:

(` in Crore)

Particulars	As on 31 March 2014	As on 31 March 2013
Gross carrying amount of assets	35.66	26.79
Accumulated depreciation	33.87	25.45

(` in Crore)

Particulars	2013-14	2012-13
Depreciation for the year	1.16	1.87

II. Operating lease for premises

The Company's leasing arrangements are in respect of operating leases of premises for residential use of employees, offices, guesthouses and transit camps. These leasing arrangements, which are not non cancellable, are mostly for one year, and are usually renewable on mutually agreed terms. Employee remuneration and benefits (Note 25) include ` 6.52 crore (` 5.55 crore) towards lease payments, net of recoveries in respect of premises for residential use of employees. Lease payments in respect of premises for offices, guest houses and transit camps aggregate to ` 4.03 crore (` 4.59 crore) shown as rent in note 24.

III. Operating lease Multi-Functional Complexes:

(a) Company's wholly owned subsidiary, Ircon Infrastructure & Services Ltd has sub leased 7 MFCs to various sub-lessees as on 31.03.2014.

(b) Future minimum lease rental payable / receivable under operating lease for each of the following period is as under:

(` in Crore)

Particulars	Not later than 1 year	Later than 1 year to 5 years	Later than 5 years
Receivable	3.15 (Nil)	9.58 (Nil)	Nil (Nil)
Payable	Nil (Nil)	Nil (Nil)	Nil (Nil)

(c) Disclosure of depreciation/amortisation in respect of leased MFCs for the year:

(` in Crore)

Particulars	As on 31 March 2014	As on 31 March 2013
Gross carrying amount of assets	15.75	-
Accumulated depreciation	0.12	-

(` in Crore)

Particulars	2013-14	2012-13
Depreciation for the year	0.12	-

34. Segment Reporting:

Primary Segment information (Geographic):

(` in Crore)

Particulars	International		Domestic		Total	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
A. Turnover						
Revenue from Operations	2137.49	1974.63	1923.19	2247.60	4060.68	4222.23
Other Income	11.53	20.09	235.97	223.57	247.50	243.66
Total Revenue	2149.02	1994.72	2159.16	2471.17	4308.18	4465.89
B. Result						
Profit before Provision, Depreciation, Interest and Tax.	1105.60	863.65	358.56	289.43	1464.16	1153.08
Less: Provision & write backs (Net)	134.43	106.25	5.59	(4.30)	140.02	101.95
Depreciation	25.72	34.89	8.55	9.35	34.27	44.24
Interest	-	-	26.37	0.09	26.37	0.09
Profit before Tax	945.45	722.51	318.05	284.29	1263.50	1006.80
Minority Interest in (income)/Losses		-	(1.24)	0.52	(1.24)	0.52
Tax Expense	264.55	264.55	84.59	61.82	349.14	285.61
Profit after Tax	680.90	498.72	232.22	222.99	913.12	721.71
C. Other Information						
Assets	2250.20	2516.64	3952.19	3693.51	6202.39	6210.15
Include Fixed Assets (Net Block)	81.12	71.11	183.40	176.93	264.52	248.04
Liabilities	1540.02	1818.61	1678.14	2167.08	3218.16	3917.07
Capital Expenditure: Additions to Fixed Assets	19.91	28.42	54.23	2.94	74.14	31.36

Secondary Segment information (Business):

(` in Crore)

Particulars	Operating Income		Segment Assets		Additions to Fixed Assets	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Construction, etc.	4018.17	4186.22	6098.75	6174.15	67.40	29.31
Leasing operation	42.51	36.01	103.64	36.00	6.74	2.05
Total	4060.68	4222.23	6202.39	6210.15	74.14	31.36

35. Disclosure in respect of Joint-Ventures (JV)

(a) Unincorporated Joint-Ventures:

i) For projects in operation:

(` in Crore)

S. No.	Name of the JV	Partner(s) and Country of Origin	Participating Interest (in %) as on 31March	
			2014	2013
1	Ircon-RCS-PFLEIDERER	Ircon, India Rayalseema Concrete Sleepers Pvt. Ltd, India Pfleiderer Infrastrukturtecnik Gmbh & Co, Germany	65.08 21.87 13.05	65.08 21.87 13.05
2	IRCON-SPSCPL	Ircon, India SPSCPL, India	50.00 50.00	50.00 50.00
3.	IRCON-AFCONS	Ircon, India Afcons Infrastructure Ltd., India	53.00 47.00	- -

ii) For projects which have been completed:

