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Registered Office

C-4, District Centre, Saket,
New Delhi-110017

Company Secretary & GM (Law)

Lalitha Gupta

Main Bankers

Indian Overseas Bank
State Bank of India
HDFC Bank

Statutory Auditors

Wahi & Gupta,
Chartered Accountants,
Hotel Rex Building (OBC Building),
5, Netaji Subhash Marg,
Daryaganj, New Delhi-110002



Corporate Office Building of Ircon at Saket, New Delhi

BOARD OF DIRECTORS

Chairman & Managing Director



MOHAN TIWARI



Other Whole-time Directors



HITESH KHANNA
Director Works



K.K. GARG
Director Finance



DEEPAK SABHLOK
Director Projects



Part-time Official Director



ANJUM PERVEZ



Independent Directors



DR. G. V. RAO



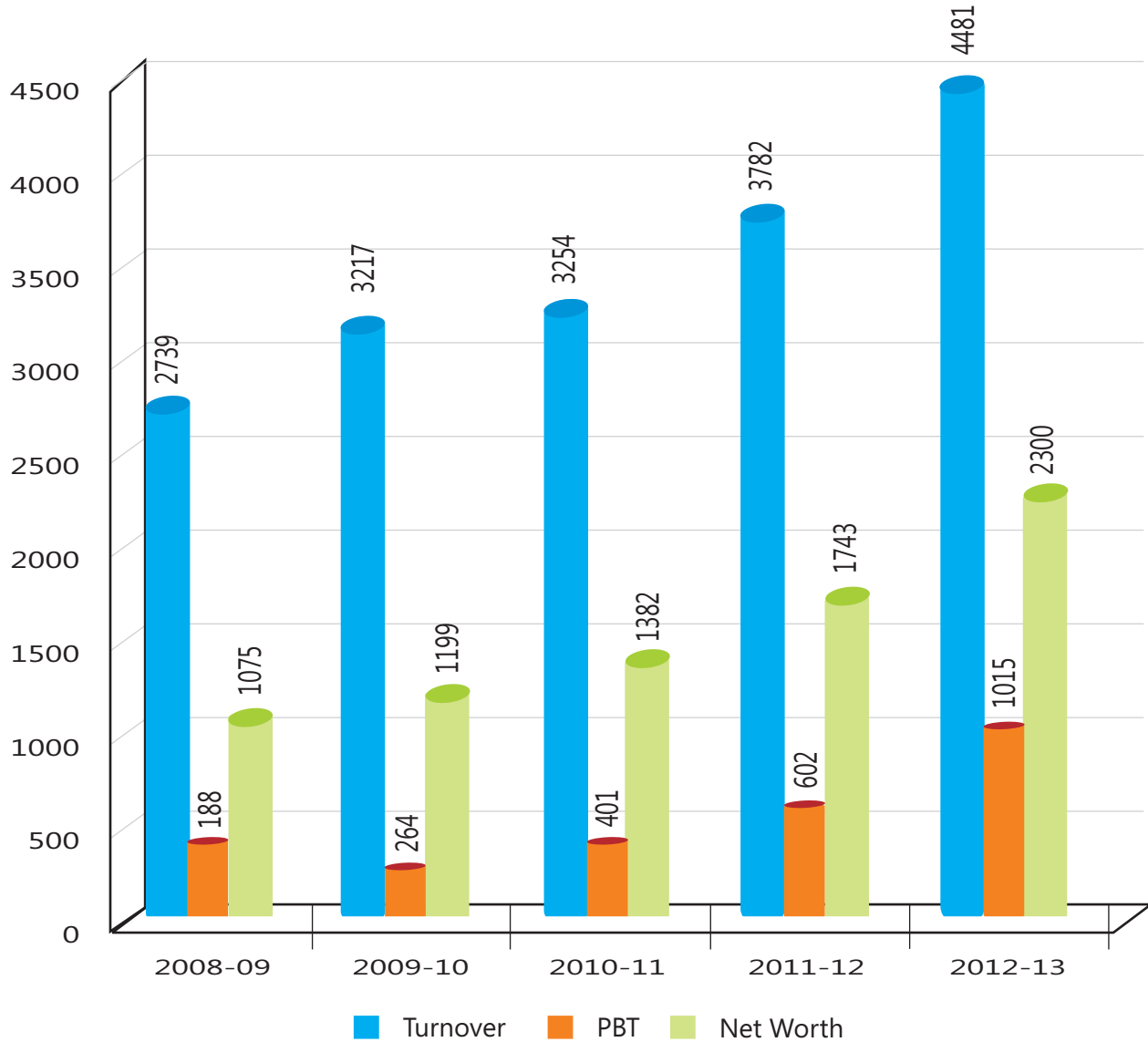
PROF. (DR.) S. S. CHATTERJI



B. M. SHARMA

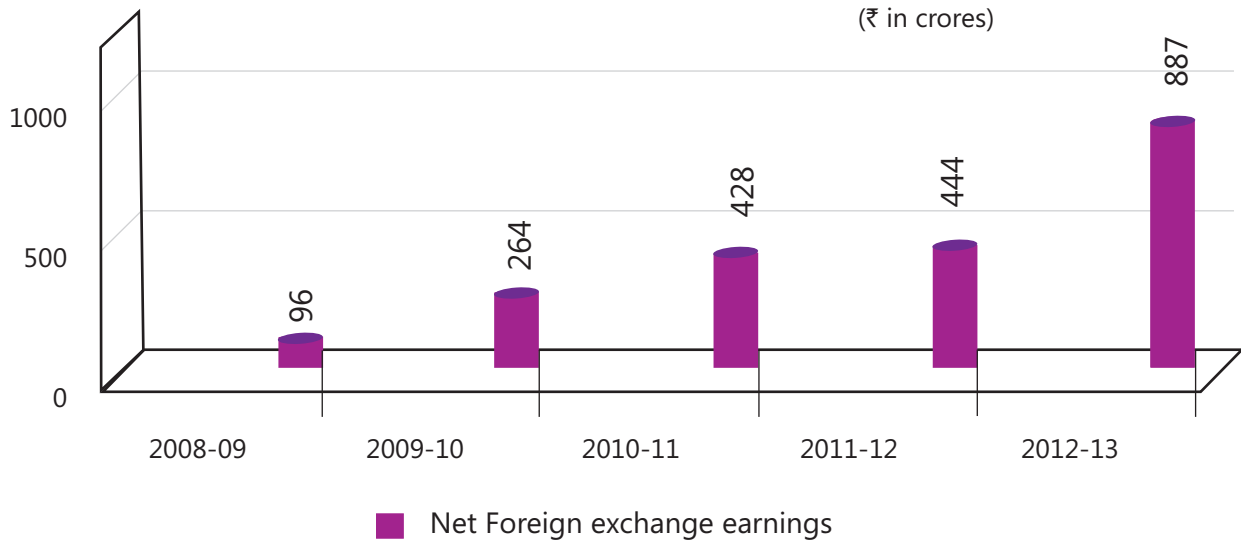
Performance During Last Five Years

(₹ in crores)



Net Foreign Exchange Earnings

(₹ in crores)



CHAIRMAN'S ADDRESS



Distinguished Shareholders,

It is a great pleasure and privilege and also an honour for me, as the first Chairman & Managing Director of Ircon, to address you all on this momentous occasion of 37th Annual General Meeting of the Company.

You would be happy to know that your Company has achieved two major milestones during the year 2012-13 -- Operating Turnover has crossed ₹ 4000 crores and PBT has crossed ₹ 1000 crores.

The audited Financial Statements and Reports for the year have already been circulated to you and are before you. I take them as read. May I highlight the salient aspects of Ircon's performance during the year !

Performance Highlights

Your Company has achieved its highest ever operating income of ₹ 4232 crores, surpassing the MoU target. It is 17.5% more than ₹ 3601 crores achieved in 2011-12. Profit Before Tax during the year is also its highest ever at ₹ 1015 crores, which is 69% more than ₹ 602 crores achieved in 2011-12. The Profit After Tax has also enhanced by 55% from ₹ 470 crores to ₹ 730 crores due to increased margin in international projects. The net foreign exchange earnings have nearly doubled from ₹ 444 crores in 2011-12 to ₹ 887 crores during the year.

Dividend

Your Company had issued bonus shares in the ratio of 1:1 during the year 2012-13 whereby the paid-up share capital got enhanced from ₹ 9.898 crores to ₹ 19.796 crores. The Company paid an interim dividend of ₹ 49.49 crores @ 250% on the enhanced capital in February 2013. Considering the excellent results achieved during the year, the Board of Directors of your Company have recommended a final dividend of ₹ 98.98 crores @ 500% on the enhanced share capital which, when declared at this AGM, would take the total dividend for the year 2012-13 to a record ₹ 148.47 crores.

You would be pleased to note that the total dividend pay out up to 2012-13 to the Government would amount to ₹ 573.47 crores as against an equity investment of just ₹ 5 crores by the Government in the initial years of the Company during 1976-1985.

Growth over the years

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 2013 edition, Ircon is one of the only four Indian companies which could make it to the list of top 250 International Contractors 2013.

During the last five years, your Company has had phenomenal growth and has recorded a compounded growth rate of 16.44% in terms of turnover and 44.61% in terms of profit before tax. However, we need to further enhance



the order book to sustain the growth of your Company, especially in the grim economic scenario being witnessed in India and volatile global climate beset with challenges and uncertainties.

Project Performance

Your Company has had proud moments of completing very important projects in Malaysia and Sri Lanka. In Malaysia, Seremban – Gemas double tracking project valued at US\$ 1 billion has been substantially completed. This is the largest ever transportation project completed by any Indian company abroad. In Sri Lanka, upgradation of Colombo-Matara coastal Railway line and restoration of Medawachchiya to Madhu Road Railway line have been completed.

It was a moment of pride and prestige for Ircon that the Hon'ble Prime Minister of India, Mr. Manmohan Singh, in the presence of dignitaries from the Government of India and Ircon's officials, flagged off on 26th June 2013 the first DEMU train from Banihal to Qazigund through the Pir Panjal Tunnel – the longest transportation tunnel in India. This railway line constructed by Ircon connects Kashmir with Jammu region and the rest of the Country.

Your Company has completed Aligarh-Ghaziabad Rail project for RVNL, Lucknow-Mughalsarai RE project, and 3 highway projects for NHAI during the year. Some of the important ongoing projects in India are construction of BG New Railway Line (Dharam-Qazigund) in J&K, Rae Bareli Rail Coach Factory Project, Sivok-Rangpo New Rail line Project, Rail cum road bridge across river Ganga in Patna, construction of ROBs in Rajasthan and Bihar, implementation of PMGSY projects in Bihar and Jharkhand, and two projects for Rail Link to Nepal.

Railway Infrastructure through Subsidiaries / JVs

Your Company has also 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).

IRSDC has been entrusted with 5 stations at Chandigarh, Habibganj (Bhopal), Shivaji Nagar (Pune), and Bijwasan & Anand Vihar (New Delhi) for undertaking their development and re-development works.

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 executed CSR and Sustainability projects to the tune of ₹ 10.7 crores in the areas of health, education, environment, and skill development in and around its projects.

R&D: The Company is using modern technology and state of the art equipments in the 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 has been used successfully for the first time in tunnel ventilation application in the Pir Panjal Tunnel of J&K project.

OHSAS: Your Company, which is already certified for Quality (ISO 9001:2008) and Environment Management Systems (ISO 14001:2004), has been certified during the year for Occupational Health and Safety Management System (OHSAS 18001:2007).

Corporate Governance: Your Company is complying with legal requirements and government guidelines regarding Corporate Governance. Steps have been initiated during the year to leverage technology for better transparency and also to adopt an Integrity Pact for procurement contracts.

Acknowledgements

I extend my heartfelt gratitude and thanks on behalf of the Board of Directors to all our customers, Railway Board and other Ministries, Bankers, and all the shareholders 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 am confident, 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.

Mohan Tiwari

Chairman & Managing Director

Place : New Delhi

Date : 03.09.2013

DIRECTORS' REPORT

Distinguished Shareholders,

The Directors of your Company have pleasure in presenting their 37th Report on the affairs of the Company for the financial year 2012-13.

PERFORMANCE HIGHLIGHTS

Your Company has achieved its highest ever operating income of ₹ 4232 crores, approx. 18% more than that achieved in 2011-12, out of which 47% is from foreign projects.

Further, your Company has again (like in the previous year) enhanced its profitability considerably with a quantum jump of more than 69% in profit before tax (as against 50% increase in the previous year) from ₹ 602 crores in 2011-12 to ₹ 1015 crores in 2012-13. Due to increased margin in international projects, the profit after tax has also increased by 55% from ₹ 470 crores in 2011-12 to ₹ 730 crores in 2012-13.

All the targets under the Memorandum of Understanding for 2012-13 between your Company and Ministry of Railways have been met to achieve “**Excellent**” MoU rating.

FINANCIAL HIGHLIGHTS

Some important indicators of financial performance of the Company for the year 2012-13 vis-à-vis 2011-12 are given below:

Financial Performance Indicators:

(₹ in crores)

Sl. No.	Particulars	2012-13	2011-12	% increase
1.	Total income/Gross sales	4481	3782	18
2.	Total Operating income	4232	3601	18
3.	Operating income from Foreign Projects	1975	1850	7
4.	Profit before tax	1015	602	69
5.	Profit after tax	730	470	55
6.	Gross margin	857	670	28
7.	Net worth	2300	1743	32
8.	Earnings per share (in ₹)	505.72*	474.76	7
9.	Total Foreign Exchange Earnings	1997	1862	7
10.	Foreign Exchange Outgo	1110	1418	(22)
11.	Net Foreign Exchange Earnings	887	444	100
12.	Dividend	148.47	94.03	58

* on weighted average of higher equity after 1:1 bonus issued during 2012-13.

Foreign Exchange Earnings

Net Foreign Exchange earnings have nearly doubled from ₹ 444 crores in 2011-12 to ₹ 887 crores in 2012-13 due to higher expenditure in Indian rupees and revenue earned in foreign currency and increased margin in international projects, though the operating income from foreign projects has increased by 7% in the last one year.

Dividend after increase in Share Capital

Your Company had issued bonus shares in the ratio of 1:1 (i.e. 98,98,000 equity shares of ₹ 10/- each) to the existing shareholders out of its free reserves, after getting approval of shareholders in the Annual General Meeting held on 25th September 2012. Consequently, the paid-up share capital of the Company stands increased from ₹98.98 crores to ₹ 19.796 crores w.e.f. 15th October 2012.

The Board of Directors had declared in January 2013 an interim dividend of ₹ 49.49 crores @ ₹ 25 per share i.e. 250% on the enhanced paid-up share capital of ₹ 19.796 crores which was paid in February 2013 to the



shareholders. The BoD has recommended a dividend @ ₹ 50 per share i.e. 500% on the enhanced paid-up share capital for declaration by the shareholders, which would amount to ₹ 98.98 crores. With this, the total dividend for the year 2012-13 would amount to ₹ 148.47 crores @ ₹ 75 for every ₹ 10 share which works out to 20.34% of the post-tax profits as against ₹ 94.03 crores @ ₹ 95 per share during the previous year. After approval and payment of the proposed dividend, the cumulative dividend to shareholders up to 2012-13 will stand at ₹ 575.01 crores.

Appropriations/ Tax Provisions/ Reserves:

(₹ in crores)

Sl. No.	Particulars	2012-13	2011-12
1.	Interim Dividend	49.49	29.69
2.	Proposed Final Dividend	98.98	64.34
3.	Tax on Interim Dividend	8.03	4.82
4.	Tax on Proposed final dividend	16.06	10.44
5.	Transfer to CSR Activities Reserve	2.90	-
6.	Transfer to General Reserve	554.53	360.63

ORDER BOOK

The Company secured works worth ₹ 4235.92 crores during the year 2012-13. The work load as on 31st March 2013 stood at approx. ₹ 12613 crores.

FINANCIALS OF SUBSIDIARIES

The Board of Directors of your Company has, at its meeting held on 26th July 2013, while approving the Annual Accounts for 2012-13, 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 Notes 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:

Sri Lanka

1. The entire project of upgradation of Colombo-Matara coastal railway line, at a value of ₹ 373.46 crores (USD 78 million), funded by Indian line of credit, was completed ahead of schedule.
Phase-I of the project (Galle – Matara section) was opened to passenger traffic on 16th February 2011; one section (Galle to Hikkaduwa) of Phase II (Kalutara – Galle) was opened to traffic on 19th January 2012 and the balance section (Hikkaduwa to Kaluthara) of Phase II was opened for traffic during the year on 19th April 2012.
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 during the year on 31st March 2013. Trial run for the above section was done on 23rd April 2013 and section was opened for passenger traffic on 19th May 2013.



Commissioning of Railway line from Medawachchiya to Madhu Road in Northern Sri Lanka

Ethiopia

3. 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 after the close of the financial year on 30th April 2013.

Afghanistan

4. 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 ₹ 49 crores.



16MVA Power transformer at Aybak sub-station, Afghanistan

B. On-going Foreign projects:

Seven projects -- two in Malaysia, four in Sri Lanka, and one in Algeria -- are in progress.

Malaysia

1. The overall physical progress of the 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 96.8% as on 31st March 2013. Further, 3 block sections Serebam-Surgai Gadut-Rembau Tampin had been commissioned as Automated Turn Double line sections and the Track work in the balance section had been substantially completed (except Depot lines in Gemas Yard). The work is likely to be completed by July 2013. This work is the largest ever transportation project under a single contract by any Indian company in a foreign country.



Night view of Gemas Railway Station, Malaysia

2. 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 6.78 Million which has been extended up to 31st December 2013.

Sri Lanka

3. The following two projects of re-construction of Railway Lines in Northern Province of Sri Lanka are expected to be completed during 2013-14:
 - (i) from Omanthai to Pallai (₹ 815 crores (USD 185.36 million)); first section of the line from Omanthai to Mankulam (30 km) is expected to be commissioned by September 2013.
 - (ii) from Madhu Road to Talai Mannar (₹ 659 crores (USD 149.74 million)).
4. The other two on-going projects in Sri Lanka are:-
 - (i) Re-construction of railway line from Pallai to Kankesanthurai in Northern province of Sri Lanka (₹ 747 crores (USD 149.37 million)), which is expected to be completed by June 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 ₹ 392 crores (USD 86.51 million), which is scheduled to be completed by June 2015.

Algeria

5. 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 December 2014. The value of the contract including additional works for realisation of double line has been revised to ₹ 1692 crores (USD 353 million).

C. Likely Foreign projects

Concerted efforts are being made to secure contracts in Bangladesh and Myanmar.

D. Projects Completed in India

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

- (i) Provision of 3rd Line of Aligarh – Ghaziabad Section (106 Km.) of NCR in the State of Uttar Pradesh comprising construction of road bed, bridges, facilities, installation of tracks & electrification (AGRP Project for RVNL).
- (ii) Lucknow – Mughalsarai Railway Electrification Project for Central Organisation for Railway Electrification (CORE).
- (iii) 4-Laning of Siliguri – Islampur Section of NH-31 in West Bengal for NHAI.
- (iv) Development of Adequate Port Road Connectivity to New Mangalore Port for NHAI.
- (v) Construction of College of Veterinary Sciences and Animal Husbandary at Selesih, Aizwal, Mizoram, for Central Agricultural University, Imphal.
- (vi) Upgradation of Rehabilitation of NH-25, Up-05 for NHAI.



Sub-station in Lucknow-Mughalsarai Railway Electrification project



Prime Minister, Dr. Manmohan Singh and UPA Chairperson, Mrs. Sonia Gandhi dedicating Banihal-Qazigund railway section to the Nation



After the close of the year, the newly constructed 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, Prime Minister of India, in the presence of dignitaries from the Govt. of India and Ircon's officials.

E. New Projects in India:

During 2012-13 your Company secured following new major projects in India, including additional works:

- (a) Development of circulating area at Santragachi and essential passenger amenities and road connectivity to Kona Expressway for South Eastern Railway at a value of ₹ 198.65 crores.
- (b) Development of coaching terminal at Shalimar by provision of essential passenger amenities for South Eastern Railway at a total value of ₹ 192.44 crores.
- (c) 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 total value of ₹ 234.95 crores.
- (d) 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.
- (e) Detailed Project Report (DPR), Detailed Engineering, Project Management & Construction of Coal Transportation System for Solapur Super Thermal Power Project (Maharashtra) (value of the project is ₹ 225 crores).
- (f) 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 and Jharkhand State Govt.
- (g) Additional works worth ₹ 2100 crores approximately in Dharam-Qazigund New BG Rail Link, J&K.