S. No.	Name of the JV	Partner(s) and Country of Origin	Participating Interest (in %) as on 31March	
			2014	2013
1	RICON	Ircon, India RITES, India	49.00 51.00	49.00 51.00
2	RICON- CETA SARL	RICON,India CETA, Mozambique	49.00 51.00	49.00 51.00
3	Ircon-COBRA-ELIOP	Ircon, India COBRA, Spain ELIOP, Spain	61.22 34.35 4.43	61.22 34.35 `4.43
4	Ircon- Sree Bhawani Builders	Ircon, India Sree Bhawani Builders, India	24.21 75.79	24.21 75.79
5	Ircon-SMJ Project JV	Ircon, India Sumber Mitra Jaya, Indonesia	55.00 45.00	55.00 45.00
6	International Metro Civil Contractor. (IMCC)	Dywidag, Germany Larsen & Tubro Ltd., India Samsung Corp., Korea Shimizu Corp., Japan Ircon, India	29.00 26.00 26.00 9.50 9.50	29.00 26.00 26.00 9.50 9.50
7	Metro Tunnelling Group (MTG)	Dywidag, Germany Larsen & Tubro Ltd., India Samsung Corp., Korea Shimizu Corp., Japan Ircon, India	29.00 26.00 26.00 9.50 9.50	29.00 26.00 26.00 9.50 9.50
8	Ircon-GANNON Dunkerly	Ircon, India GANNON Dunkerly	55.70 44.30	55.70 44.30

(b) Joint-Venture Companies:

(` in Crore)

S. No.	Name of the JV Company	Shareholders and Country of Origin	Percentage of Ownership	
			As at 31 March 2014	As at 31 March 2013
1	CCFB (Companhia Dos Caminhos De Ferro Da Beira SARL) Mozambique	Ircon, India RITES, India CFM, Mozambique	25.00 26.00 49.00	26.00 26.00 49.00
2	Ircon-Soma Tollway Private Limited. (ISTPL)	Ircon, India Soma Enterprise Limited, India	50.00 50.00	50.00 50.00
3	Chhattisgarh East Railway Limited (CERL)	Ircon,India SECL,India GoCG	26.00 64.00 10.00	26.00 64.00 10.00
4	Chhattisgarh East - West Railway Limited (CEWRL)	Ircon,India SECL,India GoCG	26.00 64.00 10.00	26.00 64.00 10.00

(c) The company's share in respect of the assets, liabilities, income & expenditure, relating to its interests in the jointly controlled entities, incorporated in Consolidated Financial Statements are:

(` in Crore)

S. No.	Particulars	2013-14	2012-13
1	Non Current Assets		
a)	Tangible assets	0.06	0.02
2	Current Assets		
a)	Inventories	5.39	-
b)	Trade receivables	0.64	0.89
c)	Cash and Bank balances	27.27	8.23
d)	Short-term loans and advances	18.98	19.77
e)	Other current assets	0.19	0.11
3.	Non Current Liabilities		
a)	Long term liabilities	16.38	-
4.	Current Liabilities		
a)	Trade payables	8.26	7.72
b)	Other current liabilities	6.54	1.22
c)	Short-term provisions	3.22	2.77
5.	Income	8.81	12.96
6.	Expenditure	9.61	11.59

36. Related Party disclosures:

(a) Enterprises where control exists:

(i) Subsidiary Companies: -

- Ircon Infrastructure & Services Limited (IrconISL)
- Indian Railway Stations Development Corporation Limited (IRSDC)

(ii) Joint Ventures: -

- Unincorporated Joint Ventures – As per Note no. 35 (a) above
- Joint Venture Companies – As per Note no. 35 (b) above.

(b) Key management personnel:

Directors: -S/Shri Mohan Tiwari, K K Garg, Deepak Sabhlok and Hitesh Khanna.

Disclosure of transactions with related parties:

(` in Crore)

Particulars	Transactions		Outstanding Amount	
	2013-14	2012-13	As on 31-3-2014	As on 31-3-2013
Remuneration to key management personnel (b above) & Sitting Fees to other Independent Directors	As per Note No. 37		-	0.44
Investment in Joint Ventures:				
ISTPL	-	-	63.87	63.87
CERL/CEWRL	0.02	-	0.02	-
Total	0.02	-	69.42	69.40
Loan to Joint Ventures:				
CCFB	-	(4.42)	88.82	88.82
Total	-	(4.42)	88.82	88.82
Advance Recoverable from Joint Ventures:				
CCFB	3.57	0.66	4.67	0.66
ISTPL	2.90	(0.15)	7.63	1.47
Total	6.47	0.51	12.30	2.13
Amount Payable to Joint Ventures:				
ISTPL	(2.35)	(3.80)	-	2.35
Total	(2.35)	(3.80)	-	2.35
Income from				
CCFB	-	-	-	0.19
ISTPL	-	1.80	-	0.69
Total	-	1.80	-	0.88

(c) Disclosure in respect of direction under section 212(8) of the Companies Act, 1956, regarding wholly owned subsidiary Ircon Infrastructure & Services Ltd. (IrconISL) & other subsidiary company Ircon Railway Stations Development Corporation Ltd. (IRSDC)

(` in Crore)

S. No.	Particulars	2013-14		2012-13	
		IrconISL	IRSDC	IrconISL	IRSDC
1.	Capital	40.00	40.00	40.00	20.00
2.	Reserves	12.19	1.46	4.53	(1.07)
3.	Total Assets	124.65	43.36	99.87	19.96
4.	Total Liabilities	72.46	1.90	55.34	1.03
5.	Investments	-	-	-	-
6.	Turnover	31.99	3.27	12.82	0.86
7.	Profit Before tax	13.41	3.24	2.79	(1.07)
8.	Provision for tax	5.75	0.71	0.88	-
9.	Profit after tax	7.66	2.53	1.91	(1.07)
10.	Proposed Dividends	-	-	-	

37. Details of remuneration to Directors:

(` in Crore)

Sr.	Particulars	2013-14	2012-13
I	Salary & allowances	0.96	1.94
II	Contribution to provident fund	0.09	0.08
III	Superannuation including retirement benefits	0.10	0.03
IV	Reimbursement of medical expenses	0.03	0.04
V	Sitting fee	0.03	0.03
VI	Other benefits	0.26	0.22
	Total	1.47	2.33

Recovery as applicable has been made from Directors who have been provided with Company accommodation and car.

38. The Company has carried out the assessment on impairment of individual assets by working out the recoverable amount based on lower of the net realisable value and carrying cost during the year in terms of AS 28 "Impairment of Assets" notified by the Companies (Accounting Standards) Rules, 2006. The impairment loss is ` Nil (` Nil).

39. The lease agreement for locomotives given on hire to a foreign client has been renew up to 31.12.2015. The renewal of agreement, however, remains always uncertain. In the event of such non-renewal, the left-over spares meant for maintenance of the locomotives will become redundant and fetch insignificant value as it may be too expensive to ship them back to India. Keeping in view sound accounting practices, cost of such spares is expensed in the year of purchase/receipt and this practice is being followed consistently.

40. (a) The Company has 25% equity stake in CCFB, a Joint Venture Company incorporated as per Mozambican laws in the year 2004 to execute a railway project awarded by the Government of Mozambique (GOM) on BOT basis and has paid USD 1.25 Mn (` 5.53 crore shown in Non current investments (Note 12)). The Company has provided shareholders' loan to CCFB which together with accrued interest upto 31.03.2011 is USD 21.124 Mn (` 93.43 crore converted at exchange rate on 31.03.2011, against which a sum of USD 1 Mn (` 4.42 crore) was received from CCFB on 28.02.2013- leaving a balance of ` 88.82 crore (` 88.82 crore) shown in Long term loan and advances (Note 14 (B) and (C)) and ` 0.19 crore (` 0.19 crore)- shown in other non-current assets (Note 15(C)). An exchange gain of ` NIL (` 1.08 crore has been recognised during the year on realisation of USD 1 Mn. Although the project was complete, the GOM has terminated the concession on 9th November, 2011 and taken over the project on 8th December, 2011.