After the close of the year, the Company has secured a project for construction of new Rail Line in Reasi Sangaldan section (Km 61 to 91) under Udhampur-Srinagar-Baramulla new line Project (USBRL).

F. On-going major Projects in India

The following are the on-going projects :

- (a) Detail, Design, and Construction of BG New Railway line from Dharam to Qazigund (Dharam Qazigund) Km 100.88 to km 166 in J&K at a value of ₹ 3939.35 crores.
- (b) Construction of steel super-structure and other ancillary work of rail cum road bridge across river Ganga at Patna at a value of ₹ 1575 crores.
- (c) Setting up of new Rail Coach Factory at Raebareli at a value of ₹ 162 crores.
- (d) Sivok-Rangpo New Rail Line Project at a value of ₹ 1340 crores.
- (e) Construction of Rail Link between Jogbani (Bihar) India to Biratnagar (Nepal) at a value of ₹ 253 crores.
- (f) Construction of rail link between Jayanagar (India) – Bijalpura (Nepal) (Gauge conversion) with extension up to Bardibas on India-Nepal Border at a value of ₹ 539 crores.
- (g) Construction of RoBs in Rajasthan and Bihar valued at ₹ 1535 crores approximately.
- (h) Implementation of PMGSY and RSVY projects in Bihar valued at ₹ 1894 crores approximately.
- (i) Design, Engineering, etc. and, Commissioning of Railway siding for Kalisindh Power Project, Stage –I, Jhalawar, Rajasthan at a value of ₹ 168 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 1.78 million up to 31.03.2013, 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:

CCFB was issued a notice for termination of the Concession by the Conceding Authority (Minister of Transport & Communications, Government of Mozambique) which was contested by CCFB. Government of Mozambique wanted CCFB to agree on an unreasonable tariff for coal transportation which was not agreed to by CCFB. Accordingly, the efforts for amicable settlement by way of selling equity stake of IRCON and RITES in CCFB were initiated. All the three shareholders (CFM, RITES, and IRCON) had agreed and signed an amicable settlement but the same was not agreed to by the Conceding Authority as it wanted the agreement entirely in its favour. Although the line had been rehabilitated and trains started un-interrupted movements for carrying coal, the Conceding Authority 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.

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. During the year, a term loan of ₹ 450 crores taken by ISTPL from 8 banks (with SBI as Lead Bank Lender) got repaid and equity shares pledged with SBI got de-pledged. 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 ₹ 494.96 crores as on 31st March 2013. 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 each and their paid-up and subscribed share capital is ₹ 5 lakhs each. Ircon’s Investment in both the companies is ₹ 1.30 lakhs each, being 26% share in the equity capital of both CERL and CEWRL. The equity base will be increased as the work on these projects picks up.



MoU Signing Ceremony for Construction of Railway Lines in Chhattisgarh

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 identified station premises for providing facilities to rail users by Rail Land Development Authority. Out of 23 station premises taken up by IrconISL, the work has been completed at 21 stations. Lease Agreement between Rail Land Development Authority and IrconISL for “Design, Development, Operation and Maintenance of Multi-Functional Complexes on Indian Railway Land” has been signed on 4th July 2013 paving the way for sub-leasing of MFCs by IrconISL.

Investment in IrconISL is comprised of:

	Total Investment (₹ Crores)
Equity (100% shareholding)	40
Loan (committed ₹ 64.90 Crores)	35.10
Total	75.10

2. Indian Railway Stations Development Corporation Limited (IRSDC)

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 ₹ 20 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 in the site for Commercial Development, Right of Way, and Licence for the purpose of undertaking Station Development and Re-development Works.

COMPLIANCES

A. Disclosure of Accounting Treatment.

- Outstanding dues of closed Iraq project** -- Interest accrued on deferred Iraqi dues and provision for interest to sub-contractors on back-to-back basis have been translated at the last settlement rate (*i.e.* 1 USD = ₹ 35.802) with the Government of India, based on prudence, as in previous year, 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(c) forming part of the Financial Statements.
- 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. 41 forming part of the Financial Statements.

B. Presidential Directive

No Presidential directive was received during the year 2012-13.

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. 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 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, and work related to, contractors and vendors.

During the year, the Company addressed 162 queries (including 11 queries carried forward from the previous year), out of which 149 were replied. 02 remained pending for want of additional fees and balance 11 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 2012-13 {section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended vide notification dated 31st March 2011}, except Chairman and Managing Director who has drawn salary of ₹ 71.19 lakhs (approx.) during 2012-13 details of which are given in para 4.1 of the Report on Corporate Governance at Annexure-C.

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 2013 stood at 1465 which included 102 deputationists, majority of whom (80) were deployed on foreign projects. 1363 were regular employees out of which 1095 were employed on Indian projects. The total number of women employees was 74, out of which 40 were executives. 781 (50.50%) 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. Yoga classes are regularly held for both men and women in addition to provision of 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 chaired by a woman official which immediately attends to any complaint, even informal, so that problems are nipped in the bud.

The 37th Annual Day was celebrated on 28th April 2013 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. It was also earmarked as CSR-SD day wherein all projects were asked to plant tree saplings in their Project areas.

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 Sueddeutschland 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.

Your Company has established an Environment Management System and has been certified for ISO 14001:2004 in October 2011. This certificate is valid up to October 2014.

During the year, your Company has also been certified for Occupational Health & Safety Management System (OHSAS – BS 18001:2007) on 28th 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. Awareness programme were organized at the projects by internal quality auditors of the Company.

Corporate Quality Council and Project Quality Council meetings were conducted quarterly at Corporate Office and projects respectively to review the implementation of QMS. 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 all the offices and projects. 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.

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 indigenisation of track laying equipments, development of competency in Environment Impact Assessment (EIA) study, etc. The Company has formulated 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 has been used first time successfully in tunnel ventilation application in the recently commissioned Pir Panjal Tunnel of J&K project 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 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 12 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.

As a step towards 'leveraging of technology' for better transparency, submission of online Immovable Property Returns by the officers has been initiated during 2012-13. Vigilance section / portal on website www.ircon.org with a facility for online receipt of complaints 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.

The CVC has recommended adoption of Integrity Pact in respect of major procurements in the Government Organisations. Steps have been taken in the Company to adopt an Integrity Pact in its major procurement contracts and a proposal has been sent to Ministry of Railways in this regard.

AWARDS

The Company has received the following awards during the year:

1. Dun & Bradstreet's India's Top PSUs 2012 Award in the category of the best PSU in Engineering & Construction for the year 2012. The award was presented by Dr. M. Veerappa Moily, as the then Minister for Corporate Affairs, to Mr. Mohan Tiwari, Managing Director (Chairman & Managing Director w.e.f. 5th March 2013), Ircon, at a function held in New Delhi on 28th May 2012.
2. "Global HR Excellence" Award for "CEO with HR Orientation" presented by Institute of Public Enterprises was received by Mr. Mohan Tiwari as Managing Director at a function held in Mumbai on 17th February 2013.
3. Silver Trophy from EEPC for Export Excellence in the category of Top Merchant Exporter for the year 2011-12. The award was presented by Mr. Martin Kuba, Hon'ble Minister of Industry and Trade of Czech Republic, to Mr. Mohan Tiwari, Chairman & Managing Director, Ircon, at a function held in Mumbai on 15th March 2013.



Mr. Mohan Tiwari, CMD, IRCON, receiving EEPC Export Excellence Award from Mr. Martin Kuba, Hon'ble Minister of Industry and Trade of Czech Republic

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 Plan and Policy of the Company during the year.

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 2012-13 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 2012-13 (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 annual accounts, the applicable accounting standards had been followed except as otherwise stated in the annual accounts 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 year ended on 31st March 2013 and of the profit of the Company for the year 2012-13.
- 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, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) that the annual accounts have been prepared on a going concern basis.

BOARD OF DIRECTORS

During April 2012 to March 2013, five meetings of the Board of Directors were held with two meetings in the quarter ended December 2012, and one meeting in each of the quarters ended on June 2012, September 2012, and March 2013.

The following Directors are holding office as on date:

	Name	With effect from
1.	Mr. Mohan Tiwari Chairman and Managing Director*	01.02.2009
2.	Mr. K. K. Garg Director Finance	03.11.2009
3.	Mr. Deepak Sabhlok Director Projects	16.04.2010
4.	Mr. Hitesh Khanna Director Works	07.03.2011
5.	Dr. G. V. Rao Independent Director [Part-time (non-official)]	08.10.2010
6.	Prof. (Dr.) S. S. Chatterji Independent Director [Part-time (non-official)]	16.09.2011
7.	Mr. B. M. Sharma Independent Director [Part-time (non-official)]	19.09.2011
8.	Mr. Anjum Pervez Part-time Director (official)	15.07.2013

* Mr. Mohan Tiwari was designated as Chairman and Managing Director w.e.f. 5th March 2013 in terms of Railway Board letter dated 5th March 2013.

The following Directors ceased to hold office during 2012-13 and thereafter till the date of this report:

1.	Mr. A. P. Mishra Part-time Chairman (Official)	Ceased to be Director due to his superannuation as Member Engineering, Railway Board, on 31.01.2013 (AN). Held office from 27.10.2010 (FN) to 31.01.2013 (AN).
2.	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).

AUDITORS

The Auditors of the Company appointed by the Comptroller & Auditor General of India for 2012-13 are:-

Statutory Auditors:	
Wahi & Gupta, New Delhi	For Company as a whole
Branch Auditors for projects in India:	
ASPN & Co., New Delhi	All projects under Northern Region
Gupta Gupta & Associates, Jammu (Jammu & Kashmir)	All projects at Jammu & Kashmir (Designated as Srinagar Region)
J L Sengupta & Co., Kolkata (West Bengal)	All projects under Eastern Region
G P Kapadia & Co., Mumbai (Maharashtra)	All projects under Western Region
MSSV & Co., Bengaluru (Karnataka)	All projects under Southern Region

Branch Auditors for projects Abroad:	
Wahi & Gupta, New Delhi	All projects in Malaysia, Ethiopia, Mozambique, and Afghanistan
Cabinet de Audit et CAC, Algeria	Algeria
Gajma & Co., Colombo, Sri Lanka	Sri Lanka

COST ACCOUNTANT

The Board of Directors has appointed M/s. Ravi Sahni & Co., Cost Accountants, as Cost Accountant of the Company, for the year 2012-13, for maintaining Cost Records of the Company as per the applicable Rules/Guidance Notes.

Cost Compliance Report for the year 2011-12 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

Mohan Tiwari

Chairman & Managing Director

Place : New Delhi

Date : 26.07.2013

CSR & SUSTAINABLE DEVELOPMENT REPORT

A. Corporate Social Responsibility (CSR)

The Budget for CSR activities for 2012-13 was “2% of PAT for 2011-12” i.e. ₹ 9.4 crores approx. (PAT for 2011-12 was ₹ 469.92 crores).

The Company has spent ₹ 9.8 crores during the year 2012-13 towards CSR activities.

As per the MoU entered into between Ircon and Ministry of Railways for the year 2012-13 and the CSR Policy, the focus of CSR activities was mainly on five identified areas Education, Health, Infrastructure, Skill Development, and other activities as advised by Govt. Departments. The following CSR projects were executed during the year 2012-13:-

(i) HEALTH:

- (a) To augment the existing capacity of Government hospitals, medical equipments like Ultrasound, X-Ray Machine, ECG Machine, C-Ana type X-Ray machine etc. were supplied to various hospitals in Banihal (J&K), Lalganj (UP), and Reengus, Kota, Jodhpur & Chittorgarh (in Rajasthan). In order to improve the health awareness and provide basic medicines, medical Camps were organised at Banihal (J&K), Lalganj, Sivok (West Bengal), and Jaipur & Sikar (in Rajasthan).
- (b) To meet the routine medical requirements of the nearby villages around project areas, five Health Units were maintained during the year at Banihal, Lalganj, Raebareli, Sivok, and Manakulum and Medawachchiya in Sri Lanka. Ambulance Services were provided in the vicinity of five project sites, and two additional ambulances were procured during the year in addition to five procured in the previous year.

(ii) EDUCATION:

To improve the educational infrastructure, two school buildings were constructed during the year at Bheriyari and Phena in Bihar. Many schools in the State of Bihar, J&K, and West Bengal were provided facilities like sanitized toilets, drinking water, furniture, school bags and stationery, etc.

(iii) ROAD CONNECTIVITY:

In order to provide all weather connectivity to the remote villages, pucca roads were provided to seven villages 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. Concrete footpaths were provided to the villages of Diggdole, Uranihol, and Chareel in J&K.

(iv) SKILL DEVELOPMENT:

In order to provide better employability potential and income in rural areas, skill development training was organized at Banihal and Lalganj in building construction related activities. Further, programmes for empowerment of women by training in Tailoring, Dress Designing, etc. was organized at Banihal (J&K), Kishanganj (Rajasthan), and Besant Lane areas of New Delhi. Also, a Boys' Hostel was constructed and commissioned at ITI, Dholpur (Rajasthan), for the benefit of rural students.

(v) PROVISION OF SOLAR LIGHTS:

To provide lighting in remote locations, Solar Street Lights were provided at Banihal, Sivok, Dholpur, and Lalganj.

B. Sustainable Development (SD)

The Budget for SD activities for 2012-13 was “₹ 50 lakhs plus 0.1% of the amount of PAT for 2011-12 which is in excess of ₹ 100 crores” that is, ₹ 87 lakhs approximately (PAT for 2011-12 was ₹ 469.92 crores).

The Company has spent ₹ 90.04 lakhs during the year 2012-13 towards SD activities.

Following five activities were identified under the MoU for 2012-13 entered into between Ircon and Ministry of

Railways as per the BoD approved SD Plan and Policy:

- a) Sequential Batch Reactor Type Sewage Treatment Plant and recycling of Water.
- b) Providing new type of Rain Harvesting System at Raebareli (U.P).
- c) Provision of Pipe Lights in Workshop Shed.
- d) Training of employees on the aspects of Sustainable Development.
- e) Training of Local Community and other stakeholders.

All the five activities were successfully completed during the year 2012-13.

Board Level SD Committee headed by Independent Director held three meetings during the year 2012-13 to review the status of SD activities and to plan for further initiatives.

Apart from internal review, final evaluation of three major SD activities was done by an external agency.

In addition to the five activities identified in the MOU for 2012-13, the Company has taken steps during the year for installing solar power panels (up to 100 kw capacity) in the buildings of Itron as one of the green initiatives.

C. CSR-SD : 2013-14

The DPE has issued Guidelines on "Corporate Social Responsibility and Sustainability for CPSEs", which are effective from 1st April 2013. As per these Guidelines, CSR and SD activities would need to be executed under one set of guidelines during 2013-14. Accordingly, after the close of the year, the Company has framed one combined policy for CSR & Sustainability, and a Board level CSR-SD Committee (headed by Independent Director) has been constituted in place of the previous SD Committee.

The budget of not less than 1% of PAT (and between 1% to 2% of PAT) of 2012-13 has been earmarked for CSR-SD activities for 2013-14.



Solar power lights under CSR scheme at Digdole, J&K

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. It has been earning profits every year right from the second year of its incorporation. 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. 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.

The Company has executed many land mark construction projects in the last 36 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 Indian economy achieved a growth rate of 8.6% and 9.3% respectively in 2009-10 and 2010-11, but due to a combination of both external and domestic factors, the economy decelerated growing at 6.2% in 2011-12. The GDP growth at 5% in 2012-13 has been the slowest in 10 years and is attributable to many global and domestic factors including a slowing global economy weighted down by the crisis in the Euro area and uncertainties about fiscal policy in the United States. In the domestic front high borrowing costs and inflation deterred corporate investment and undermined consumer confidence.

The Economic Survey 2012-13 predicts that the global economy is likely to recover in 2013 and various government measures will help in improving the Indian economy's outlook for 2013-14.

The total investment in the infrastructure sector during the 12th Five Year Plan (2012-17), estimated at ₹ 56.3 lakh crores (approx. US\$1 trillion), is expected to be nearly double of that made during the 11th Five Year Plan.

Infrastructure projects take a long time to plan and implement. Delays in the execution of projects not only lead to shortfalls in achieving targets but widen the availability gaps. Time overruns in the implementation of projects continue to be one of the main reasons for under achievement in many infrastructure sectors. 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 gauge 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 (at 765 kv) sub-stations.

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

Your Company is already executing projects under Pradhan Mantri Gram Sadak Yojna (PMGSY) and Rashtriya Sam Vikas Yojana (RSVY), construction of road over bridges (ROBs) for Indian Railways and National Highways Authority of India, port connectivity project, 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, and Algeria. Opportunities are coming up in Bangladesh and Myanmar.**

OUTLOOK

The Vision, Mission, and Objectives of the Company as stated in its Memorandum of Understanding with the Ministry of Railways for 2013-14 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 2012-13, the Company has registered an all time high total income of ₹ 4481 crores, as compared to the total income of ₹ 3782 crores achieved in 2011-12. Nearly 94% of the total income (amounting to ₹ 4232 crores) has arisen from operation, out of which 47% (₹ 1975 crores) has been contributed by foreign projects. In absolute terms operating income from foreign projects has increased by nearly 7% in the last one year. Profit before tax increased by 69% from ₹ 602 crores in 2011-12 to ₹ 1015 crores in 2012-13, and Profit after Tax has also increased by 55% from ₹ 470 crores in 2011-12 to ₹ 730 crores in 2012-13. Net Worth has increased by 32% and Gross Margin has increased by 28% during the year. Earnings per share (weighted) have increased only by 7% from ₹ 474.76 in 2011-12 to ₹ 505.72 in 2012-13 due to issue of bonus shares in the ratio of 1:1 during 2012-13.



The Board of Directors has recommended a dividend @ ₹ 50 per share (500% on the paid-up share capital) for consideration and declaration by the shareholders. The Company has already paid an interim dividend @ ₹ 25 per share (250%) in February 2013. The dividend of ₹ 98.98 crores payable after declaration at the Annual General Meeting together with the interim dividend already paid (₹ 49.49 crores) would take the total dividend pay-out for the year 2012-13 to ₹ 148.47 crores, which is 750% of the paid-up share capital of the Company.

OPERATIONAL PERFORMANCE

Sectoral Performance

Railways continued to be the primary sector of interest. During 2012-13, Railways accounted for 92% of operating income, Highways accounted for 5%, and the balance 3% 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 64% in 2010-11 to 92% in 2012-13, whereas the proportion of income from highway sector has gone down from 29% in 2010-11 to 5% in 2012-13. The share of income from electrical projects and sub-stations (which form part of "Others") has also decreased by 58% as compared to last year.

(₹ in crores)

Sectors	2010-11		2011-12		2012-13	
	Operating Income	%	Operating Income	%	Operating Income	%
Railways	2033	64	2907	81	3906	92
Highways	935	29	489	14	225	5
Buildings	61	2	76	2	42	1
Others*	146	5	129	3	59	2
Total	3175		3601		4232	

* Includes income from Electrical Projects (₹ 128 crores during 2010-11, ₹ 124 crores during 2011-12, and ₹ 52 crores during 2012-13).

Segment-wise Performance

Foreign projects contributed 49% to total income during 2011-12 and 2010-11 as compared to 44% in 2012-13. A comparative position for the last three years is given below:

(₹ in crores)

Sectors	2010-11		2011-12		2012-13	
	Total Income	%	Total Income	%	Total Income	%
Foreign	1587	49	1865	49	1995	44
Domestic	1613	50	1764	47	2272	51
Unallocated	54	1	153	4	214	5
Total	3254		3782		4481	

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 a 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 BOT projects both in Railway and real estate to leverage financial strength of the Company.

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. As more and more number of projects are likely to come up on PPP, 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 next two years business environment for the infrastructure sector may continue to be difficult and only the most efficient companies may survive in the highly competitive and risky market. The Company is focussed 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, Electric Sub-Stations, Railway Electrification, and Commercial Complexes 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 February 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.

INTERNAL CONTROL SYSTEM

The Company has adequate Internal Control and Internal Audit System commensurate with its size and nature of business and a comprehensive internal audit manual with guidelines for internal auditors. Key projects are closely monitored through online reporting formats to control the key performance indices. A system of technical and financial audit and control monitors the performance of projects working below margin.

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, manpower requirements are temporary in nature. Therefore recruiting employees on deputation, contract, and service contract are preferred modes. 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 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 which is under consideration by the Ministry of Railways.

REPORT ON CORPORATE GOVERNANCE

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:

1. Constructive approach
2. Working as a team
3. Excellence in performance
4. Probity in work and dealings
5. 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 three independent directors, four whole-time directors (Chairman & Managing Director, Director Finance, Director Projects, and Director Works), and one government nominated [part-time(official)] director.

Independent Directors constitute one third of the total strength which is in conformity with section 292A of the Companies Act, 1956, DPE Corporate Governance Guidelines (DPE CG Guidelines), as well as Mini Ratna requirements of DPE.

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 time (Official)/ Independent	Memberships of the the Board of Public Companies (excluding Irrcon)	No. of Committee Memberships in Public Companies (including Irrcon)	
			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	1
Deepak Sabhlok	Director Projects – Whole-time	1 [IRSDC]	NIL	3
Hitesh Khanna	Director Works – Whole-time	1 [IrrconISL]	NIL	1

G. V. Rao	Independent – Part-time (non-official)	NIL	1	2
S. S. Chatterji	Independent – Part-time (non-official)	1 [RVNL]	1	2
B. M. Sharma	Independent – Part-time (non-official)	NIL	1	1
Anjum Pervez [w.e.f. 15.07.2013]	Part-time (official)	NIL	1	2

DIRECTORS WHO CEASED TO HOLD OFFICE
(During 2012-13 and thereafter till the date of this report)

Directors	Whole-time / Part-time time (Official)/ Independent	Memberships of the the Board of Public Companies (excluding Ircon)	No. of Committee Memberships in Public Companies (including Ircon)	
			As Chairman	As Member
A. P. Mishra	Chairman – Part-time (official)	3 [RVNL, DMRC, and KRCL]	NIL	NIL
D. K. Saraf	Part-time (official)	1 [MRVC]	1	2

Notes:

1. The number of Directorships is within the maximum limit of fifteen (15) under the Companies Act, 1956.
2. The Committees covered under the last column are Audit Committee, Shareholders’/ Investors’ Grievance Committee, Remuneration Committee, Corporate Social Responsibility & Sustainable Development Committee, and Share Issue Committee.
3. The number of committee memberships of directors is within the maximum limit of ten including the permitted limit of five chairmanships. Only Audit Committee and Shareholders’ / Investors’ Grievance Committee are to be counted for the said limit.
4. The term ‘whole-time director’ used in this report refers to functional / executive directors.
5. The term ‘part-time director’ used in this report refers to non-executive directors.
6. The term ‘official’ indicates part-time Government nominated directors who hold office in the Government.
7. The term ‘non-official/ independent’ indicates part-time directors who hold no office in the Government and are independent.
8. 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.

9. Full name of companies referred:

- a) MRVC – Mumbai Rail Vikas Corporation Limited
- b) RVNL – Rail Vikas Nigam Limited
- c) DMRC – Delhi Metro Corporation Limited
- d) KRCL – Konkan Railway Corporation Limited
- e) CCFB – Companhia Dos Caminhos De Ferro Da Beira, a JV Company in Mozambique in which Ircon has 25% equity
- f) IrconISL – Ircon Infrastructure & Services Limited, a wholly owned subsidiary company of Ircon in India
- g) IRSDC – Indian Railway Stations Development Corporation Limited, a joint venture and a subsidiary company of Ircon (51% equity) in India
- h) CERL – Chhattisgarh East Railway Limited, a JV Company in Chhattisgarh in which Ircon has 26% equity
- i) CEWRL – Chhattisgarh East-West Railway Limited, a JV Company in Chhattisgarh in which Ircon has 26% equity

3. DISCLOSURES ABOUT DIRECTORS

As per the disclosures made by the directors in terms of section 299 of the Companies Act, 1956, no relationship exists between directors inter-se. One director (part-time official) is an official 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 sections 255 to 257 of the Companies Act, 1956, 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 sections 255 to 257 of the Companies Act, 1956, They are applicable to a government company if the Government does not hold 100% of the paid-up share capital of the Company. 99.73% of the paid-up share capital of the Company is held by the Government and balance 0.27% are held by IRFC, a government company, and Bank of India, a PSU bank.

3.1 Brief Resume of Director who joined the Company

Mr. Anjum Pervez, 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 08.07.2013 issued by the Ministry of Railways.

Born on 17.09.1966, 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.

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 thereof.

4.1 Disclosure on Remuneration package of Whole-time Directors during 2012-13:

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,** Managing Director (up to 04.03.2013) Chairman & Managing Director (w.e.f. 05.03.2013)	25,15,925	6,75,587	37,14,224	2,12,960	-	-	71,18,696
2.	Mr. K.K. Garg, Director Finance (throughout 2012-13)	21,93,799	5,59,366	27,74,318	1,90,601	-	-	57,18,084
3.	Mr. Deepak Sabhlok Director Projects (throughout 2012-13)	20,88,026	5,30,859	26,82,563	1,87,984	-	-	54,89,432
4.	Mr. Hitesh Khanna Directors Works (throughout 2012-13)	20,36,542	4,14,873	20,24,119	1,84,992	-	-	46,60,526

* Pertaining to the year 2010-11 and 2011-12.

** Mr. Mohan Tiwari, born on 1st October 1956, qualified as B.E. Civil (Hons.), M.Tech (Structures) and PGDIM, joined Ircon on 25th June 1998 on deputation from Ministry of Railways and got absorbed in 2002 as General Manager. He was a Director (Projects) from 8th August 2003 to 31st January 2009. He assumed tenure post as Managing Director on 1st February 2009, based on Presidential appointment conveyed through Ministry of Railways, for a period of 5 years or up to the age of superannuation, whichever is earlier. He has been re-designated by the Ministry of Railways as Chairman & Managing Director w.e.f. 5th March 2013. He has over 33 years of experience in all (in Indian Railways and Ircon put together).

4.2 Details of payments made to Independent Directors / Part-time (Non-official) Directors during 2012-13:

Sl. No	Name of the Independent Directors/ Part-time (Non-official) Directors	Sitting Fee		Total
		Board Meetings	Committee Meetings	
1.	Dr. G. V. Rao (throughout 2012-13)	50,000	60,000	1,10,000
2.	Prof. (Dr.) S. S. Chatterji (throughout 2012-13)	50,000	80,000	1,30,000
3.	Mr. B. M. Sharma (throughout 2012-13)	40,000	60,000	1,00,000

5. BOARD PROCEDURE

5.1 BoD Charter:

- 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).
- 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.
- 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 2012-13:

- The Board of Directors met 5 times during the financial year 2012-13 on: 26th April 2012, 25th July 2012, 19th October 2012, 4th December 2012, and 30th January 2013.
- Leave of absence was granted in terms of section 283(1)(g) of the Companies Act, 1956.
- Details of attendance of the Directors during 2012-13:

Directors	No. of Board Meetings during 2012-13		Attended last Annual General Meeting
	Held (during their respective tenures)	Attended	
A.P. Mishra	5	5	YES
Mohan Tiwari	5	5	YES
K. K. Garg	5	5	YES
Deepak Sabhlok	5	5	YES
Hitesh Khanna	5	5	YES
G. V. Rao	5	5	NO
S. S. Chatterji	5	5	NO
B. M. Sharma	5	4	YES
D. K. Saraf	5	3	NO

Ms. Lalitha Gupta, Company Secretary & GM (Law), attended all the meetings held during the year 2012-13.

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, CVO, 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 2012-13 is placed as **Annexure – C1**.

7. COMMITTEES OF BoD

7.1 Audit Committee

7.1.1 Terms of Reference:

Terms of reference for the Audit Committee as decided by the BoD include the following core areas:

- 1) 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.
- 2) Reviewing with the Management, the annual financial statements before they are approved by the Board of Directors, in particular: -
 - a) Changes in accounting policies and practices and their reasons.
 - b) Compliance with legal requirements relating to financial statements.
 - c) Matters relating to compliance with accounting standards and disclosure in the Directors' report.
 - d) Related party transactions.
 - e) Qualifications in the draft audit report etc.
- 3) Reviewing with the Management, the quarterly financial statements before they are approved by the Board of Directors.
- 4) Management Discussion and analysis of financial conditions and results of operations.
- 5) Discussion with the auditors -- both internal and statutory auditors – to address significant issues and areas of concern.
- 6) 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.
- 7) 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.
- 8) Reviewing appointment and remuneration of internal auditors.
- 9) Reviewing the Risk Policy and its implementation as regards risk assessment and risk mitigation, etc.

The Audit Committee had reviewed the matters as per the said Terms of Reference including the financial reporting process, the Annual Financial Statements for 2012-13, the declarations of due compliance by Chairman & Managing Director and Director Finance, role of auditors, internal control systems, etc. before recommending the Annual Accounts for 2012-13 for approval by the Board of Directors. The Audit Committee had also reviewed the financial statements and performance of its subsidiary companies.

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 28.04.2000 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 2011 as under with all the three independent directors in full compliance of all the governing laws:

Mr. B. M. Sharma, Independent Director	–	Chairman
Dr. G. V. Rao, Independent Director	–	Member

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

The Audit Committee had 5 meetings during 2012-13 on:

26th April 2012, 24th July 2012, 19th October 2012, 4th December 2012, and 30th January 2013.

The attendance details are:

Member	Status	Meetings held (during their respective tenures)	Meetings attended
B. M. Sharma	Chairman	5	5
S. S. Chatterji	Member	5	5
G. V. Rao	Member	5	5

Ms. Lalitha Gupta, Company Secretary & GM (Law), is the Secretary of the Audit Committee and attended all the meetings held during 2012-13.

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. 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 18th October 2012 for payment of PRP for 2011-12, which was attended by all the members of the Committee. Ms. Lalitha Gupta, Company Secretary & GM (Law), is the Secretary of the Remuneration Committee and attended this meeting.

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

Dr. G. V. Rao, Independent Director – Chairman
 Mr. B. M. Sharma, Independent Director – Member
 Mr. Anjum Pervez, Part-time Official Director – Member

7.4 Sustainable Development Committee

Sustainable Development Committee had been constituted pursuant to para 3.3 of the DPE Sustainable Development Guidelines for approving Sustainable Development Plan and to oversee the Sustainable

Development performance.

The Committee was constituted in November 2011 as under:

Prof. (Dr.) S.S. Chatterji, Independent Director	–	Chairman
Mr. Deepak Sabhlok, Director Projects	–	Member
Mr. Hitesh Khanna, Director Works	–	Member

The Committee had 3 meetings during 2012-13 on:

24th July 2012, 18th October 2012, and 30th January 2013.

The attendance details are:

Member	Status	Meetings held	Meetings attended
S. S. Chatterji	Chairman	3	3
Deepak Sabhlok	Member	3	2
Hitesh Khanna	Member	3	3

Ms. Lalitha Gupta, Company Secretary & GM (Law), was the Secretary of the Sustainable Development Committee and attended all the meetings held during 2012-13.

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

During the year, DPE has issued a new Guideline on CSR and SD (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 CSR-SD Committee is comprised of:

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 a meeting on 27th April 2013 to review the CSR-SD Plan & Activities, which was attended by all the members of the Committee. Ms. Lalitha Gupta, Company Secretary & GM (Law), is the Secretary of the CSR-SD Committee and attended this meeting. The Committee had its second meeting on 26th July 2013.

7.5 Share Issue Committee

The Company 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 July 2013 as under:

Mr. K. K. Garg, Director Finance	–	Chairman
Dr. G. V. Rao, 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.

7.6 Investment Committee

Investment Committee was constituted pursuant to section 292 of the Companies Act, 1956 to invest the surplus funds of the Company as and when the need arises.

The Committee was last re-constituted in November 2010 as under:

Mr. Mohan Tiwari, Managing Director	–	Chairman
Mr. K. K. Garg, Director Finance	–	Member
Mr. Deepak Sabhlok, Director Projects	–	Member

The Committee had 3 meetings during 2012-13 on 23rd July 2012, 18th October 2012, and 23rd November 2012. The attendance details are:

Member	Status	Meetings held	Meetings attended
Mohan Tiwari	Chairman	3	3
K. K. Garg	Member	3	3
Deepak Sabhlok	Member	3	1

Ms. Lalitha Gupta, Company Secretary & GM (Law), is the Secretary of the Investment Committee and attended all the meetings held during 2012-13.

8. COMPLIANCE OF PROVISIONS RELATING TO SUBSIDIARIES

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 2012-13. 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
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
2009-10	22nd September 2010	5 P.M.	Company's Registered Office, Delhi

- 9.2** No special resolution was required or passed in the last three Annual General Meetings (from 2009-10 to 2011-12). However, one special resolution was passed through Postal Ballot during the year 2010-11 for the proposal of delisting of equity shares of Itron 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 as Itron is no more a listed company w.e.f. 15th March 2012.

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 in note nos. 40 and 41 forming part of the Stand-alone Financial Statements and also in Directors' Report under the heading "Compliances".
- 10.3** During 2012-13, 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	2012-13	2011-12	Remarks
Administrative expenses	23.31	19.70	
Bank & Other Finance Charges	10.87	6.51	
Total Expenses	3453.42	3179.78	
Administration expenses/ Total expenses (in %)	0.67	0.62	Marginal increase in percentage on account of administration and banking charges is mainly due to increase in turnover and inflation during the year.
Bank & Financial Charges/ Total expenses (in %)	0.31	0.20	

- 10.5** The Company informs the Board every quarter 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 Concern'.
- 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 2012-13.
- 10.10** During the year, Ircon has made a bonus issue in the ratio of 1:1, allotted on 15th October 2012, to the then members of Ircon.
- 10.11** 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.
- 10.12** DPE has awarded 'Excellent' grading to Ircon for compliance of DPE Corporate Governance Guidelines during 2011-12.
- 10.13** Ircon has secured, based on self-evaluation, an annual score of '99' out of 100 which falls under 'Excellent' grade for compliance of DPE Corporate Governance Guidelines for the year 2012-13.

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 annual accounts for the year 2011-12 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 with confidential e-mail ids of nodal officers/ CMD/Chairman Audit Committee
 - iii) 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 : 3rd September 2013
- Time : 5:00 p.m.
- 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 2nd September 2013 and 3rd September 2013.

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 & General Manager (Law) 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 & GM (Law)
Ircon International Limited,
C-4, District Centre, Saket, New Delhi - 110 017
Telephone: 91-11-26545265 / 26530456
Fax: 91-11-26522000 / 26854000
E-Mail: lalitha.gupta@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 Annual Accounts 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 organised by SCOPE, Institute of Directors, International Management Institute, etc. during the year. Whole-time Directors attended two in-house training programs organised by the Company on Quality, Environment, & Safety Management Systems and Competency in Project Risk Management.

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 2012-13.

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

Mohan Tiwari
Chairman and Managing Director

Place : New Delhi
Dated : 26.07.2013

Annexure – C1

DECLARATION BY CHAIRMAN & MANAGING DIRECTOR REGARDING COMPLIANCE WITH THE CODE OF CONDUCT BY BOD MEMBERS AND SENIOR MANAGEMENT DURING THE FINANCIAL YEAR 2012-13.

I, Mohan Tiwari, Chairman & Managing Director, Itron 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 2012-13.

Mohan Tiwari
Chairman and Managing Director

Place: New Delhi
Dated: 31.05 2013

CHAIRMAN & MANAGING DIRECTOR AND FINANCE HEAD CERTIFICATION

We have reviewed the Financial Statements/ Annual Accounts including the Balance Sheet, Statement of Profit & Loss, and the Cash Flow Statement for the financial year 2012-13 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.

K.K. Garg

Director Finance

Mohan Tiwari

Chairman and Managing Director

Place : New Delhi

Dated : 25.07. 2013

M. Bangia & Associates

Company Secretaries

B- 152, Dayanand Colony, Lajpat Nagar-IV,
New Delhi-110024
Tel. : 91-11-41625462
Mobile : 98734-26246
E-mail : m_bangia@hotmail.com

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

To
The Members of
Ircan Intentional Limited
New Delhi

In respect of the compliance of the conditions of Corporate Governance for the year ended 31st March 2013, by Ircan 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 BANGIA
Proprietor
CP No. 3655

Place : New Delhi
Dated : 26.07.2013

AWARDS & CERTIFICATES

For Institution 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) (24 Awards in all since inception)	<ul style="list-style-type: none"> 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 	1986 to 1993 1995 & 1996 1994, 1997 1997 1998 1999 to 2002 2004 & 2007 2005 2006 2008 2009 2011 2013
Project Export Promotion Council of India (PEPC) (previously known as Overseas Construction Council of India OCCI) (45 Awards in all since inception)	<ul style="list-style-type: none"> 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 	1985, 1989 to 1993, 1995 1997, 2000 2002 & 2004 1994, 2001 2003 & 2005 1985 to 1989 1992 to 1994, 1996, 1999 2001 & 2002

AWARDS & CERTIFICATES

	<p>iv. Second Best performance in turnover from overseas projects</p> <p>v. Maximum foreign works secured in new areas in construction contracts</p> <p>vi. Maximum foreign business attempted</p> <p>vii. Maximum foreign exchange earned and repatriated</p> <p>viii. Second Best in the category of Maximum Foreign Exchange earned and repatriated to India</p>	<p>1990, 1991 1995 & 2000 1995 & 1996 2000 & 2001 1995 & to 1998 2001 & 2003 2006 & 2007</p>
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
'India Pride Awards' by Dainik Bhaskar and Daily News & Analysis (DNA)	Silver Trophy for Excellence in Central PSUs in Transport	2010
	Gold Trophy for excellence in Central PSUs in Infrastructure Development	2011
Construction Industry Development Council (CIDC)	CIDC Vishwakarma Award 2012 in category of best professionally managed company with a turnover of over Rs. 1,000 crores	2012
Dun & Bradstreet	India's Top PSU Award 2012 in Engineering & Construction	2012
Institute of Public Enterprises	"Global HR Excellence" Award for "CEO with HR Orientation" presented to IRCON MD, Shri Mohan Tiwari (now CMD)	2013



Financial Highlights of Iicon

(₹ in crores)

S.No.	Particulars	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04
1	Operating Income	4,232	3,601	3,182	3,153	2,654	1,968	1,475	1,058	964	748
2	Other Income	249	181	72	64	85	81	68	55	50	44
3	Total Income	4,481	3,782	3,254	3,217	2,739	2,049	1,543	1,113	1,014	792
4	Expenditure (Incl.increase/ decrease in stock)	3,423	3,123	2,816	2,912	2,507	1,848	1,408	982	892	701
5	Operating Margin (PBDIT)	1,058	659	438	305	232	201	135	131	122	91
6	Interest Expenses	-	-	-	-	-	-	-	-	-	-
7	Depreciation	43	57	37	41	44	41	24	20	14	12
8	Profit Before Tax	1,015	602	401	264	188	160	111	111	108	79
9	Profit After Tax	730	470	241	182	140	114	76	81	89	62
10	Dividend	148	94	49	37	30	30	26	26	20	19
11	General Reserves	2,277	1,733	1,372	1,181	1,012	903	824	768	721	647
12	Foreign Project Reserve	-	-	-	3	28	30	33	44	45	58
13	Other Reserves	3	-	-	5	25	6	7	7	7	2
14	Total Reserves & Surplus	2,280	1,733	1,372	1,189	1,065	939	864	819	773	707
15	Net Fixed Assets	180	196	244	236	260	279	260	160	136	123
16	Inventories	125	135	165	373	430	159	89	42	41	59
17	Foreign Exchange Earnings (net)	887	444	428	264	96	37	51	56	73	114
18	Share Capital	20	10	10	10	10	10	10	10	5	5
19	Capital Employed	2,300	1,743	1,382	1,205	1,078	951	876	830	778	712
20	Government Investments	-	-	-	-	-	-	-	-	-	-
21	Net Worth	2,300	1,743	1,382	1,199	1,075	949	874	829	778	712
22	Profit Before Tax to Capital Employed (%)	44	35	29	22	17	17	13	13	14	11
23	Operating Margin to Capital Employed (%)	46	38	32	25	22	21	15	16	16	13
24	Profit After Tax to Share Capital (%)	3,687	4,747	2,429	1,841	1,416	1,150	765	815	1,795	1,245
25	Expenditure to Income (%)	76	83	87	91	92	90	91	88	88	89
26	Number of Employees	1,704	1,703	1,678	1,751	1,964	1,978	1,830	1,723	1,652	1,609
27	Income per Employee	2.63	2.22	1.94	1.84	1.40	1.04	0.84	0.65	0.61	0.49
28	Foreign Exchange Earning per Employee	0.52	0.26	0.25	0.15	0.05	0.02	0.03	0.03	0.04	0.07
29	Current Ratio	1.61	1.47	1.53	1.31	1.24	1.21	1.25	1.41	1.54	1.79
30	Debt/Equity Ratio	-	-	-	-	-	-	-	-	-	-
31	Investments	295	208	185	130	234	246	234	213	200	122