(b) CCFB considers this termination against the contract provisions & unlawful and has initiated arbitration proceedings against GOM. The Company believes that it shall be able to retrieve its entire investment through arbitration by CCFB, yet as a matter of abundant caution and following a conservative approach, pending outcome of the arbitration, a provision of ` 33.38 (` 35.57 crore) [` 29.77 (` 29.77 crore) towards loan & interest accrued thereon, ` 3.21 crore (` 3.21 crore)] towards possible capital expenditure by CCFB to make railway line operable and ` 5.53 crore (` 5.53 crore) towards equity investment reduced by interest after termination of ` 5.13 crore (` 2.94 crore)] (refer Note12,14 &15) was made towards share of possible loss. The loan amount including interest due has been stated at the exchange rate prevailing on 31.03.2011. Further, for the reasons stated above, interest on loans for the year amounting to ` 3.79 crore (` 4.28 crore), cumulative ` 8.59 crore (` 7.66 crore) has not been recognized.

(c) Had the dues been translated at the closing exchange rate as on 31.03.2014 as per AS-11, long term loan and advances would have been higher by ` 20.15 crore (` 13.10 crore) and profit before tax would have been higher by ` 20.15 crore (effect on current year ` 7.05 crore and of earlier years ` 13.10 crore).

41. The Company in its income tax returns has been claiming deduction under Section-80 IA of the Income Tax Act, 1961, in respect of eligible construction projects since assessment year 2000-01. The deduction has been disallowed by the Assessing Officer in all the assessment years. However, the CIT (A) has allowed our claim for the assessment year 2004-05, 2005-06 and 2007-08, but the income tax department has moved to the Tribunal against the order of CIT (A). Accordingly, provision for income tax is being made without considering the deduction under Section 80IA. The amount of deduction under section 80IA up to assessment year 2013-14 is ` 799.79 crore (` 700.53 crore). The tax impact of 80IA deduction from AY 2000-01to AY 2013-14 is ` 272.92 crore. Out of this amount of ` 272.92 crores, ` 154.21 crore has been adjusted by way of payment of tax and balance of ` 118.71 crore is included in provision for Income tax as on 31.03.2014. The matter is pending before the Tribunal.

42. Disclosure under AS-15, Employee benefits

Provident Fund

The Company pays fixed contribution of Provident Fund at a pre determined rate to a separate trust, which invests the funds in permitted securities. The trust is required to pay a minimum rate of interest on contribution to the members of the trust. The amount available in the fund including the returns on investment is greater than the obligation of the company.

Gratuity

The liability towards gratuity as per rules of the Company is recognised on the basis of actuarial valuation.

Post-Retirement Medical Facility (PRMF)

The Company had established an irrevocable trust by initial one-time contribution of ` 12 crore during the year 2000-01 for providing annuity, medical and other benefits to the spouse of employees who die in harness as also the medical benefits to the employees (and spouse) who superannuate from the Company. IRCON Medical Trust has a combined fund of ` 31.83 crore as on 31.03.2014 (` 30.57 crore). This being a voluntary welfare measure, the Company is not liable for providing such benefits to its employees. However, company has also kept provision of ` 17.50 crore (` 9.36 crore) based on actuarial valuation.

Leave Encashment

The liability towards encashment of leave as per rules of the Company is recognised on the basis of actuarial valuation except for employees posted in foreign projects. Since the foreign assignments are treated as dies - non, liability for those employees is provided in the books on accrual basis as the amount is payable to employee on repatriation.

Other Retirement Benefits

Other retirement benefits include settlement at home-town or to the place where he or his family intends to settle in India including Baggage Allowance. The liability on this account is recognized on the basis of actuarial valuation.

The summarised position of various employee benefits recognised in the statement of profit and loss and balance sheet is as under :

i) Changes in the present value of obligations

(` in Crore)

	Gratuity	Leave Encashment *	LTC	Other Retirement Benefits
Present Value of Obligation as at beginning of the period	53.87 (49.63)	61.34 (55.61)	0.08 (-)	1.41 (1.57)
Interest Cost	4.04 (3.72)	4.60 (4.17)	0.01 (-)	0.11 (0.12)
Current Service Cost	3.16 (2.90)	4.72 (5.09)	- (-)	0.06 (0.07)
Past Service Cost	- (-)	- (-)	- (-)	- (-)
Benefit Paid	(2.35) ((3.51))	(7.16) ((3.56))	(0.02) (-)	- (-)
Actuarial (gain)/loss on obligation	3.12 (1.13)	13.45 (0.04)	0.07 (-)	(0.28) ((0.35))
Present Value of Obligation as at the end of the period	61.85 (53.87)	76.95 (61.34)	0.14 (0.08)	1.29 (1.41)