Financial Statements 2012-13





BALANCE SHEET
as at 31st March 2013

(₹ in Crore)

	Particulars	Note No.	As at 31st March 2013		As at 31st March 2012	
I.	EQUITY AND LIABILITIES					
1	Shareholders' funds					
	(a) Share capital	2	19.80		9.90	
	(b) Reserves and surplus	3	2,280.57	2,300.37	<u>1,733.04</u>	1,742.94
2	Non-current liabilities					
	(a) Long term liabilities	4	397.32		271.46	
	(b) Long term provisions	5	420.10	817.42	<u>415.74</u>	687.20
3	Current liabilities					
	(a) Trade payables	6	633.40		529.91	
	(b) Other current liabilities	7	1,890.01		1,868.18	
	(c) Short-term provisions	8	692.22		470.70	
	(d) Proportionate Share in Jointly Controlled Entities		7.24	3,222.87	<u>13.78</u>	2,882.57
	TOTAL			6,340.66		5,312.71
II.	ASSETS					
1	Non-current assets					
	(a) Fixed assets	9				
	(i) Tangible assets		177.93		193.44	
	(ii) Intangible assets		-		0.01	
	(iii) Intangible assets under development	10	0.80		0.25	
	(iv) Capital work-in-progress	11	0.88		2.40	
	(v) Proportionate Interest in Jointly Controlled Entities		0.02		0.01	
	(b) Non-current investments	12	230.34		195.79	
	(c) Deferred tax assets (Net)	13	268.98		189.38	
	(d) Long-term loans and advances	14	393.06		317.34	
	(e) Other non-current assets	15	82.16	1,154.17	<u>81.56</u>	980.18
2	Current assets					
	(a) Current investments	16	64.95		12.51	
	(b) Inventories	17	124.56		134.51	
	(c) Trade receivables	18	1,098.78		846.60	
	(d) Cash and Bank balances	19	3,103.23		2,601.19	
	(e) Short-term loans and advances	20	527.12		450.27	
	(f) Other current assets	21	243.32		252.65	
	(g) Proportionate Interest in Jointly Controlled Entities		24.53	5,186.49	<u>34.80</u>	4,332.53
	TOTAL			6,340.66		5,312.71
				-		-
III.	Significant Accounting Policies	1				
IV.	Notes forming part of Financial Statements	2-48				

As per our Report of even date attached

For and on behalf of the Board of Directors

For Wahi & Gupta

Chartered Accountants
FRN 002263N

Y. K. Gupta

Partner
M. No. 16020

Lalitha Gupta

Company Secretary & GM (Law)

K. K. Garg

Director Finance

Mohan Tiwari

Chairman & Managing Director

Place : New Delhi
Date : 26.07.2013

STATEMENT OF PROFIT AND LOSS
For Year ended 31st March 2013

(₹ in Crore)

	Particulars	Note No.	2012-13	2011-12
I.	Revenue :			
	Revenue from operations	22	4,218.82	3,577.97
	Proportionate share of construction revenue in Jointly Controlled Entities		12.96	23.44
	Other income	23	249.44	180.51
	Total Revenue		4,481.22	3,781.92
II.	Expenses:			
	Operating and administrative expenses :	24		
	- Operating Expenses		3,073.25	2,656.82
	- Administrative Expenses		23.31	19.70
	Employee remuneration and benefits	25	197.61	158.31
	Finance costs	26	10.87	6.51
	Depreciation and amortization expense	9	42.96	56.84
	Provisions (Net)	27	101.95	249.14
	Proportionate share of expenses in Jointly Controlled Entities		11.59	20.97
	Prior Period Adjustment	28	4.95	11.49
	Total Expenses		3,466.49	3,179.78
III.	Profit Before Tax (I - II)		1,014.73	602.14
IV.	Tax expense:			
	(1) Current tax			
	- For the year		302.00	221.28
	- For earlier years (net)		62.34	(30.74)
	(2) Deferred tax (net)	13	(79.60)	(58.32)
	Total Tax Expense		284.74	132.22
V.	Profit for the year (III - IV)		729.99	469.92
VI.	Earnings per equity share - Basic and Diluted (in ₹)	47	505.72	474.76
VII.	Significant Accounting Policies	1		
VIII.	Notes forming part of Financial Statements	2-48		

As per our Report of even date attached

For and on behalf of the Board of Directors

For Wahi & Gupta

Chartered Accountants
FRN 002263N

Y. K. Gupta

Partner
M. No. 16020

Lalitha Gupta

Company Secretary & GM (Law)

K. K. Garg

Director Finance

Mohan Tiwari

Chairman & Managing Director

Place : New Delhi

Date : 26.07.2013



Cash Flow Statement
For the year ended on 31st March 2013

(₹ in Crore)

Particulars		2012-13	2011-12
CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before taxation & extraordinary items		1,019.68	613.63
Adjustment for:			
Depreciation		44.23	56.84
Amortisation of premium on investment		0.36	0.36
Impairment of Investment		-	5.53
Loss / (Profit) on sale of assets(net)		(3.04)	(8.39)
Interest Income		(208.67)	(153.95)
Provisions - (Additions - Write back) (Net)		101.95	249.14
Effect of Exchange differences on translation of Foreign Currency Cash & Cash Equivalents		(13.07)	15.95
Operating Profit before working capital changes	(1)	941.44	779.11
Adjustment for:			
Decrease / (Increase) in Trade Receivables/ Loans & Advances		(122.08)	420.29
Decrease / (Increase) in Inventories		9.95	30.41
Decrease / (Increase) in Other Assets		59.55	(47.36)
(Decrease) / Increase in Trade Payables		103.49	78.06
(Decrease) / Increase in Other Liabilities & Provisions		(132.98)	(571.61)
Decrease / (Increase) in JCE Current Assets		10.27	11.49
(Decrease) / Increase in JCE Current Liabilities		(6.54)	(20.92)
	(2)	(78.34)	(99.64)
Cash generated from operation	(1+2)	863.10	679.47
Prior period & extraordinary items		(4.95)	(11.49)
Income Tax Paid		(282.67)	(76.26)
NET CASH FROM OPERATING ACTIVITIES	(A)	575.48	591.72
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets including Capital WIP		(30.24)	(15.42)
Sale of Fixed Assets		5.54	13.09
Interest Received		157.85	109.03
Investment in Equity and Bonds		(87.35)	(28.82)
Decrease(increase) in JCE Fixed Assets		(0.01)	1.79
NET CASH FROM INVESTING ACTIVITIES	(B)	45.79	79.67
CASH FLOW FROM FINANCING ACTIVITIES			
Dividend (including Dividend Distribution Tax) paid		(132.30)	(62.06)
NET CASH FROM FINANCING ACTIVITIES	(C)	(132.30)	- (62.06)
Effect of Exchange differences on translation of Foreign Currency Cash & Cash Equivalents	(D)	13.07	(15.95)
NET INCREASE IN CASH & CASH EQUIVALENT	(A+B+C+D)	502.04	593.38
CASH AND CASH EQUIVALENT (OPENING)	(E)	2,601.19	2,007.81
CASH AND CASH EQUIVALENT (CLOSING)	(F)	3,103.23	2,601.19
NET INCREASE IN CASH & CASH EQUIVALENT	(F - E)	502.04	593.38

- 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 ₹ 19.29 crore (₹ 12.32 crore) received from contractors towards EMD and ₹ 470.40 crore (₹ 514.02 crore) against advances from clients on which interest is passed on to them.

As per our Report of even date attached

For and on behalf of the Board of Directors

For Wahi & Gupta
Chartered Accountants
FRN 002263N

Y. K. Gupta
Partner
M. No. 16020

Lalitha Gupta
Company Secretary & GM (Law)

K. K. Garg
Director Finance

Mohan Tiwari
Chairman & Managing Director

Place : New Delhi
Date : 26.07.2013

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 the Companies Act, 1956.

(iii) Foreign Currency Transactions

(a) Transactions within the Country

Foreign currency transactions within the country are translated in the following manner:

- i) All foreign currency transactions are translated into Indian currency at the buying rate prevalent on the date of transaction.
- ii) Depreciation is translated at the rates used for translation of the value of the assets on which depreciation is calculated.
- iii) Monetary items and contingent liabilities denominated in foreign currency are translated at the prevailing closing buying rate at each balance sheet date.
- iv) Fixed assets and non-monetary items are translated using the buying rate on the date of transaction.

(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 on the basis of buying rate at the date of transaction.
- ii) Inventories are translated at the buying rates prevalent at each balance sheet date.
- 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.
- v) Fixed assets and non-monetary items are translated at the buying rate at the date of transaction.

- (c) The net exchange differences resulting from the translations at (a) & (b) above are recognised 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 buying 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 recognised as income or expense in the same period in which gain or loss on disposal is recognised.

(iv) Fixed assets

- (a) Fixed assets are stated at historical cost less accumulated depreciation and impairment losses, if any.
- (b) Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalized.
- (c) Incidental expenditure during construction period incurred up to the date of commissioning is capitalized.

(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 realisable 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 Balances

Cash and bank balances comprise of cash at bank, cash in hand, cheques in hand, demand deposits and bank deposits with maturity period upto 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) In 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 subject to a minimum amount 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 unrealisability 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.

Receipts are inclusive of sales tax etc., as applicable.

(x) Contracts executed under Joint Venture (JV)

Contracts executed under Joint Venture (JV)

- (a) in jointly controlled operations, are accounted as independent contracts;
- (b) in respect of contracts executed by a jointly controlled entity, the profit / loss from the Joint Venture is accounted for in the year when determined.

(xi) Leases

- (a) Lease income from assets given on operating lease are recognized as income in the statement of profit and loss on straight-line basis over the lease term.
- (b) Lease payments for assets taken on operating lease are recognized as expense in the statement of profit and loss on straight-line basis over the lease term.

(xii) Liquidated Damages and Escalations

- (a) Liquidated damages/penalties arising from delays actually paid/recovered are adjusted against contract revenue/contract cost. Liquidated damages arising from contractual obligation but under negotiation and not considered payable and not recovered by the client are treated as contingent liability.
- (b) 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 and Development Expenses

Expenses on research and development are charged to statement of profit and loss.

(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

- (a) Depreciation on fixed assets and investment property 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 including UPS, Inverters and Mobile handsets 31.67%
 - iv) Vehicles (including Heavy Vehicles) 23.75%
 - v) Furniture & Fixtures 23.75%
 - vi) Speed Boats 19.00%
- (b) Depreciation on fixed assets and investment property in foreign countries is provided on straight-line basis 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 fixed 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 and Machinery Division.
- (c) Software cost exceeding ₹ 25 lakh each is amortised 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 depreciated in the year of purchase.
- (d) In case of leasehold land (other than perpetual lease) and leasehold property, depreciation is provided proportionately over the period of lease.
- (e) Assets acquired during the year costing up to ₹ 5000/- and 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 are fully depreciated.

(xvi) Borrowing Cost

- (a) Borrowing cost in ordinary course of business are recognised as an expense in the period in which they are incurred.
- (b) 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

- (a) Provision for leave encashment, gratuity and other retirement benefits is made based on actuarial valuation at the year end.
- (b) Provident Fund contribution is made to PF Trust on accrual basis.
- (c) Defined contributions for pension are charged to statement of profit and loss on accrual basis.

(xviii) Prior period adjustment and extraordinary items

- (a) Income/expenditure relating to prior period and prepaid expenses not exceeding ₹ 50000/- in each case are treated as income/expenditure of the current year.
- (b) Voluntary retirement scheme expenses are charged off in the year of incidence of expense.

(xix) Taxes

- (a) 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.
- (b) Deferred income tax 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 and International and two secondary reporting segments based on business of construction and leasing of assets and its operation (Leasing and 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 if the probability of outflow of resource is remote.
- (b) Contingent Assets are neither recognised, 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 2013	As at 31st March 2012
Authorized 2,50,00,000 Equity shares of ₹10 each	25.00	25.00
Issued, Subscribed & Paid-up 1,97,96,000 (98,98,000) Equity shares of ₹10 each-fully paid	19.80	9.90
TOTAL	19.80	9.90

I) Distribution of number of shares held:

Particulars	As at 31st March 2013		As at 31st March 2012	
	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%	9,871,200	99.729%
Indian Railway Finance Corporation Limited	48,800	0.247%	24,400	0.247%
Bank of India	4,800	0.024%	2,400	0.024%
TOTAL	19,796,000	100%	98,98,000	100%

ii) Bonus share issued during last five years : Bonus shares have been issued on 15th October 2012 in the ratio of 1:1 (Last year Nil).

iii) Terms/rights attached to shares:

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. 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.

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.

3 Reserves and surplus

(₹ in Crore)

Particulars	As at 31st March 2013		As at 31st March 2012	
a. General Reserve				
Opening Balance	1,733.04		1,372.41	
Add: Transfer from surplus in statement of profit and loss (Refer (c) below)	554.53		360.63	
Less : Utilized for issue of Bonus Shares	<u>9.90</u>	2,277.67	-	1,733.04
b. CSR Activities Reserve \$				
Transfer from Statement of Profit & Loss	<u>2.90</u>	2.90	-	
c. Surplus in Statement of Profit and Loss				
Net Profit for the current year	729.99		469.92	
Less :- Appropriations				
- Transfer to CSR Activities Reserve	2.90		-	
- Interim Dividends	49.49		29.69	
[(Dividend per share ₹ 25/- (₹ 30/-*)]				
- Proposed Dividends	98.98		64.34	
[(Dividend per share ₹ 50 /- (₹ 65/-*)]				
- Tax on Interim Dividend	8.03		4.82	
- Tax on Proposed Dividend	16.06		10.44	
- Transfer to General Reserve	<u>554.53</u>	-	<u>360.63</u>	-
Total		2,280.57		1,733.04

* Last year dividend was on Pre - Bonus Equity Shares

\$ CSR Reserve of ₹ 2.90 crores has been created as appropriation of profit for unspent amount for the year. In the previous year, unspent amount of ₹ 3.34 crores was charged to Profit and Loss account.



4 Long term liabilities

(₹ in Crore)

Particulars	As at 31st March 2013	As at 31st March 2012
(a) Trade Payables		
- Micro, Small & Medium Enterprises (Refer Note 46)	-	-
- Others	33.51	5.37
(b) Other Liabilities		
- Advance from clients (i)	236.04	151.86
- Retention Money /Security Deposit (ii)	127.77	114.23
Total	397.32	271.46

- i) Includes Interest payable on advances from clients ₹ **9.35 Crores** (₹ 5.57 Crores)
 ii) Includes earnest money deposits / security deposits received as Fixed deposits receipts from contractors ₹ **14.70 Crores** (₹ 22.04 Crores).

5 Long term provisions

(₹ in Crore)

Particulars	As at 31st March 2013	As at 31st March 2012
(A) Provisions for employee benefits: (Refer Note 44)		
i) Gratuity	50.61	46.77
ii) Leave Salary	58.50	52.44
iii) Settlement Allowance on Retirement	1.31	1.45
iv) Pension	17.88	12.80
v) Leave Travel Concession	<u>0.05</u> 128.35	<u>-</u> 113.46
(B) Other Provisions :		
i) Demobilisation	4.97	18.12
ii) Maintenance	46.87	63.89
iii) Future Contingencies	-	4.29
iv) Design Guarantee	221.86	183.34
v) Other Expenses	<u>18.05</u> 291.75	<u>32.64</u> 302.28
Total	420.10	415.74

6 Trade payables

(₹ in Crore)

Particulars	As at 31st March 2013	As at 31st March 2012
Trade Payables		
- Micro, Small & Medium Enterprises (Refer Note 46)	-	-
- Others		
(a) Contractors & Suppliers	624.03	518.05
(b) Related Parties	9.37	11.86
Total	633.40	529.91

7 Other current liabilities

(₹ in Crore)

Particulars	As at 31st March 2013	As at 31st March 2012
(a) Advance Contract Receipts	530.86	590.02
(b) Advances from Client (i and ii)	776.21	927.07
(c) Deposits & Retention Money (iii)	367.66	301.34
(d) Statutory Dues	183.86	22.58
(e) Staff	16.19	14.16
(f) Others (iv)	15.23	13.01
Total	1,890.01	1,868.18

- i Includes Interest payable on advances from clients ₹ **34.09 Crores** (₹ 103.33 Crores)
- ii Includes ₹ **0.79** (₹ 0.39 crore) advance from Ircon Infrastructure and Services Limited, a wholly owned subsidiary.
- iii Includes earnest money deposits / security deposits received as fixed deposit receipts from contractors ₹ **19.46 Crores** (₹ 12.32 Crores).
- iv Includes Outstanding and Other Liabilities.

8 Short-term provisions

(₹ in Crore)

Particulars	As at 31st March 2013		As at 31st March 2012	
(A) Provisions for employee benefits: (Refer Note 44)				
i) Gratuity	3.26		2.86	
ii) Leave Salary	6.20		5.15	
iii) Settlement Allowance on Retirement	0.11		0.13	
iv) Post Retirement Medical Benefits	9.36		-	
v) Performance Related Pay	11.44		12.11	
vi) Leave Travel Concession	<u>0.03</u>	30.40	<u>-</u>	20.25
(B) Other Provisions:				
i) Demobilisation	32.27		10.03	
ii) Maintenance	94.99		19.77	
iii) Future Contingencies	7.25		13.21	
iv) Corporate Social Responsibility	-		3.34	
v) Legal Cases	64.52		59.79	
vi) Other Expenses	25.66		41.39	
vii) Income tax and Wealth tax	819.74		444.06	
Less: Advance Tax (including TDS)	<u>(497.65)</u>	322.09	<u>(215.92)</u>	228.14
viii) Dividend (Proposed)	98.98		64.34	
ix) Tax on Dividend (Proposed)	<u>16.06</u>	661.82	<u>10.44</u>	450.45
Total		692.22		470.70

9 Fixed Assets

(₹ in Crore)

Fixed Assets	Gross Block				Accumulated Depreciation				Net Block	
	As at 01.04.2012	Additions	Sales/ Adjustments	As at 31.03.2013	Upto 31.03.2012	For the year	Sales/ Adjustments	Upto 31.03.13	As at 31.03.13	As at 31.03.12
A Tangible Assets										
Freehold Land	3.45	-	(0.03)	3.42	-	-	-	-	3.42	3.45
Lease hold Land (iv)	36.40	-	(0.01)	36.39	0.16	0.01	-	0.17	36.22	36.24
Lease hold Buildings (iii)	40.22	2.22	-	42.44	4.35	0.77	-	5.12	37.32	35.87
Freehold Buildings /Flats-Residential	9.30	-	-	9.30	2.38	0.15	-	2.53	6.77	6.92
Freehold Buildings/Flats-Non-Residential	10.64	-	-	10.64	1.34	0.19	-	1.53	9.11	9.30
Plant and Machinery (i and v)	348.10	24.26	(27.29)	345.07	252.40	37.21	(24.98)	264.63	80.44	95.70
Survey Instruments	3.53	0.27	(0.12)	3.68	3.16	0.33	(0.12)	3.37	0.31	0.37
Computers	8.35	0.65	(0.54)	8.46	7.47	0.70	(0.52)	7.65	0.81	0.88
Mobile Handset	0.25	0.05	(0.06)	0.24	0.21	0.05	(0.06)	0.20	0.04	0.04
Office Equipments	6.92	0.79	(0.54)	7.17	5.87	0.81	(0.54)	6.14	1.03	1.05
Furniture, Fixtures, Furnishings	7.68	0.62	(0.29)	8.01	6.86	0.78	(0.28)	7.36	0.65	0.82
Caravans, Camps and Temporary Sheds	6.37	2.01	(2.12)	6.26	6.33	2.03	(2.11)	6.25	0.01	0.04
Vehicles (v)	16.08	0.30	(1.75)	14.63	13.32	1.16	(1.65)	12.83	1.80	2.76
Current Year Total	497.29	31.17	(32.75)	495.71	303.85	44.19	(30.26)	317.78	177.93	193.44
Previous Year	516.25	14.54	(33.51)	497.29	276.38	56.28	(28.81)	303.85	193.44	239.86
B Intangible Assets										
Softwares	1.68	0.04	(0.01)	1.71	1.67	0.04	-	1.71	-	0.01
Current Year Total	1.68	0.04	(0.01)	1.71	1.67	0.04	-	1.71	-	0.01
Previous Year	1.68	-	-	1.68	1.11	0.56	-	1.67	0.01	0.57
GRAND TOTAL CURRENT YEAR	498.97	31.21	(32.76)	497.42	305.52	44.23	(30.26)	319.49	177.93	193.45
PREVIOUS YEAR	517.93	14.54	(33.51)	498.97	277.49	56.84	(28.81)	305.52	193.45	240.43

i) Includes Locomotives on short term lease and standby.

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

(₹ Crore)

Description	2012-13	2011-12
Statement of Profit and Loss		
Current	42.96	56.84
Prior Period	1.27	-
Total	44.23	56.84

iii) Includes on Railways land for 30 years lease (Gross value ₹ 5.30 crore) for which agreement is yet to be finalized.

iv) Lease hold land includes land at Greater Noida for construction of proposed Central Inspection Cell (CIC) by the Company (Gross value ₹ 0.80 crore). The request for time extension for construction of Building has been submitted to the appropriate authority.

v) Fixed assets beyond economic repair and held for disposal reduced from sales/adjustment column and transferred to other current assets: -

(₹ in Crore)

Block of assets	As at March 2013		As at March 2012	
	Gross Block	Net Block	Gross Block	Net Block
Plant and Machinery	13.40	1.20	3.30	0.01
Vehicles			2.06	-
Total	13.40	1.20	5.36	0.01



10 Intangible asset under development

(₹ in Crore)

Particulars	As at 31st March 2013	As at 31st March 2012
Implementation of SAP		
Opening Balance	0.25	-
Additions during the year:	0.55	0.25
TOTAL	0.80	0.25

11 Capital work-in-progress

(₹ in Crore)

Particulars	As at 31st March 2013	As at 31st March 2012
Opening Balance	2.40	1.77
Additions during the year:		
- Work Expenses	0.82	0.63
Less :- Capitalised during the year	2.34	-
TOTAL	0.88	2.40

12 Non current investments

Particulars	As at 31st March 2013		As at 31st March 2012	
	Nos.	Amount (₹ in Crore)	Nos.	Amount (₹ in Crore)
A Trade Investments (At Cost)				
Un- Quoted				
Investment in Fully Paid up Equity Shares: In Integrated 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 and b) 6,38,70,000 equity shares of ₹ 10 each fully paid-up	6,38,70,000	63.87	6,38,70,000	63.87
		-		
In Subsidiaries				
Ircon Infrastructure & Services Limited 4,00,00,000 equity shares of ₹ 10 each	4,00,00,000	40.00	49,00,000	4.90
Indian Railway Stations Development Corporation Limited 1,02,00,000 equity shares of ₹10 each	1,02,00,000	10.20		-
Total (A)		114.07		68.77
B Other Investments (At Cost)				
Quoted				
Investment in Bonds				
6.85% Tax Free India Infrastructure Finance Company Ltd. (IIFCL) Bonds of ₹ 1,00,000 each		-	6,000	61.07
Less : Amortization of premium paid on investment		-		0.36
6.00% Tax Free Indian Railway Finance Company Limited (IRFC) Bonds of ₹1,00,000 each	5,000	50.00	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		-
Total (B)		116.27		127.02
Total		230.34		195.79

Disclosure regarding Quoted/Unquoted Investments:	₹ in Crore	₹ in Crore
Aggregate of Unquoted investments - Book value	114.07	68.77
Aggregate of Quoted investments - Book value	116.27	127.02
- Market value	115.11	123.84

- i) The value of one equity share of Meticals 24000 is equivalent to ₹ 44.27.
- ii) (a) Out of 6,38,70,000 equity shares, 30 % shares (1,91,61,000 no.) of ISTPL are pledged with Punjab National Bank against the loan drawn by ISTPL outstanding as on 31.03.2013 is ₹ 494.96 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.

13 Deferred tax assets (Net)

(₹ in Crore)

Particulars	As at 1st April 2012	Addition (Deletion) during the year	As at 31st March 2013
	Total	Total	Total
<u>Asset</u>			
Provision for :			
- Maintenance and demobilisation	16.74	32.20	48.94
- Future contingencies	5.68	(3.22)	2.46
- Doubtful debts and advances	34.21	(0.52)	33.69
- Gratuity	16.10	2.21	18.31
- Leave Travel Concession	-	0.03	0.03
- Legal cases	19.40	2.53	21.93
- Design Guarantee	45.84	29.57	75.41
- Other Expenses	24.98	(10.12)	14.86
Expenses :			
- On Voluntary retirement scheme	0.02	(0.01)	0.01
- Allowed for tax purpose when paid	27.04	13.84	40.88
	190.01	66.51	256.52
<u>Liability</u>			
Depreciation	0.63	(13.09)	(12.46)
	0.63	(13.09)	(12.46)
Net Deferred Tax Asset / Liability	189.38	79.60	268.98
Previous Year	131.06	58.32	189.38

14 Long term loans and advances*

(₹ in Crore)

Particulars	As at 31st March 2013	As at 31st March 2012
A. Secured, considered good		
Staff Loans and Advances	1.73	1.84
Advances to Contractors against material and machinery	<u>-</u>	<u>0.27</u>
	1.73	2.11
B. Unsecured, considered good		
Security Deposits		
- Government Departments	0.61	0.30
- With Clients	21.07	21.97
- Others	<u>4.88</u>	<u>4.94</u>
	26.56	27.21
Loans to Related Parties		
Joint Ventures		
-CCFB (Refer note 41)	58.96	56.83
Subsidiaries		
-Iicon ISL	<u>34.01</u>	<u>50.92</u>
	92.97	107.75
Staff Loans & Advances	1.26	1.23
Deposits with Government Departments	0.13	0.15
Advances to Contractors and Suppliers	102.24	15.38
Recoverable from clients	-	0.01
Income Tax (Including TDS)	166.53	162.48
Prepaid Expenses	<u>1.64</u>	<u>1.02</u>
	271.80	180.27
C. Considered Doubtful		
Loan to Related Parties		
Joint Venture		
-CCFB (Refer note 41)	29.86	36.41
Staff Loans and Advances	-	0.03
Advances to Contractors and Suppliers	8.48	6.42
Deposits and Retention Money	<u>0.02</u>	<u>0.02</u>
	38.36	42.88
Less :- Provision for doubtful advances	38.36	42.88
	-	-
Total	393.06	317.34

* 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 2013	As at 31st March 2012
A. Secured, considered good		
Interest Accrued on :		
- Advances to staff	0.96	1.11
B. Unsecured, considered good		
Fixed Deposits more than 12 months (I)	14.70	22.04
Interest Accrued on :		
- Advances to staff	0.31	0.24
- Advances to Contractors, Suppliers & Others	33.96	25.74
- Advance to IRWO	0.41	0.61
- Deferred dues (Refer note 40 (b))	31.82	<u>31.82</u>
	66.50	58.41
C. Considered Doubtful		
Interest Accrued on :		
- Related party-Joint Venture-CCFB (Refer note 41)	0.19	0.19
- Advances to staff	-	0.03
- Advances to Contractors, Suppliers & Others	0.40	<u>0.40</u>
	0.59	0.62
Less: Provision for doubtful	0.59	0.62
	-	-
Total	82.16	81.56

i) Includes Fixed Deposits ₹ **14.70 Crore** (₹ 22.04 Crore) received from contractors towards Earnest money deposit / security deposit.

* 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 2013		As at 31st March 2012	
	Nos.	Amount (₹ in Crore)	Nos.	Amount (₹ in Crore)
A. Investment in Mutual Fund				
Quoted Mutual Fund				
UTI Mutual Fund - Daily Dividend Plan (i)	45,156	4.60	122,740	12.51
B. 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		-
Total		64.95		12.51

Disclosure regarding Quoted Investments:

Aggregate of Quoted investments - Book value
- Market value

₹ in Crore

64.95
63.88

₹ in Crore

12.51
12.51

17 Inventories

(₹ in Crore)

Particulars	As at 31st March 2013	As at 31st March 2012
a. Material and stores		
- In Hand	37.22	65.84
- With Third Parties	1.06	1.90
- In Transit	<u>0.37</u>	<u>0.22</u>
	38.65	67.96
b. Construction work-in-progress at cost	85.91	66.55
Total	124.56	134.51

18 Trade receivables *

(₹ in Crore)

Particulars	As at 31st March 2013		As at 31st March 2012	
Unsecured:				
Outstanding for a period exceeding six months from the date they were due for payment				
- Considered good	159.97		45.04	
- Considered doubtful & provided for	<u>21.03</u>	181.00	<u>36.19</u>	81.23
Other trade receivables				
- Considered good	938.81		801.56	
- Considered doubtful & provided for	<u>0.58</u>	<u>939.39</u>	<u>0.12</u>	<u>801.68</u>
		1,120.39		882.91
Less: Provision for doubtful debts		21.61		36.31
Total		1,098.78		846.60

* 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).

* Includes amount due from Subsidiaries: (₹ in Crore)

Particulars	Balance at the end of year	
	31.03.2013	31.03.2012
Outstanding for a period exceeding six months from the date they were due for payment	1.58	-
Other trade receivables	5.10	6.54
Total	6.68	6.54

19 Cash & Bank balances

(₹ in Crore)

Particulars	As at 31st March 2013		As at 31st March 2012	
Cash and cash equivalents				
a) Cash In hand (i)		0.24		0.46
b) Cheques / drafts in hand		0.02		0.15
c) Balances with banks :				
- In Current accounts		124.39		494.25
- In Flexi accounts (ii)		194.55		117.14
- In Fixed deposits (with a maturity period of less than 3 months) (iii)		<u>1,243.74</u>	<u>1,562.68</u>	<u>649.02</u>
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)		1,516.64		1327.85
Fixed deposits received from contractors		19.46		12.32
Total		3,103.23		2,601.19

i) Cash in hand includes cash imprest ₹ **0.02** crores (₹ 0.06 crores)

ii) Includes Clients Fund on which interest is passed on to them: (₹ in Crore)

Particulars	Balance at the end of year	
	31.03.2013	31.03.2012
In Flexi accounts	72.55	-
In Fixed deposits (with a maturity period of less than 3 months)	470.00	289.02
In Fixed deposits (with a maturity period of more than 3 months and upto 12 months)	0.40	225.00
Total	542.95	514.02

20 Short term loans and advances *

(₹ in Crore)

Particulars	As at 31st March 2013		As at 31st March 2012	
A. Secured, considered good				
Staff Loans and Advances	0.70		0.72	
Advances to Contractors against material and machinery	31.53	32.23	<u>57.33</u>	58.05
B. Unsecured, considered good				
Security Deposits				
- Government Departments	7.08		4.55	
- With Clients	90.65		56.69	
- Others	0.61	98.34	0.56	61.80
Amount Recoverable from :				
Joint Ventures				
- RICON CETA SARL	1.10		3.89	
- CCFB	0.67		0.60	
- IRCON - RCS - PFLEIDERER	-		0.01	
Subsidiaries				
- Ircon ISL	1.95		0.15	
- IRSDC	<u>-</u>	3.72	<u>-</u>	4.65
Staff Loans and Advances	2.39		3.25	
Advances to Contractors and Suppliers	93.97		126.55	
Deposits with Government Departments	-		-	
Money with held by clients	72.46		76.62	
Sales Tax (including TDS)	118.06		24.66	
Value Added Tax	84.66		66.76	
Service Tax input credit	1.07		0.92	
Income Tax (Including TDS)	11.01		10.07	
Prepaid Expenses	5.39		7.87	
Others	<u>3.82</u>	392.83	<u>9.07</u>	325.77
C. Considered Doubtful				
Staff Loans & Advances	0.01		-	
Advances to Contractors and Suppliers	8.62		6.87	
Deposits with Government Departments	2.25		3.45	
Deposits and Retention Money	16.93		15.41	
Sales Tax (including TDS)	<u>10.73</u>		<u>-</u>	
	38.54		25.73	
Less:- Provision for doubtful advances	38.54	-	25.73	-
Total		527.12		450.27

* 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).

Details of amount due from Directors:

(₹ in Crore)

Particulars	As at 31st March 2013	As at 31st March 2012
Amount due from directors included in staff loans and advances	0.03	0.05
	0.03	0.05

21 Other current assets *

(₹ in Crore)

Particulars	As at 31st March 2013	As at 31st March 2012
A) Interest Accrued on:		
Staff loans and advances (secured)	0.16	0.15
Bonds	3.41	1.70
Staff loans and advances (unsecured)	0.09	0.08
Loan to		
- Indian Railway Welfare Organisation	0.20	0.20
- IIRCON Infrastructure & Services Limited	7.82	4.42
Deposits & Advances with:		
- Contractors, Suppliers & Others	0.53	0.54
- Deposit with banks	94.04	56.28
B) Construction Work in Progress (At realisable value)	135.87	189.27
C) Assets held for disposal (I)	1.20	0.01
TOTAL	243.32	252.65

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

Block of assets	As at March 2013		As at March 2012	
	Gross Block	Net Block	Gross Block	Net Block
Plant and Machinery	13.40	1.20	3.30	0.01
Vehicles			2.06	-
Total	13.40	1.20	5.36	0.01

* Other current assets stated above include ₹ Nil (₹ Nil) 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 as disclosed below.

Details of amount due from Directors:

(₹ in Crore)

Particulars	As at 31st March 2013	As at 31st March 2012
Amount due from directors included in interest accrued on staff loans and advances	0.003	0.01
	0.003	0.01



22 Revenue from operations

(₹ in Crore)

Particulars	2012-13	2011-12
Contract Revenue	4,171.92	3,539.87
Loco lease	35.60	31.63
Machinery hire charges	0.08	0.38
Other Operating Receipts	11.22	6.09
TOTAL	4,218.82	3,577.97

23 Other Income

(₹ in Crore)

Particulars	2012-13	2011-12
Interest on Tax Free Bonds	9.66	7.48
Bank Interest Gross	235.35	169.03
Less:- Interest passed to clients	<u>48.37</u>	<u>34.87</u>
Interest on refund of income-tax	186.98	134.16
Interest on staff advances	7.51	6.31
Interest on loan to Ircon ISL	0.41	0.37
Interest on other advances	8.69	4.91
Exchange Fluctuation Gain	4.11	5.63
Less:- Exchange Fluctuation Loss	27.53	-
Dividend Income	<u>14.46</u>	<u>-</u>
Less:- Dividend passed to clients	13.07	-
Profit on sale of assets	3.05	0.41
Miscellaneous	<u>0.76</u>	<u>-</u>
TOTAL	249.44	180.51

24 Operating expenses and administrative expenses

(₹ in Crore)

Particulars	Operating expenses		Administrative expenses	
	2012-13	2011-12	2012-13	2011-12
Materials and Stores consumed:				
Opening balance	67.75	62.45	-	-
Add: Purchases during the year	392.39	455.49	-	-
	460.14	517.94	-	-
Less: Closing Balance	38.28	67.75	-	-
Work expenses	2,360.51	1,973.95	-	-
(Increase) / Decrease in WIP	(19.37)	21.92	-	-
Design, Drawing, Business Development and Consultancy Charges	102.36	67.73	-	-
Inspection, Geo Technical Investigation and Survey expenses etc.	3.69	3.46	-	-
Repairs and maintenance of machinery	30.62	18.38	-	-
Hire charges of machinery	9.41	5.72	-	-
Exchange fluctuation loss	-	51.20	-	-
Less:- Exchange fluctuation gain	-	35.25	-	-
Net exchange fluctuation loss	-	15.95	-	-
Rent - Non-residential (Refer note 33 (III))	4.30	4.23	0.15	0.20
Rates and taxes	135.69	55.85	0.36	0.83
Vehicle operation and maintenance	14.19	15.64	0.78	0.69
Repairs and maintenance				
- Building	0.26	0.25	0.38	0.51
- Office and Others	3.17	3.20	3.17	2.33
Power, electricity and water charges	3.81	3.57	1.45	1.04
Insurance	10.17	9.83	0.18	0.12
Travelling and conveyance	9.96	10.09	1.54	1.53
Printing and stationery	1.96	2.00	0.98	0.64
Postage, telephone and telex	2.55	2.49	0.50	0.52
Legal and Professional charges	2.59	3.97	3.69	1.70
Security services	3.16	3.43	0.16	0.18
Business promotion	1.12	1.11	0.11	0.09
Write-off of :				
- Bad debts	0.10	-	-	-
- Bad advances	0.60	0.23	-	-
Loss on sale of Assets/Stores	-	-	0.40	0.06
Amortization of premium paid on Investments	-	-	0.36	0.36
Director sitting fee	-	-	0.03	0.02
Donation	-	-	-	0.15
Auditors remuneration (i)	-	-	0.77	0.76
Advertisement and publicity	-	-	3.30	4.51
Training and Recruitment	-	-	0.60	0.29
Research and Development expenses	-	-	2.42	0.05
Sustainable Development	-	-	0.90	-
Corporate social responsibility	-	-	9.84	2.25
Miscellaneous expenses	2.46	2.66	1.08	0.87
Less:- Provisions / Reserves Utilised (ii)	(31.92)	(19.03)	(9.84)	-
Total	3,073.25	2,656.82	23.31	19.70

(i) Payment to Statutory Auditors:

	2012-13	2011-12
(i) Audit Fee - current year	0.20	0.24
(ii) Tax Audit Fees - current year	0.06	0.07
(iii) Certification Fees	0.08	0.07
(iv) Reimbursement of Expenses:		
- Local	0.35	0.32
- Foreign	0.08	0.06
Total	0.77	0.76

(ii) Details given in Note - 27

25 Employee remuneration and benefits

(₹ in Crore)

Particulars	2012-13		2011-12	
	Operating	Administrative	Operating	Administrative
Salaries, wages and bonus (i) (Refer note 33(III))	118.22	32.62	98.57	31.45
Contribution to provident and other funds	6.19	2.52	7.70	2.10
Foreign service contribution	0.75	0.39	0.27	0.43
Retirement benefits	10.62	23.62	10.47	4.39
Staff welfare	2.24	0.44	2.48	0.45
Sub Total	138.02	59.59	119.49	38.82
Total	197.61		158.31	

(i) Includes income-tax on non-monetary perks ₹ **0.23 Crores** (₹ 0.21 Crores).