* Except employees posted on Foreign Projects.

ii) Changes in the fair value of plan assets

(` in Crore)

	Gratuity	Leave Encashment *	LTC	Other Retirement Benefits
Fair Value of plan assets as at beginning of the period	- (-)	- (-)	- (-)	- (-)
Expected return on Plan Assets	- (-)	- (-)	- (-)	- (-)
Contributions	- (-)	- (-)	- (-)	- (-)
Benefit Paid	- (-)	- (-)	- (-)	- (-)
Actuarial (gain)/loss on Plan Assets	- (-)	- (-)	- (-)	- (-)
Fair Value of Plan Assets as at the end of the period	- (-)	- (-)	- (-)	- (-)

* Except employees posted on Foreign Projects.

iii) Fair Value of plan assets

(` in Crore)

	Gratuity	Leave Encashment *	LTC	Other Retirement Benefits
Fair value of Plan Asset at the beginning of period	- (-)	- (-)	- (-)	- (-)
Actual return on Plan Assets	- (-)	- (-)	- (-)	- (-)
Benefits paid	- (-)	- (-)	- (-)	- (-)
Fair value of Plan Assets at the end of period	- (-)	- (-)	- (-)	- (-)
Funded Status	(61.85) ((53.87))	(76.95) ((61.34))	(0.14) ((0.08))	(1.29) ((1.41))
Excess of actual over expected return on plan assets	- (-)	- (-)	- (-)	- (-)

* Except employees posted on Foreign Projects.

iv) Actuarial gain/loss recognised for the period

(` in Crore)

	Gratuity	Leave Encashment *	LTC	Other Retirement Benefits
Actuarial gain/(loss) for the period- Obligation	(3.12) ((1.13))	(13.45) ((0.04))	(0.07) -	0.28 (0.35)
Actuarial gain/(loss) for the period- Plan Assets	- (-)	- (-)	- (-)	- (-)
Total (gain)/loss for the period	3.12 (1.13)	13.45 (0.04)	0.07 (-)	(0.28) ((0.35))
Actuarial (gain)/loss recognised in the period	3.12 (1.13)	13.45 (0.04)	0.07 (-)	(0.28) ((0.35))

* Except employees posted on Foreign Projects.

v) Amount recognised in balance sheet

(` in Crore)

	Gratuity	Leave Encashment *	LTC	Other Retirement Benefits
Present Value of Obligation as at the end of the period	61.85 (53.87)	76.95 (61.34)	0.14 (0.08)	1.29 (1.41)
Fair Value of Plan Assets as at the end of the period	- (-)	- (-)	- (-)	- (-)
Funded Status	(61.85) ((53.87))	(76.95) ((61.34))	(0.14) ((0.08))	(1.29) ((1.41))
Excess of actual over estimated	- ((-))	- -	- (-)	-
Net liability recognised in the balance sheet	(61.85) ((53.87))	(76.95) ((61.34))	(0.14) ((0.08))	(1.29) ((1.41))

* Except employees posted on Foreign Projects.

vi) Expenses recognised in statement of profit & loss

(` in Crore)

	Gratuity	Leave Encashment *	LTC	Other Retirement Benefits
Current Service Cost	3.16 (2.89)	4.72 (5.09)	- (-)	0.06 (0.07)
Past Service Cost	- (-)	- (-)	0.01 (-)	- (-)
Interest Cost	4.04 (3.72)	4.60 (4.17)	- (-)	0.11 (0.12)
Expected return on plan assets	- (-)	- (-)	- (-)	- (-)
Net actuarial (gain)/ loss recognised in the year	3.12 (1.13)	13.45 (0.04)	0.07 (-)	(0.28) ((0.35))
Expenses recognised in the statement of profit & loss	10.33 (7.75)	22.77 (9.30)	0.08 (-)	(0.12) ((0.16)

* Except employees posted on Foreign Projects.

vii) Amount for the current period

(` in Crore)