26 Finance Cost

(₹ in Crore)

Particulars	2012-13	2011-12
Interest Expenses	0.08	-
Other Borrowing Cost		
- Bank & Other Charges	10.79	6.51
Total	10.87	6.51

27 Provisions (Net)

(₹ in Crore)

Particulars	Balance as on 1-4-2012			During the year 2012-13			Balance as on 31-3-2013		
	Long Term	Short Term	Total	Additions	Written Back	Utilisation	Total	Long Term	Short Term
Provided for :									
A Employees Related									
(i) Retirement Benefits									
Gratuity	46.77	2.86	49.63	7.75	-	3.51	53.87	50.61	3.26
Leave Salary	52.44	5.15	57.59	11.29	0.08	4.10	64.70	58.50	6.20
Settlement allowances on retirement	1.45	0.13	1.58	-	0.16	-	1.42	1.31	0.11
Post Retirement Medical Benefits			-	9.36	-	-	9.36	-	9.36
Pension	12.80	-	12.80	5.08	-	-	17.88	17.88	-
Total of Retirement Benefits (i)	113.46	8.14	121.60	33.48	0.24	7.61	147.23	128.30	18.93
(ii) Others									
Performance Related Pay	-	12.11	12.11	10.30	-	10.97	11.44	-	11.44
Leave Travel Concession			-	0.08	-	-	0.08	0.05	0.03
Total of Other Benefits (ii)	-	12.11	12.11	10.38	-	10.97	11.52	0.05	11.47
Total Employee Related Provisions (i+ii)	113.46	20.25	133.71	43.86	0.24	18.58	158.75	128.35	30.40
B Others									
Demobilisation	18.12	10.03	28.15	9.66	-	0.57	37.24	4.97	32.27
Maintenance	63.89	19.77	83.66	71.75	7.13	6.42	141.86	46.87	94.99
Future contingencies (Contracts)	4.29	13.21	17.50	6.81	3.61	13.45	7.25	-	7.25
Design Guarantee	183.34	-	183.34	38.52	-	-	221.86	221.86	-
Doubtful debts	-	36.31	36.31	3.71	18.32	0.09	21.61	-	21.61
Doubtful advances	43.50	25.73	69.23	20.43	12.10	0.07	77.49	38.95	38.54
Diminution in value of Investment	5.53	-	5.53	-	-	-	5.53	5.53	-
Corporate Social Responsibility	-	3.34	3.34	6.50	-	9.84	-	-	-
Liabilities(Legal cases)	-	59.79	59.79	5.98	0.67	0.58	64.52	-	64.52
Other expenses	32.64	41.39	74.03	5.43	25.01	10.74	43.71	18.05	25.66
Income-tax and Wealth tax	-	444.06	444.06	391.25	13.87	1.71	819.73	-	819.73
Dividend (Interim and Proposed)	-	64.34	64.34	148.47	-	113.83	98.98	-	98.98
Tax on Dividend (Interim and Proposed)	-	10.43	10.43	24.09	-	18.46	16.06	-	16.06
Total Other Provisions (B)	351.31	728.40	1,079.71	732.60	80.71	175.76	1,555.84	336.23	1,219.61
GRAND TOTAL (C = A+B)	464.77	748.65	1,213.42	776.46	80.95	194.34	1,714.59	464.58	1,250.01
D Less:- Considered Separately									
Doubtful debts considered in Note 18	-	36.31	36.31				21.61	-	21.61
Doubtful advances considered in Note 14,15 & 20	43.50	25.73	69.23				77.49	38.95	38.54
Impairment of Investment considered in Note 12	5.53	-	5.53				5.53	5.53	-
Retirement Benefits considered in Note 25				33.48	0.24	7.61			
PRP & LTC included in Salaries, Wages and Benefits				10.38	-	10.97			
Income-tax adjusted / considered separately				391.25	13.87	1.71			
Dividend paid / considered separately				148.47	-	113.83			
Corporate-tax on Dividend paid / considered separately				24.09	-	18.46			
TOTAL (D)	49.03	62.04	111.07	607.67	14.11	152.58	104.63	44.48	60.15
Net: Current Year (C - D)	415.74	686.61	1,102.35	168.79	66.84	41.76	1,609.96	420.10	1,189.86
Previous Year	324.78	676.21	1,000.99	265.95	16.81	19.03	1,102.35	415.74	686.61

NOTE:

Net Provisions(Additions/Write Back) carried to Statement of Profit and Loss **101.95**

Retirement Benefits provisions considered in Note 25 **25.63**

Performance Related Pay & LTC considered in Note 25 in Salary and Wages **(0.59)**

Provisions Utilized considered in Note 24 **41.76**



28 Prior Period Adjustments

(₹ in Crore)

Particulars	2012-13	2011-12
PRIOR PERIOD ITEMS:		
Income:		
Revenue from Operation	0.65	(0.61)
Interest income on deposits/ loans	0.71	-
Miscellaneous	<u>0.22</u>	<u>0.01</u>
	1.58	(0.60)
Expenses:		
Work expenses	1.75	1.37
Administrative expenses	0.01	-
Depreciation	1.27	-
Interest & Financial Charges	0.22	-
Rates and taxes	-	5.44
Design, Drawing, Business Development and Consultancy Charges	3.15	4.01
Others	<u>0.13</u>	<u>0.07</u>
	6.53	10.89
TOTAL	(4.95)	(11.49)

29. Contingent liabilities consist of:

- (a) Claims against the Company not acknowledged as debt ₹ 597.21 crore (₹ 622.19 crore). Against this the Company has counter claims of ₹ 265.48 crore (₹ 137.33 crore). In case claims against the Company do materialise, claims for ₹ 88.14 crore (₹ 327.12 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 ₹ 145.91 crore (₹ 175.29 crore) of which ₹ 23.06 crore (₹ 46.21 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 maximum to the extent of ₹ 300 crore (being 50% of total term loan of ₹ 600 crore).

30. Commitments:

- (a) Estimated amount of contracts remaining to be executed on capital account (net of advances) is ₹ 0.51 crore (₹ 1.92 crore).
- (b) Other Commitments :
Commitments to fund subsidiaries/ Joint Ventures/ associates :
 - a. To IrconISL (100% subsidiary of Ircon) towards balance shareholder loan ₹ 30.89 crore (₹ 0.10 crore).
 - b. To Indian Railway Stations Development Corporation Limited towards its share of equity (51%) ₹ 30.60 crore (₹ 5.10 crore).
 - c. To Chattisgarh East Railway Limited and Chattisgarh East-West Railway Limited towards company's share of equity (26% each) for ₹ 2.60 crore (₹ Nil).

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	2012-13	2011-12
Work Receipts & Loco lease	1974.55	1843.27
Bank Interest	6.11	5.94
Other Interest	0.15	0.42
Foreign Exchange Fluctuation Gain (Net)	13.07	-
Others	2.91	12.82
TOTAL	1996.79	1862.44

(b) **Expenditure in foreign currency:**

(₹ in Crore)

Particulars	2012-13	2011-12
Operational Expenses	960.10	1181.39
Consultancy charges	48.96	66.13
Foreign Exchange Fluctuation Loss (Net)	-	15.95
Administrative & Other Expenses	101.24	155.22
TOTAL	1110.30	1418.69

(c) **CIF value of Imports:**

(₹ in Crore)

Particulars	2012-13	2011-12
Materials	55.74	21.44
Consumables, Components and Spares	-	-
TOTAL	55.74	21.44

(d) **Material and Stores consumed:**

(₹ in Crore)

Particulars	2012-13		2011-12	
	Amount	%age	Amount	%age
Imported	55.74	13.21%	21.44	4.76%
Indigenous	366.12	86.79%	428.75	95.24%
Total	421.86	100%	450.19	100%

33. Disclosure regarding Leases:

I. Operating leases for locomotives

(a) The Company has provided 25 locomotives on lease to a foreign client as on 31.03.2013.

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

(₹ in Crore)

Lease Rent	Not later than 1 year	Later than 1 year to 5 years	Later than 5 years
Receivable	25.20 (25.49)	0.26 (Nil)	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 of assets	As on 31 March 2013	As on 31 March 2012
Gross carrying amount of assets	26.79	24.82
Accumulated depreciation	25.45	23.58

(₹ in Crore)

Particulars	2012-13	2011-12
Depreciation for the year	1.87	14.76

II. Operating lease for light vehicles

The Company has taken three (four) light vehicles on operating lease without any obligation to purchase from lessor for its use for 5 years. The agreement has expired on 09.04.2013. The future minimum basic lease rent payable is as under:

(₹ in Crore)

Lease Rent	Not later than 1 year	Later than 1 year to 5 years	Later than 5 years
Payable	Nil (0.04)	Nil (Nil)	Nil (Nil)

III. 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 ₹ 5.55 crore (₹ 5.44 crore) towards lease payments, net of recoveries in respect of premises for residential use of employees. Lease payments in respect of premises for offices, guesthouses and transit camps aggregate to ₹ 4.45 crore (₹ 4.43 crore) shown as rent in note 24.

34. Segment Reporting:

Primary Segment information (Geographic):

(₹ in crore)

Particulars	International		Domestic		Others*		Total	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
A. Turnover								
Revenue from Operations	1974.63	1849.76	2256.17	1749.51	0.98	2.14	4231.78	3601.41
Other Income	20.09	15.17	16.02	14.94	213.33	150.40	249.44	180.51
Inter-segment	-	-	-	-	-	-	-	-
Total Revenue	1994.72	1864.93	2272.19	1764.45	214.31	152.54	4481.22	3781.92
B. Result								
Profit before Provision, Depreciation, Interest and Tax	862.38	603.73	110.39	191.74	186.95	112.65	1159.72	908.12

Less:								
Provision & write backs (Net)	106.25	112.93	(7.79)	80.18	3.49	56.03	101.95	249.14
Depreciation	33.62	42.90	7.79	10.50	1.55	3.44	42.96	56.84
Interest	-	-	-	-	0.08	-	0.08	-
Profit Before Tax	722.51	447.90	110.39	101.06	181.83	53.18	1014.73	602.14
Tax Expense	35.77	44.72	93.89	54.90	155.08	32.60	284.74	132.22
Profit After Tax	686.74	403.18	16.50	46.16	26.75	20.58	729.99	469.92
C. Other Information								
Assets	2514.62	2036.29	1717.81	1607.92	2108.23	1668.50	6340.66	5312.71
Include Fixed Assets (Net Block)	71.11	75.33	26.48	38.24	82.04	82.54	179.63	196.11
Liabilities	1817.65	1660.52	1712.41	1564.00	510.23	345.25	4040.29	3569.77
Capital Expenditure: Additions to Fixed Assets	28.42	13.62	0.30	0.37	2.49	0.55	31.21	14.54

*Others include unallocated revenue, expenses, assets and liabilities.

Secondary Segment information (Business):

(₹ in crore)

Particulars	Operating Income		Segment Assets		Additions to Fixed Assets	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Construction, etc.	4195.77	3569.29	6304.16	5300.19	29.16	14.36
Leasing operation	36.01	32.12	36.00	12.52	2.05	0.18
Total	4231.78	3601.41	6340.16	5312.71	31.21	14.54

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

(a) Unincorporated Joint-Ventures:

i) For projects in operation:

S. No.	Name of the JV	Partner(s) and Country of Origin	Participating Interest (in %) as on 31st March	
			2013	2012
1	Ircon-RCS-PFLEIDERER	Ircon, India	65.08	65.08
		Rayalseema Concrete Sleepers Pvt. Ltd, India	21.87	21.87
		Pfleiderer Infrastrukturtechnik GmbH & Co, Germany	13.05	13.05
2	IRCON-SPSCPL	IRCON, INDIA SPSCPL, INDIA	50.00 50.00	50.00 50.00

ii) For projects which have been completed :

S. No.	Name of the JV	Partner(s) and Country of Origin	Participating Interest (in %) as on 31st March	
			2013	2012
1	RICON	Ircon, India RITES, India	49.00	49.00
			51.00	51.00
2	RICON- CETA SARL	RICON, India CETA, Mozambique	49.00	49.00
			51.00	51.00
3	Ircon-COBRA-ELIOP	Ircon, India COBRA, Spain ELIOP, Spain	61.22	61.22
			34.35	34.35
			4.43	4.43
4	Ircon-Sree Bhawani Builders	Ircon, India Sree Bhawani Builders, India	24.21	24.21
			75.79	75.79
5	SMJ – Ircon	Ircon, India Sumber Mitra Jaya, Indonesia	25.00	25.00
			75.00	75.00
6	Ircon-SMJ Project JV	Ircon, India Sumber Mitra Jaya, Indonesia	55.00	55.00
			45.00	45.00
7	International Metro Civil Contractor. (IMCC)	Dywidag, Germany Larsen & Tubro Ltd., India Samsung Corp., Korea Shimizu Corp., Japan Ircon, India	29.00	29.00
			26.00	26.00
			26.00	26.00
			9.50	9.50
			9.50	9.50
8	Metro Tunneling Group (MTG)	Dywidag, Germany Larsen & Tubro Ltd., India Samsung Corp., Korea Shimizu Corp., Japan Ircon, India	29.00	29.00
			26.00	26.00
			26.00	26.00
			9.50	9.50
			9.50	9.50
9	Ircon-GANNON Dunkerly	Ircon, India GANNON Dunkerly	55.70	55.70
			44.30	44.30

(b) Joint-Venture Companies:

S. No	Name of JV Company	Shareholders and country of origin	Percentage of Ownership	
			As at 31st March 13	As at 31st March 12
1	CCFB (Companhia Dos Caminhos De Ferro Da Beira SARL) Mozambique	Ircon, India RITES, India CFM, Mozambique	25.00	25.00
			26.00	26.00
			49.00	49.00
2	Ircon-Soma Tollway Private Limited	Ircon, India Soma Enterprise Limited, India	50.00	50.00
			50.00	50.00
3	Indian Railway Station Development Corporation Limited	Ircon, India RLDA, India	51.00	-
			49.00	-
4	Chattisgarh East Railway Limited	Ircon, India SECL, India GoCG	26.00	-
			64.00	-
			10.00	-
5	Chattisgarh East-West Railway Limited	Ircon, India SECL, India GoCG	26.00	-
			64.00	-
			10.00	-



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

(₹ in crore)

S.No.	Particulars	RICON-CETA SARL		RICON		IMCC		MTG		IRCON-SPSCPL		Total	
		2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
1	Income	-	0.24	0.82	1.76	0.01	-	0.64	0.27	11.49	21.16	12.96	23.44
2	Expenditure	-	0.24	0.39	0.80	0.13	0.02	(0.15)	(0.23)	11.22	20.14	11.59	20.97
3	Fixed Assets	-	-	0.01	-	-	-	-	-	0.01	0.01	0.02	0.01
4	Current Assets	-	6.98	5.59	9.22	4.47	5.01	7.92	7.73	6.55	5.85	24.53	34.79
5	Current Liabilities	-	3.22	(3.88)	-	1.46	1.52	2.79	3.64	6.87	5.39	7.24	13.78
6	Loan Fund	-	-	-	-	-	-	-	-	-	-	-	-

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

- Indemnity bond in case of IMCC ₹ **1.24 crore** (₹ 1.24 crore).
- Sales-tax liability in case of IMCC ₹ 4.25 crore (₹ 4.25 crore) and Service Tax ₹ **1.01 crore** (₹ 1.01 crore).
- Bank guarantee in case of MTG ₹ **Nil** (₹ 0.59 crore).
- Corporate guarantee to Central Excise in case of MTG ₹ **1.54 crore** (₹ 1.54 crore).
- Bank guarantee in case of Ircon-RCS-PFLEIDERER ₹ **0.91 crore** (₹ 0.91 crore).
- Income Tax liability in the case of IMCC (Joint Venture) ₹ **5.29 crore** (₹ 5.29 crore) and ₹ **0.40 crore** (₹ 0.09 crore) in case of MTG.
- Recovery suit against the IMCC by M/s Sai Engineers as on 31.03.2013 is ₹ **0.02 crore** (₹ 0.02 crore).
- Contingent liability towards the company's share against payments to sub-contractor for ₹ **0.07 crore** (₹ Nil) for IMCC.

36. Related Party disclosures:

- Enterprises where control exists:
Unincorporated Joint Ventures – As per Note no. 35(a) above.
Joint Venture Companies – As per Note no. 35(b) above.
- 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	
	2012-13	2011-12	As on 31-3-2013	As on 31-3-2012
Remuneration to key management personnel (b above) & Sitting Fees to other Independent Directors	As per Note No. 37		0.44	0.04
Investment in CCFB/ISTPL /IISL/IRSDC	45.30	Nil	119.60	74.30
Loan to CCFB/ISTPL/IISL/IRSDC	(21.33)*	17.72	122.83	144.16
Advances recoverable from CCFB/ISTPL/RICON/IISL/IRSDC	10.94	(1.20)	4.93	2.33
Amount payable to RICON/IISL/IRSDC	4.28	1.56	13.77	18.40
Income from CCFB/RICON/ISTPL/IISL/IRSDC	24.77	64.84	31.21	28.20
Reimbursement from IRSDC	1.60	-	0.54	-

* Loan of ₹ 35.10 crores converted to equity and additional loan of ₹ 18.19 crores given to Ircon ISL during the year.

37. Details of remuneration to Directors:

(₹ in Crore)

Sr.	Particulars	2012-13	2011-12
I	Salary & allowances	1.94	1.06
II	Contribution to provident fund	0.08	0.07
III	Superannuation including retirement benefits	0.03	0.01
IV	Reimbursement of medical expenses	0.03	0.01
V	Sitting fee	0.03	0.02
VI	Other benefits	0.22	0.17
	TOTAL	2.33	1.34

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 is being renewed on year-to-year basis. 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) Due to gulf war when payments from clients (including for Samawa and Al-muthana projects executed in Iraq) were not forthcoming, Government of India (GOI) bailed out project exporters in Iraq including Ircon under Deferred Payment Agreement Protocol (DPA).
 (b) Under DPA, the outstanding balances dues as certified by Central Bank of Iraq (CBI) to Exim Bank upto Sept.1995 were settled by GOI by issuing bonds in two phases. Subsequent to 2nd phase, CBI had further certified (confirmed by Exim Bank in May, 2000) an amount of USD 0.89 crore (equivalent to ₹ 31.802 crore converted at the last settlement rate of 1 USD = ₹ 35.802) to Exim Bank, awaiting settlement by GOI, for which the Company had conveyed its consent to Ministry of Railways vide its letter dt. 26.05.2005 the settlement is yet to be approved by GOI. Corresponding to these dues, interest payable to sub-contractors on back-to-back basis amounting to USD 0.42 crore (equivalent to ₹ 15.04 crore converted at the last settlement rate of 1 USD = ₹ 35.802) has been provided in the books of accounts.
 (c) The accrued interest on deferred Iraqi dues and provision for interest to sub-contractors (under Deferred Payment Agreement Protocol) on back-to-back basis have been translated at the last settlement rate (i.e. 1 USD = ₹ 35.802) with the Government of India, based on prudence as in previous year. Had the dues been translated at the closing exchange rate as on 31.03.2013 as per AS-11, other non current assets would have been higher by ₹ 16.23 crore (previous year higher by ₹ 13.25 crore), long term provisions would have been higher by ₹ 7.67 crore (previous year higher ₹ 6.27 crore) and profit before tax would have been higher by ₹ 8.56 crore (effect on current year ₹ 1.58 crore and of earlier years ₹ 6.98 crore) (previous year higher ₹ 6.98 crore).
- 41.** (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 had given 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 (₹ 93.24 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 ₹ 1.08 crore has been recognised during the year which includes ₹ 0.65 crore relating to financial year 2011-12. 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 ₹ 35.57 crore (₹ 42.13 crore) [₹ 29.77 crore (₹ 34.20 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 ₹ 2.94 crore (₹ 0.81 crore)] (refer Note 12, 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 ₹ 4.28 crore (₹ 3.38 crore), cumulative ₹ 7.66 crore (₹ 3.38 crore) has not been recognized.
- (c) Had the dues been translated at the closing exchange rate as on 31.03.2013 as per AS-11, long term loan and advances would have been higher by ₹ 13.10 crore (₹ 8.33 crore) and profit before tax would have been higher by ₹ 13.10 crore (effect on current year ₹ 4.46 crore and of earlier years ₹ 8.64 crore) (₹ 8.33 crore).
Had the effect of Note no. 40 & 41 would have been given cumulatively, the long term loans & advances would have been ₹ 406.16 crore (₹ 325.67 crore), other non-current assets would have been ₹ 98.39 crore (₹ 94.81 crore), long term provisions would have been ₹ 427.77 crore (₹ 422.01 crore) and profit before tax would have been ₹ 1036.39 crore (₹ 617.45 crore).

42. 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 was disallowed by the CIT (A) in some of the assessment years. Although, the CIT (A) has considered our claim for the assessment year 2004-05 and 2005-06, but the Income tax department moved to the Tribunal against the order of CIT(A). Accordingly, the tax is being provided without considering the deduction under Section 80IA. The amount of such deduction up to assessment year 2012-13 is ₹ 700.53 crore (₹ 580.29 crore). The matter is pending before the Tribunal.

43. Ircon has been offering global income for tax in India. Income earned by its permanent establishments outside India was excluded from total income being exempted as per certain settled legal position that such income can be taxed by source country and not taxable in India. But CIT (Appeals) did not agree to treatment given by Ircon to foreign income earned out of India and instead of excluding foreign income, credit for taxes paid out of India was allowed for the AY 2006-07, 2008-09 and 2009-10.

Jurisdictional DCIT has also completed the assessment for the AY 2010-11 in the similar pattern. Therefore, during the FY 2012-13 (AY 2013-14), the Company has changed its method of estimating provision for tax w.e.f. AY 2006-07. Accordingly, as a matter of prudence provision for the current assessment year 2013-14 (FY 2012-13) and for the AY 2006-07 onwards up to AY 2012-13 have been recomputed taking credit of taxes paid abroad.

Additional (increase) provision for tax due to change in methodology for taxation, for earlier years i.e. from AY 2006-07 to AY 2012-13 has been worked out and provided in books amounting to ₹ 108.48 crore and for the AY 2013-14 for ₹ 76.88 crore. Deferred tax as per new methodology has been worked out and provided in books ₹ 79.60 crore.

44. 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. This being a voluntary welfare measure, the Company is not liable for providing such benefits to its employees. However, during the year company has contributed ₹ 1.79 Crore (₹ Nil) in the trust. Ircon Medical

Trust has a combined fund of ₹ 30.57 crore as on 31.03.2013 (₹ 26.32 crore). Company has also made provision of ₹ 9.36 crore (₹ Nil) 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.

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	Other Retirement Benefits
Present Value of Obligation as at beginning of the period	49.63 (44.61)	55.61 (54.01)	1.57 (1.45)
Interest Cost	3.72 (3.34)	4.17 (4.05)	0.12 (0.11)
Current Service Cost	2.90 (2.72)	5.09 (3.94)	0.07 (0.08)
Past Service Cost	- (-)	- (-)	- (-)
Benefit Paid	(3.51) ((2.05))	(3.56) ((1.21))	(0.00) (0.01)
Actuarial (gain)/loss on obligation	1.13 (1.01)	0.04 ((5.18))	(0.34) ((0.06))
Present Value of Obligation as at the end of the period	53.87 (49.63)	61.34 (55.61)	1.42 (1.57)

ii) Changes in the fair value of plan assets

(₹ in crore)

	Gratuity	Leave Encashment	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	- (-)	- (-)	- (-)

iii) Fair Value of plan assets

(₹ in crore)

	Gratuity	Leave Encashment	Other Retirement Benefits
Fair Value of plan assets as at beginning of the period	- (-)	- (-)	- (-)
Actual return on Plan Assets	- (-)	- (-)	- (-)
Benefits paid	- (-)	- (-)	- (-)
Fair value of Plan Assets at the end of period	- (-)	- (-)	- (-)
Funded Status	(53.87) ((49.63))	(61.34) ((55.61))	(1.42) ((1.57))
Excess of actual over expected return on plan assets	- (-)	- (-)	- (-)

iv) Actuarial Gain/Loss Recognised for the period

(₹ in crore)

	Gratuity	Leave Encashment	Other Retirement Benefits
Actuarial gain/(loss) for the period- Obligation	(1.13) ((1.01))	(0.04) ((5.18))	0.35 (0.06)
Actuarial gain/(loss) for the period- Plan Assets	- (-)	- (-)	- (-)
Total (gain)/loss for the period	1.13 (1.01)	0.04 (5.18)	(0.35) ((0.06))
Actuarial (gain)/loss recognised in the period	1.13 (1.01)	0.04 (5.18)	(0.35) ((0.06))

v) Amount Recognised in Balance Sheet

(₹ in crore)

	Gratuity	Leave Encashment	Other Retirement Benefits
Present Value of Obligation as at the end of the period	53.87 (49.63)	61.34 (55.61)	1.42 (1.57)
Fair Value of Plan Assets as at the end of the period	- (-)	- (-)	- (-)
Funded Status	(53.87) ((49.63))	(61.34) ((55.61))	(1.42) ((1.57))
Excess of actual over estimated	- ((-))	-	-
Net liability recognised in the balance sheet	(53.87) ((49.63))	(61.34) ((55.61))	(1.42) ((1.57))

vi) Expenses recognised in statement of profit & loss

(₹ in crore)

	Gratuity	Leave Encashment	Other Retirement Benefits
Current Service Cost	2.89 (2.71)	5.09 (3.94)	0.07 (0.08)
Past Service Cost	- (-)	- (-)	- (-)
Interest Cost	3.72 (3.34)	4.17 (4.05)	0.12 (0.11)
Expected return on plan assets	- (-)	- (-)	- (-)
Net actuarial (gain)/ loss recognised in the year	1.13 (1.01)	0.04 (5.18)	(0.35) (0.06)
Expenses recognised in the statement of profit & loss	7.75 (7.07)	9.29 (2.81)	(0.16) (0.13)

vii) Amount for the current period

(₹ in crore)

	Gratuity	Leave Encashment	Other Retirement Benefits
Present Value of Obligation	53.87 (49.63)	61.34 (55.61)	1.42 (1.57)
Plan Assets	- (-)	- (-)	- (-)
Surplus (Deficit)	(53.87) (49.63)	(61.34) (55.61)	(1.42) (1.57)
Experience adjustments on plan liabilities -(Loss)/ Gain	(1.13) (1.01)	(0.04) (5.18)	0.35 (0.06)
Experience adjustments on plan assets -(Loss)/ Gain	- (-)	- (-)	- (-)

viii) Actuarial Assumptions

I)	Method used	Projected Unit Credit Method
II)	Discount rate	7.50%
III)	Rate of increase in compensation levels	7.50%
IV)	Average outstanding service of employees up to retirement	13.58 years
V)	Estimated term of benefit obligations	13.58 years

45. Disclosure in respect of contracts in progress*

(₹ in crore)

Details		Up to 31st March 2013	Up to 31st March 2012
(a)	Aggregate amount of costs incurred and recognized profits (less recognized losses)	16716.79	13143.81
		As on 31st March 2013	As on 31st March 2012
(b)	Amount of advances received from client	1141.93	1391.36
(c)	Amount of retentions (by client)	144.33	124.29

* excluding projects completed up to 31.03.2013



46. 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 31st March 2013.
- 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 2013 is ₹ Nil (₹ Nil).
47. Basic earnings per share are computed by dividing net profit after tax ₹ 729.99 crore (₹ 469.92 crore) by weighted average 14,434,583 (9,898,000) fully paid equity shares of ₹10 each. Diluted Earnings per share is not applicable, as there is no dilution involved.
48. Previous year's figures have been regrouped, rearranged and recast wherever necessary to make it comparable to the current year's classification.

For Wahi & Gupta

Chartered Accountants
FRN : 002263N

For and on behalf of the Board of Directors

CA Y.K.Gupta

Partner
M.No.16020

Lalitha Gupta

Company Secretary
& GM (Law)

K.K.Garg

Director Finance

Mohan Tiwari

Chairman &
Managing Director

Place : New Delhi
Dated : 26.07.2013

WAHI & GUPTA
CHARTERED ACCOUNTANTS
HOTEL REX BUILDING,
5, NETAJI SUBHASH MARG,
DARYA GANJ, NEW DELHI-110002
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**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 which comprise the Balance Sheet as at 31st March, 2013, 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, in which are incorporated the accounts of Algeria, Sri Lanka, Northern, Western, Eastern, Southern and Jammu & Kashmir Regions of the Company audited by the Branch Statutory Auditors duly appointed and whose reports have been considered by us in framing our report.

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. 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

- (i) The Company has been carrying balances at exchange rate prevalent at the time of settlement of dues in 1995 with Government of India and not translating at rates prevalent on 31.03.2013 is not in conformity with AS-11. As a result, Other non current assets is lower by ₹ 16.23 crore, Long term provisions is lower by ₹ 7.67 crore and Profit before tax is lower by ₹ 8.56 crore (current year ₹ 1.58 crore, earlier year ₹ 6.98 crore). (Refer Note No. 40).
- (ii) The Company has been carrying balances at exchange rate prevalent on 31.03.2011, of shareholder's loan and interest accrued thereon due from Joint venture Company CCFB, and not translating at rates prevalent on 31.03.2013 is not in conformity with AS-11. As a result, Long term loan and advances is lower by ₹ 13.10 crore and Profit before tax is lower by ₹ 13.10 crore (current year ₹ 4.46 crore, earlier year ₹ 8.64 crore). (Refer Note No. 41).
- (iii) Had the effect of above (i) & (ii) would have been given cumulatively, the long term loans and advances would be ₹ 406.16 crore Other non current assets would be ₹ 98.39 crore, Long Tern Provisions would be ₹ 427.77 crore and Profit Before Tax would be ₹ 1036.39 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, 2013;
- (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. Report on Other Legal and Regulatory Requirements

6.1 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.

6.2 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 Balance Sheet, Statement of Profit & Loss, and Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
- d) Except for 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.

- e) Being a Government Company, pursuant to the Gazette notification No. GSR 829(E) dated 21.10.2003 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.
- f) 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 Wahi & Gupta

Chartered Accountants

FRN 002263N

(CA Y. K. Gupta)

Partner

Membership No. 16020

Place : New Delhi

Date : 26.07.2013

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph (6.1) 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. 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 has an internal audit system commensurate with its size and nature of the business.
- 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 31.03.2013 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 31.03.2013.

Nature of the dues	Amount (in ₹ Crores)	Period for which amount relate	Forum where pending
Income Tax	31.33	2005-06 & 2010-11	CIT(Appeal), Delhi
Custom Duty	5.81	1989-90	Dy. Commissioner (Custom), Mumbai
Sales Tax	1.99	1995-96	Bombay High Court
Sales Tax	1.53	1996-97	
Royalty	0.02	1984-85 and 1985-86	High Court , Allahabad
Sales Tax	0.99	2002-03	Commissioner Sales Tax, Orissa
Sales Tax	0.03	1993-94	High Court, M.P.
Sales Tax	0.28	1998-1999	Sr.Jt. Commissioner (Appeals) Sales Tax, Behala
Sales Tax	0.71	2004-05	Asst Commissioner Sales Tax, Behala
Sales Tax	1.75	1987-88 to 1994-95	Bihar Sales Tax Tribunal Kahalgaon
Sales Tax	5.98	2005-06 & 2006-07	Commissioner Sales Tax, Bihar
Entry Tax	0.15	2008-09	Jt. Commissioner Appeal, Berailly
Sales Tax	0.31	2009-10	Dy. Commissioner, Sales Tax, Behala
Sales Tax	0.26	2008-09	Dy. Commissioner, Sales Tax, Behala
Sales Tax	0.21	1997-98	Revenue Board, Gwalior
Sales Tax	1.32	2007-08 & 2008-09	High Court, Allahabad
Sales Tax	0.91	2008-09 & 2009-10	Dy. Commissioner, Sales Tax , Noida
Provident Fund	1.75	2003-04 to 2006-07	Provident Fund Commissioner, J&K

Nature of the dues	Amount (in Rs. Crores) amount relate	Period for which	Forum where pending
Sales Tax	19.32	1999-00 to 2005-06	J & K High Court, Jammu
Entry Tax	0.06	2007-08	Jt. Commissioner Appeals Jhansi
Entry Tax	0.03	2009-10	Dy Commissioner Sales Tax, Lucknow
Sales Tax	0.01	2005-06	High Court/ Allahabad
Sales Tax	1.02	2002-03 to 2004-05	High Court/ Allahabad
Entry Tax	0.15	2006-07	Jt. Commissioner Appeals Jhansi
UPTT	0.43	2006-07	
UPTT	0.88	2007-08	
UPVAT	0.60	2007-08	
UPVAT	1.30	2008-09	
UPVAT	1.38	2009-10	
UPVAT	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 Wahi & Gupta

Chartered Accountants

FRN: 002263N

Place : New Delhi

Date : 26.07.2013

(CA Y. K. Gupta)

Partner

M.No. 16020



COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619 (4) OF THE COMPANIES ACT, 1956, ON THE ACCOUNTS OF IRCON INTERNATIONAL LIMITED FOR THE YEAR ENDED 31ST MARCH 2013

The preparation of financial statements of Ircon International Limited for the year ended 31 March 2013 in accordance with the financial reporting framework prescribed under the Companies Act, 1956, is the responsibility of the management of the company. The statutory auditors 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 statements 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 26 July 2013.

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 Limited for the year ended 31 March 2013. 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)
Principal Director
Rly - Commercial

Place : New Delhi
Date : 08.08.2013



CONSOLIDATED FINANCIAL STATEMENTS





CONSOLIDATED BALANCE SHEET
as at 31st March 2013

(₹ in Crore)

Particulars	Note No.	As at 31st March 2013		As at 31st March 2012	
I. EQUITY AND LIABILITIES					
1 Shareholders' funds					
(a) Share capital	2	19.80		9.90	
(b) Reserves and surplus	3	2,264.00	2,283.80	<u>1,724.75</u>	1,734.65
Minority Interest			9.28		-
2 Non-current liabilities				9.28	
(a) Long term liabilities	4	397.32		271.46	
(b) Long term provisions	5	420.10	817.42	<u>415.74</u>	687.20
3 Current liabilities					
(a) Trade payables	6	633.16		529.97	
(b) Other current liabilities	7	1,892.25		1,868.68	
(c) Short-term provisions	8	693.17		471.93	
(d) Proportionate Share in Jointly Controlled Entities		7.24	3,225.82	<u>13.78</u>	2,884.36
TOTAL			6,336.32		5,306.21
II. ASSETS					
1 Non-current assets					
(a) Fixed assets	9				
(i) Tangible assets		178.05		193.44	
(ii) Intangible assets		-		0.01	
(iii) Intangible assets under development	10	0.80		0.25	
(iv) Capital work-in-progress	11	69.17		58.36	
(v) Proportionate Interest in Jointly Controlled Entities		0.02		0.01	
(b) Non-current investments	12	180.14		190.89	
(c) Deferred tax assets (Net)	13	268.99		189.39	
(d) Long-term loans and advances	14	359.14		266.43	
(e) Other non-current assets	15	82.18	1,138.49	<u>81.56</u>	980.34
2 Current assets					
(a) Current investments	16	64.95		12.51	
(b) Inventories	17	124.56		134.51	
(c) Trade receivables	18	1,093.16		840.42	
(d) Cash and Bank balances	19	3,127.70		2,603.29	
(e) Short-term loans and advances	20	526.70		452.12	
(f) Other current assets	21	236.23		248.22	
(g) Proportionate Interest in Jointly Controlled Entities		24.53	5,197.83	<u>34.80</u>	4,325.87
TOTAL			6,336.32		5,306.21
III. Significant Accounting Policies	1				
IV. Notes forming part of Financial Statements	2-49				

As per our Report of even date attached

For and on behalf of the Board of Directors

For Wahi & Gupta
Chartered Accountants
FRN 002263N

Y. K. Gupta
Partner
M. No. 16020

Lalitha Gupta
Company Secretary & GM (Law)

K. K. Garg
Director Finance

Mohan Tiwari
Chairman & Managing Director

Place : New Delhi
Date : 26.07.2013

CONSOLIDATED STATEMENT OF PROFIT AND LOSS
For Year ended 31st March 2013

(₹ in Crore)

	Particulars	Note No.	2012-13	2011-12
I.	Revenue :			
	Revenue from operations	22	4,209.80	3,552.40
	Proportionate share of construction revenue in Jointly Controlled Entities		12.96	23.44
	Other income	23	241.84	175.68
	Total Revenue		4,463.85	3,751.52
II.	Expenses:			
	Operating and administrative expenses :	24		
	- Operating Expenses		3,061.05	2,631.40
	- Administrative Expenses		24.12	19.65
	Employee remuneration and benefits	25	199.55	157.36
	Finance costs	26	10.87	6.51
	Depreciation and amortization expense	9	42.97	56.83
	Provisions (Net)	27	101.95	249.14
	Proportionate share of expenses in Jointly Controlled Entities		11.59	20.97
	Prior Period Adjustments	28	4.95	11.23
	Total Expenses		3,457.05	3,153.09
III.	Profit Before Tax (I - II)		1,006.80	598.43
IV.	Add / (less) minority interest in (income) / losses		0.52	-
V.	Tax expense:			
	(1) Current tax			
	- For the year		302.84	222.51
	- For earlier years (net)		62.37	(30.74)
	(2) Deferred tax (net)	13	(79.60)	(58.30)
	Total Tax Expense		285.61	133.47
VI.	Profit for the year (III + IV - V)		721.71	464.96
VII.	Earnings per equity share - Basic and Diluted (in ₹)	48	499.99	469.75
VIII.	Significant Accounting Policies	1		
IX.	Notes forming part of Financial Statements	2-49		

As per our Report of even date attached

For and on behalf of the Board of Directors

For Wahi & Gupta

Chartered Accountants

FRN 002263N

Y. K. Gupta

Partner

M. No. 16020

Lalitha Gupta

Company Secretary & GM (Law)

K. K. Garg

Director Finance

Mohan Tiwari

Chairman & Managing Director

Place : New Delhi

Date : 26.07.2013



Consolidated Cash Flow Statement
For the year ended on 31st March 2013

(₹ in Crore)

		2012-13	2011-12
CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before taxation & extraordinary items		1,011.75	609.66
Adjustment for:			
Depreciation		44.24	56.84
Amortisation of premium on investment		0.36	0.36
Impairment of Investment		-	5.53
Loss / (Profit) on sale of assets(net)		(3.04)	(8.39)
Interest Income		(209.69)	(154.03)
Provisions - (Additions - Write back) (Net)		101.95	249.14
Minority interest in (income) / losses		0.52	-
Effect of Exchange differences on translation of Foreign Currency Cash & Cash Equivalents		(13.08)	15.95
Operating Profit before working capital changes	(1)	933.01	775.06
Adjustment for:			
Decrease / (Increase) in Trade Receivables/ Loans & Advances		(136.72)	452.00
Decrease / (Increase) in Inventories		9.95	30.41
Decrease / (Increase) in Other Assets		59.55	(47.36)
(Decrease) / Increase in Trade Payables		103.19	77.36
(Decrease) / Increase in Other Liabilities & Provisions		(123.11)	(570.11)
Decrease / (Increase) in JCE Current Assets		10.27	11.49
(Decrease) / Increase in JCE Current Liabilities		(6.54)	(20.92)
	(2)	(83.41)	(67.13)
Cash generated from operation	(1+2)	849.60	707.93
Prior period & extraordinary items		(4.95)	(11.23)
Income Tax Paid		(283.31)	(78.05)
NET CASH FROM OPERATING ACTIVITIES	(A)	561.34	618.65
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets including Capital WIP		(42.71)	(44.30)
Sale of Fixed Assets		5.55	13.09
Interest Received		161.51	112.99
Investment in Equity and Bonds		(42.05)	(28.82)
Decrease(increase) in JCE Fixed Assets		(0.01)	1.79
NET CASH FROM INVESTING ACTIVITIES	(B)	82.29	54.75
CASH FLOW FROM FINANCING ACTIVITIES			
Dividend (including Dividend Distribution Tax) paid		(132.30)	(62.06)
NET CASH FROM FINANCING ACTIVITIES	(C)	(132.30)	- (62.06)
Effect of Exchange differences on translation of Foreign Currency Cash & Cash Equivalents	(D)	13.08	(15.95)
NET INCREASE IN CASH & CASH EQUIVALENT	(A+B+C+D)	524.41	595.39
CASH AND CASH EQUIVALENT (OPENING)	(E)	2,603.29	2,007.90
CASH AND CASH EQUIVALENT (CLOSING)	(F)	3,127.70	2,603.29
NET INCREASE IN CASH & CASH EQUIVALENT	(F - E)	524.41	595.39

- Note:**
- Cash and cash equivalents consist of cash in hand and balances with banks.
 - Figures in brackets represent outflow of cash.
 - Figures of the previous year have been regrouped/recast wherever necessary.
 - Cash & Cash Equivalent (closing) Includes FDR ₹19.29 crore (₹12.32 crore) received from contractors towards EMD and ₹470.40 crore (₹514.02 crore) against advances from clients on which interest is passed on to them.