	Gratuity	Leave Encashment *	LTC	Other Retirement Benefits
Present Value of Obligation	61.85 (53.87)	76.95 (61.34)	0.14 (0.08)	1.29 (1.41)
Plan Assets	- (-)	- (-)	- (-)	- (-)
Surplus (Deficit)	(61.85) ((53.87))	(76.95) ((61.34))	(0.14) ((0.08))	(1.28) ((1.41))
Experience adjustments on plan liabilities -(Loss)/ Gain	(3.12) ((1.13))	(13.45) ((0.04))	(0.07) (-)	0.28 (0.35)
Experience adjustments on plan assets -(Loss)/ Gain	- (-)	- (-)	- (-)	- (-)

* Except employees posted on Foreign Projects.

viii) Actuarial Assumptions

I)	Method used	Projected Unit Credit Method
II)	Discount rate	8%
III)	Rate of increase in compensation levels	8%
IV)	Average outstanding service of employees up to retirement	12.96 years
V)	Estimated term of benefit obligations	12.96 years

43. Disclosure in respect of contracts in progress*

(` in Crore)

	Details	Up to 31 March 2014	Up to 31 March 2013
(a)	Aggregate amount of costs incurred and recognized profits (less recognized losses)	18309.48	16716.79
		As on 31 March 2014	As on 31 March 2013
(b)	Amount of advances received from client	314.77	1141.93
(c)	Amount of retentions (by client)	106.32	144.33

* excluding projects completed up to 31.03.2014

44. i) The Company has not received any information from any of its suppliers of their being covered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). Based on this information, there are no amounts due to Micro, Small and Medium Enterprises as at 31 March 2014.

ii) The Company has not received any information from any of its suppliers of their being a small scale industrial unit. Based on this information, amounts due to small-scale industrial undertaking, which are outstanding for more than 30 days as on 31st March 2014 is ` Nil (` Nil).

45. Basic earnings per share are computed by dividing net profit after tax ` 913.12 crore (` 721.70 crore) by 197,42,400 (197,42,400) fully paid up equity shares of ` 10 each. Diluted Earnings per share is not applicable, as there is no dilution involved.

46. "During the year, company has changed its accounting policy relating to translation of inventories from 'rate prevalent at each balance sheet date' to 'buying rate at the date of transaction'. However, there is no impact of this change on inventories & PBT for the year.

47. During the year, the Company has changed its accounting policy relating to recovery of Liquidated damages from Contractor, from accounting on " actual recovery" to "on final decision of recovery". Due to this change, work expenses for the year is higher by ` 9.71 crore and operating Income for the year is higher by ` 10.69 crore and PBT for the year is higher by ` 0.98 crore.

48. During the year, the Company has changed its accounting policy relating to Contract Revenue Recognition as per which Sales Tax/VAT/WCT/Service Tax has been excluded from the revenue. Due to this change, Operating Income and Expenses for the year are lower by ` 27.54 crore. However, net impact on Profit/ Loss of the company is Nil.

49. Company is executing a Broad Gauge Rail Link Project called USBRL in the State of Jammu & Kashmir on Cost Plus Basis. Northern Railways, the client, has raised certain queries on admissibility of certain expenditure incurred by the company/contract addition payable on the cost incurred & certain observations on the quality of work done on the project which has also been suitably replied to. The company doesn't expect any liability on this account. However, adjustment, if any, arising out of these issues will be made as and when required.

50. Previous year's figures have been regrouped, rearranged and recast wherever necessary to make it comparable to the current year's classification. Also, previous year figures are shown under bracket () to differentiate from current year figures.

For Vinod Kumar & Associates
Chartered Accountants
FRN 002304N

For and on behalf of the Board of Directors

Mukesh Dadhich	Iti Matta	K.K. Garg	Mohan Tiwari
Partner	AM / Co. Affairs	Director Finance	Chairman & Managing Director
M. No. 511741	& Company Secretary		

Place : New Delhi
Date : 27.08.2014

Place : New Delhi
Date : 01.08.2014

Vinod Kumar
& Associates

Chartered Accoutants
909, Chiranjiv Tower, 43 Nehru Place, New Delhi-110019 India
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INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED, NEW DELHI

1. Report on Consolidated Financial Statements

We have audited the acompanying consolidated financial statements of Ircon International Limited ("the Company") and its subsidiaries and joint ventures (hereinafter referred to as "Group"), which comprise the consolidated Balance Sheet as at 31st March, 2014, and the consolidated Statement of Profit & Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

2. Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the Accounting Standard referred to in Sub Section (3C) of section 211 of the Companies Act 1956. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

3. Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

4. Basis for Qualified Opinion

a. The Company has been carrying balances at exchange rate prevalent on 31st March, 2011, of shareholder's loan and interest accrued thereon due from Joint venture Company, Companhia Dos Caminhos De Ferro Da Beira SARL (CCFB), and not translating at rates prevalent on 31st March, 2014 is not in conformity with AS-11. As a result, Long term loan and advances is lower by ` 20.15 crore and Profit before tax is lower by ` 20.15 crore (current year ` 7.05 crore, earlier year ` 13.10 crore). (Refer Note No. 40).

b. During the year, the Company has changed its Accounting Policy relating to recovery of Liquidated damages from contractors, from accounting on "actual recovery" to "on final decision of recovery". Due to this change, operating Income for the year is higher by ` 10.69 crore, Operating expenses for the year is higher by ` 9.71 crore and Profit Before Tax for the year is higher by ` 0.98 crore. (Refer Note No.47)

c. During the year, the Company has changed its Accounting Policy relating to Contract Revenue Recognition as per which Sales Tax/VAT/WCT/Service Tax has been excluded from the revenue. Due to this change, Operating Income and Expenses for the year are lower by ` 27.54 crore. However, net impact on Profit/ Loss of the Company is Nil. (Refer Note No.48)

Had the effect of above (a), (b) and (c) would have been given cumulatively, the Long term loan and advances would be ` 650.66 crore, Operating Income would be ` 4077.53 crore, Operating Expenses would be ` 2720.24 crore and Profit Before Tax would be ` 1269.57 crore.

5. Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the basis for qualified opinion paragraph, the consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2014;

(b) in the case of the consolidated Statement of Profit and Loss , of the profit of the Group for the year ended on that date; and

(c) in the case of the consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

6. Emphasis of Matter

Design, Drawing, Business Development, agency and consultancy charges (Note No. 24) and Consultancy Charges (Note 32 (b) Expenditure in Foreign Currency), include expenses debited to the profit & loss account ` 37.91 crores (previous year ` 83.16 crores) paid as commission to the Foreign Agencies appointed by the Company to secure orders and provide other professional services for foreign projects. This has been a continuous practice by the Company. The internal control and documentation in respect of process of selection of the Commission Agent, documentation in respect of their KYC, Due Diligence and the evidence about the services received by the Company, are not commensurate with the size and volume of business of the Company. The matter has been brought to the notice of the Audit Committee and the top management. The Board of Directors has recently confirmed the delegation of power in this regard in favour of CMD. The Company has initiated steps to strengthen the policies, procedures and documentation in this regard, in pursuance to our observations.

Our opinion is not qualified in respect of Emphasis of matter.

7. Other Matters

We did not audit the financial statements of two subsidiaries, M/s Indian Railway Stations Development Corporation Limited (IRSDC) and Ircon Infrastructure & Services limited (IrconISL) and 5 Joint Ventures included in the Consolidated Financial Statements, whose financial statements reflect total assets (net) of ` 220.56 crore as at 31stMarch, 2014, total revenues of ` 44.07 crore and net cash inflows amounting to ` 29.52 crore for the year then ended.

a. Out of above Financial Statements of 2 subsidiaries and 4 Joint Ventures have been audited by other auditors whose reports have been furnished to us and our opinion is based solely on the reports of the other auditors. These Financial reflects total assets (net) of ` 213.96 crore as at 31st March, 2014, total revenues of ` 36.98 crore and net cash inflows amounting to ` 31.99 crore for the year then ended on that date as considered in the Consolidated Financial Statements.

b. We have relied upon the unaudited Financial Statement of 1 Joint Venture which reflects total assets (net) of ` 6.60 crore as at 31st March, 2014, total revenues of ` 7.09 crore and net cash outflows amounting to ` 2.47 crore for the year then ended on that date as considered in the Consolidated Financial Statements. This unaudited Financial Statement has been furnished to us by the management of the Joint Venture and our report since so far as it relates to the above amounts, is based solely on such unaudited Financial Statement.

Our opinion is not qualified in respect of other matters.

For Vinod Kumar & Associates
Chartered Accountants
FRN 002304N

Mukesh Dadhich
Partner
Membership No. 511741

Place : New Delhi
Date : 27.08.2014