As per our Report of even date attached

For and on behalf of the Board of Directors

For Wahi & Gupta

Chartered Accountants
FRN 002263N

Y. K. Gupta

Partner
M. No. 16020

Lalitha Gupta

Company Secretary & GM (Law)

K. K. Garg

Director Finance

Mohan Tiwari

Chairman & Managing Director

Place : New Delhi
Date : 26.07.2013

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) Consolidated Financial statements

The financial statements of Itron 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.

(iii) Statement of Compliance

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

(iv) Foreign Currency Transactions

(a) Transactions within the Country

Foreign currency transactions within the country are translated in the following manner:

- i) All foreign currency transactions are translated into Indian currency at the buying rate prevalent on the date of transaction.
- ii) Depreciation is translated at the rates used for translation of the value of the assets on which depreciation is calculated.
- iii) Monetary items and contingent liabilities denominated in foreign currency are translated at the prevailing closing buying rate at each balance sheet date.
- iv) Fixed assets and non-monetary items are translated using the buying rate on the date of transaction.

(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 on the basis of buying rate at the date of transaction.
- ii) Inventories are translated at the buying rates prevalent at each balance sheet date.
- 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.
- v) Fixed assets and non-monetary items are translated at the buying rate at the date of transaction.
- (c) The net exchange differences resulting from the translations at (a) & (b) above are recognised 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 buying 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 recognised as income or expense in the same period in which gain or loss on disposal is recognised.

(v) Fixed assets

- (a) Fixed assets are stated at historical cost less accumulated depreciation and impairment losses, if any.
- (b) Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalized.
- (c) Incidental expenditure during construction period incurred up to the date of commissioning is capitalized.

(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 realisable 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 Balances

Cash and bank balances comprise of cash at bank, cash in hand, cheques in hand, demand deposits and bank deposits with maturity period upto 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) In 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 subject to a minimum amount 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 unrealisability 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.
Receipts are inclusive of sales tax etc., as applicable.

(xi) Contracts executed under Joint Venture (JV)

- (a) in jointly controlled operations, are accounted as independent contracts;
- (b) in respect of contracts executed by a jointly controlled entity, the profit / loss from the Joint Venture is accounted for in the year when determined.

(xii) Leases

- (a) Lease income from assets given on operating lease are recognized as income in the statement of profit and loss on straight-line basis over the lease term.
- (b) Lease payments for assets taken on operating lease are recognized as expense in the statement of profit and loss on straight-line basis over the lease term.

(xiii) Liquidated Damages and Escalations

- (a) Liquidated damages/penalties arising from delays actually paid/recovered are adjusted against contract revenue/contract cost. Liquidated damages arising from contractual obligation but under negotiation and not considered payable and not recovered by the client are treated as contingent liability.

- (b) 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.

(xiv) Research and Development Expenses

Expenses on research and development are charged to statement of profit and loss.

(xv) 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.

(xvi) Depreciation & Amortisation

- (a) Depreciation on fixed assets and investment property 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 including UPS, Inverters and Mobile handsets	31.67%
iv) Vehicles (including Heavy Vehicles)	23.75%
v) Furniture & Fixtures	23.75%
vi) Speed Boats	19.00%

- (b) Depreciation on fixed assets and investment property in foreign countries is provided on straight-line basis 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 fixed 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 and Machinery Division.
- (c) Software cost exceeding ₹ 25 lakh each is amortised 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 depreciated in the year of purchase.
- (d) In case of leasehold land (other than perpetual lease) and leasehold property, depreciation is provided proportionately over the period of lease.
- (e) Assets acquired during the year costing up to ₹ 5000/- and 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 are fully depreciated.

(xvii) Borrowing Cost

- (a) Borrowing cost in ordinary course of business are recognised as an expense in the period in which they are incurred.
- (b) 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.

(xviii) Retirement Benefits

- (a) Provision for leave encashment, gratuity and other retirement benefits is made based on actuarial valuation at the year end.
- (b) Provident Fund contribution is made to PF Trust on accrual basis.

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

(xix) Prior period adjustment and extraordinary items

- (a) Income/expenditure relating to prior period and prepaid expenses not exceeding ₹ 50000/- in each case are treated as income/expenditure of the current year.
- (b) Voluntary retirement scheme expenses are charged off in the year of incidence of expense.

(xx) Taxes

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

(xxi) Segment Reporting

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

(xxii) 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 if the probability of outflow of resource is remote.
- (b) Contingent Assets are neither recognised, 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 2013	As at 31st March 2012
Authorized 2,50,00,000 Equity shares of ₹10 each	25.00	25.00
Issued, Subscribed & Paid-up 1,97,96,000 (98,98,000) Equity shares of ₹10 each-fully paid	19.80	9.90
TOTAL	19.80	9.90

i) Distribution of number of shares held:

Particulars	As at 31st March 2013		As at 31st March 2012	
	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%	9,871,200	99.729%
Indian Railway Finance Corporation Limited	48,800	0.247%	24,400	0.247%
Bank of India	4,800	0.024%	2,400	0.024%
TOTAL	19,796,000	100%	98,98,000	100%

ii) Bonus share issued during last five years : Bonus shares have been issued on 15th October 2012 in the ratio of 1:1 (Last year Nil).

iii) Terms/rights attached to shares:

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. 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.

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.

3 Reserves and surplus

(₹ in Crore)

Particulars	As at 31st March 2013		As at 31st March 2012	
a. General Reserve				
Opening Balance	1,724.75		1,369.08	
Add: Transfer from surplus in statement of profit and loss (Refer (c) below)	546.25		355.67	
Less : Utilized for issue of Bonus Shares	9.90	2,261.10	-	1,724.75
b. CSR Activities Reserve \$				
Transfer from Statement of Profit & Loss	2.90	2.90	-	-
c. Surplus in Statement of Profit and Loss				
Net Profit for the current year	721.71		464.96	
Less :- Appropriations				
- Transfer to CSR Activities Reserve	2.90		-	
- Interim Dividends	49.49		29.69	
[Dividend per share ₹ 25/- (₹ 30/-*)]				
- Proposed Dividends	98.98		64.34	
[Dividend per share ₹ 50 /- (₹ 65/-*)]				
- Tax on Interim Dividend	8.03		4.82	
- Tax on Proposed Dividend	16.06		10.44	
- Transfer to General Reserve	546.25	-	355.67	-
Total		2,264.00		1,724.75

* Last year dividend was on Pre - Bonus Equity Shares

\$ CSR Reserve of ₹ 2.90 crores has been created as appropriation of profit for unspent amount for the year. In the previous year, unspent amount of ₹ 3.34 crores was charged to statement of Profit and Loss.

4 Long term liabilities

(₹ in Crore)

Particulars	As at 31st March 2013	As at 31st March 2012
(a) Trade Payables		
- Micro, Small & Medium Enterprises (Refer Note 47)	-	-
- Others	33.51	5.37
(b) Other Liabilities		
- Advance from clients (i)	236.04	151.86
- Retention Money /Security Deposit (ii)	127.77	114.23
Total	397.32	271.46

- i) Includes Interest payable on advances from clients ₹ **9.35 Crores** (₹ 5.57 Crores).
ii) Includes earnest money deposits / security deposits received as Fixed deposits receipts from contractors ₹ **14.70 Crores** (₹ 22.04 Crores).

5 Long term provisions

(₹ in Crore)

Particulars	As at 31st March 2013	As at 31st March 2012
(A) Provisions for employee benefits: (Refer Note 44)		
i) Gratuity	50.61	46.77
ii) Leave Salary	58.50	52.44
iii) Settlement Allowance on Retirement	1.31	1.45
iv) Pension	17.88	12.80
v) Leave Travel Concession	0.05	-
	128.35	113.46
(B) Other Provisions :		
i) Demobilisation	4.97	18.12
ii) Maintenance	46.87	63.89
iii) Future Contingencies	-	4.29
iv) Design Guarantee	221.86	183.34
v) Other Expenses	18.05	32.64
	291.75	302.28
Total	420.10	415.74

6 Trade payables

(₹ in Crore)

Particulars	As at 31st March 2013	As at 31st March 2012
Trade Payables		
- Micro, Small & Medium Enterprises (Refer Note 47)	-	-
- Others		
(a) Contractors & Suppliers	624.60	518.11
(b) Related Parties	8.56	11.86
Total	633.16	529.97

7 Other current liabilities

(₹ in Crore)

Particulars	As at 31st March 2013	As at 31st March 2012
(a) Advance Contract Receipts	530.86	590.02
(b) Advances from Client (i)	775.42	926.68
(c) Deposits & Retention Money (ii)	368.69	301.49
(d) Statutory Dues	185.31	23.31
(e) Staff	16.63	14.16
(f) Others (iii)	15.34	13.02
Total	1,892.25	1,868.68

- i Includes Interest payable on advances from clients ₹ **34.09 Crores** (₹ 103.33 Crores).
- ii Includes earnest money deposits / security deposits received as fixed deposit receipts from contractors ₹ **19.46 Crores** (₹ 12.32 Crores).
- iii Includes Outstanding and Other Liabilities.

8 Short-term provisions

(₹ in Crore)

Particulars	As at 31st March 2013		As at 31st March 2012	
(A) Provisions for employee benefits: (Refer Note 44)				
i) Gratuity	3.26		2.86	
ii) Leave Salary	6.32		5.15	
iii) Settlement Allowance on Retirement	0.11		0.13	
iv) Post Retirement Medical Benefits	9.36		-	
v) Performance Related Pay	11.44		12.11	
vi) Leave Travel Concession	<u>0.03</u>	30.52	<u>-</u>	20.25
(B) Other Provisions :				
i) Demobilisation	32.27		10.03	
ii) Maintenance	94.99		19.77	
iii) Future Contingencies	7.25		13.21	
iv) Corporate Social Responsibility	-		3.34	
v) Legal Cases	64.52		59.79	
vi) Other Expenses	25.66		41.39	
vii) Income tax and Wealth tax	820.57		445.30	
Less: Advance Tax (including TDS)	<u>(497.65)</u>	322.92	<u>(215.92)</u>	229.38
viii) Dividend (Proposed)	98.98		64.34	
ix) Tax on Dividend (Proposed)	<u>16.06</u>	662.65	<u>10.43</u>	451.68
Total		693.17		471.93

9 Fixed Assets

(₹ in Crore)

Fixed Assets	Gross Block				Accumulated Depreciation				Net Block	
	As at 01.04.2012	Additions	Sales/ Adjustments	As at 31.03.2013	Upto 31.03.2012	For the year	Sales/ Adjustments	Upto 31.03.13	As at 31.03.13	As at 31.03.12
A Tangible Assets										
Freehold Land	3.45	-	(0.03)	3.42	-	-	-	-	3.42	3.45
Lease hold Land (iv)	36.40	-	(0.01)	36.39	0.16	0.01	-	0.17	36.22	36.24
Lease hold Buildings (iii)	40.22	2.22	-	42.44	4.35	0.77	-	5.12	37.32	35.87
Freehold Buildings /Flats-Residential	9.30	-	-	9.30	2.38	0.15	-	2.53	6.77	6.92
Freehold Buildings/Flats-Non-Residential	10.64	-	-	10.64	1.34	0.19	-	1.53	9.11	9.30
Plant and Machinery (i and v)	348.10	24.26	(27.29)	345.07	252.40	37.21	(24.98)	264.63	80.44	95.70
Survey Instruments	3.53	0.27	(0.12)	3.68	3.16	0.33	(0.12)	3.37	0.31	0.37
Computers	8.35	0.70	(0.54)	8.51	7.47	0.70	(0.52)	7.65	0.86	0.88
Mobile Handset	0.25	0.05	(0.06)	0.24	0.21	0.05	(0.06)	0.20	0.04	0.04
Office Equipments	6.92	0.85	(0.54)	7.23	5.87	0.82	(0.54)	6.15	1.08	1.05
Furniture, Fixtures, Furnishings	7.68	0.65	(0.30)	8.03	6.86	0.78	(0.28)	7.36	0.67	0.82
Caravans, Camps and Temporary Sheds	6.37	2.01	(2.12)	6.26	6.33	2.03	(2.11)	6.25	0.01	0.04
Vehicles (v)	16.08	0.30	(1.75)	14.63	13.32	1.16	(1.65)	12.83	1.80	2.76
Current Year Total	497.29	31.31	(32.76)	495.84	303.85	44.20	(30.26)	317.79	178.05	193.44
Previous Year	516.25	14.54	(33.51)	497.29	276.38	56.28	(28.81)	303.85	193.44	239.86
B Intangible Assets										
Softwares	1.68	0.04	(0.01)	1.71	1.67	0.04	-	1.71	-	0.01
Current Year Total	1.68	0.04	(0.01)	1.71	1.67	0.04	-	1.71	-	0.01
Previous Year	1.68	-	-	1.68	1.11	0.56	-	1.67	0.01	0.57
GRAND TOTAL CURRENT YEAR	498.97	31.35	(32.77)	497.55	305.52	44.24	(30.26)	319.50	178.05	193.45
PREVIOUS YEAR	517.93	14.54	(33.51)	498.97	277.49	56.84	(28.81)	305.52	193.45	240.43

i) Includes Locomotives on short term lease and standby.

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

(₹ Crore)

Description	2012-13	2011-12
Statement of Profit and Loss		
Current	42.97	56.83
Prior Period	1.27	-
Capital work in progress	-	0.01
Total	44.24	56.84

iii) Includes on Railways land for 30 years lease (Gross value ₹ 5.30 crore) for which agreement is yet to be finalized.

iv) Lease hold land includes land at Greater Noida for construction of proposed Central Inspection Cell (CIC) by the Company (Gross value ₹ 0.80 crore). The request for time extension for construction of Building has been submitted to the appropriate authority.

v) Fixed assets beyond economic repair and held for disposal reduced from sales/adjustment column and transferred to other current assets: -

(₹ in Crore)

Block of assets	As at March 2013		As at March 2012	
	Gross Block	Net Block	Gross Block	Net Block
Plant and Machinery	13.40	1.20	3.30	0.01
Vehicles	-	-	2.06	-
Total	13.40	1.20	5.36	0.01



10 Intangible asset under development

(₹ in Crore)

Particulars	As at 31st March 2013	As at 31st March 2012
Implementation of SAP		
Opening Balance	0.25	-
Additions during the year:	0.55	0.25
TOTAL	0.80	0.25

11 Capital work-in-progress

(₹ in Crore)

Particulars	As at 31st March 2013	As at 31st March 2012
Opening Balance	58.36	28.85
Additions during the year:		
- Work Expenses	11.26	27.11
- Depreciation	-	0.01
- Salaries, Wages & Benefits	1.14	1.43
- Cont to PF & Other Funds	0.08	0.08
- Design, Drawing, Business Development & Consultancy Charges	0.11	0.18
- Inspection, Geo Technical Investigation & Survey Exp.	-	0.02
- Rent - Non Residential	0.02	0.03
- Rates & Taxes	0.03	0.16
- Vehicle Operation & Maintenance	-	0.01
- Repairs & Maintenance		
- Office & Others	0.01	0.02
- Travelling Expenses	0.06	0.08
- Printing & Stationery	0.01	-
- Postage, telephone & telex	0.01	0.01
- Security Services	0.03	0.02
- Legal & Professional Charges	0.02	0.02
- Auditors Remuneration	0.01	0.01
- Prior Period Expenses	-	0.27
- Advertisement & Publicity	0.16	0.03
- Issue of Authorised Capital	0.15	
- Misc Operating Exp.	0.05	0.02
Less :- Capitalised during the year	2.34	-
TOTAL	69.17	58.36

12 Non current investments

Particulars	As at 31st March 2013		As at 31st March 2012	
	Nos.	Amount (₹ in Crore)	Nos.	Amount (₹ in Crore)
A Trade Investments (At Cost)				
Un- Quoted				
Investment in Fully Paid up Equity Shares:				
In Integrated 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)		<u>5.53</u>		<u>5.53</u>
Ircon-Soma Tollway Private Limited (ISTPL) (ii a and b)		-		-
6,38,70,000 equity shares of ₹ 10 each fully paid-up	6,38,70,000	<u>63.87</u>	6,38,70,000	<u>63.87</u>
		-		-
Total (A)		63.87		63.87
B Other Investments (At Cost)				
Quoted				
Investment in Bonds				
6.85% Tax Free India Infrastructure Finance Company Ltd. (IIFCL) Bonds of ₹ 1,00,000 each		-	6,000	61.07
Less : Amortization of premium paid on investment		<u>-</u>		<u>0.36</u>
		-		60.71
6.00% Tax Free Indian Railway Finance Company Limited (IRFC) Bonds of ₹ 1,00,000 each	5,000	50.00	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	<u>49.96</u>		-
Total (B)		116.27		127.02
Total		180.14		190.89

Disclosure regarding Quoted/Unquoted Investments:	₹ in Crore	₹ in Crore
Aggregate of Unquoted investments - Book value	63.87	63.87
Aggregate of Quoted investments - Book value	116.27	127.02
- Market value	115.11	123.84

- i) The value of one equity share of Meticals 24000 is equivalent to ₹ 44.27.
- ii) (a) Out of 6,38,70,000 equity shares, 30 % shares (1,91,61,000 no.) of ISTPL are pledged with Punjab National Bank against the loan drawn by ISTPL outstanding as on 31.03.2013 is ₹ 494.96 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 NHA1 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.

13 Deferred tax assets (Net)

(₹ in Crore)

Particulars	As at 1st April 2012	Addition (Deletion) during the year	As at 31st March 2013
	Total	Total	Total
Asset			
Provision for :			
- Maintenance and demobilisation	16.74	32.20	48.94
- Future contingencies	5.68	(3.22)	2.46
- Doubtful debts and advances	34.21	(0.52)	33.69
- Gratuity	16.10	2.21	18.31
- Leave Travel Concession	-	0.03	0.03
- Legal cases	19.40	2.53	21.93
- Design Guarantee	45.84	29.57	75.41
- Other Expenses	24.98	(10.12)	14.86
Expenses :			
- On Voluntary retirement scheme	0.02	(0.01)	0.01
- Allowed for tax purpose when paid	27.04	13.84	40.88
- 3/5th of Preliminary Expenses	0.01	-	0.01
	190.02	66.51	256.53
Liability			
Depreciation	0.63	(13.09)	(12.46)
	0.63	(13.09)	(12.46)
Net Deferred Tax Asset / Liability	189.39	79.60	268.99
Previous Year	131.06	58.32	189.38

14 Long term loans and advances*

(₹ in Crore)

Particulars	As at 31st March 2013	As at 31st March 2012
A. Secured, considered good		
Staff Loans and Advances	1.77	1.84
Advances to Contractors against material and machinery	<u>-</u>	<u>0.27</u>
	1.77	2.11
B. Unsecured, considered good		
Security Deposits		
- Government Departments	0.61	0.30
- With Clients	21.07	21.97
- Others	<u>4.88</u>	<u>4.94</u>
Loans to Related Parties		
Joint Ventures		
-CCFB (Refer note 41)	-	56.83
Staff Loans & Advances	1.28	1.23
Deposits with Government Departments	0.16	0.16
Advances to Contractors and Suppliers	102.24	15.38
Recoverable from clients	-	0.01
Income Tax (Including TDS)	166.53	162.48
Prepaid Expenses	<u>1.64</u>	<u>1.02</u>
	271.85	180.28
C. Considered Doubtful		
Loan to Related Parties		
Joint Venture		
-CCFB (Refer note 41)	29.86	36.41
Staff Loans and Advances	-	0.03
Advances to Contractors and Suppliers	8.48	6.42
Deposits and Retention Money	<u>0.02</u>	<u>0.02</u>
	38.36	42.88
Less :- Provision for doubtful advances	38.36	42.88
	-	-
Total	359.14	266.43

* 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 2013	As at 31st March 2012
A. Secured, considered good		
Interest Accrued on :		
- Advances to staff	0.97	1.11
B. Unsecured, considered good		
Fixed Deposits more than 12 months (i)	14.70	22.04
Interest Accrued on :		
- Advances to staff	0.32	0.24
- Advances to Contractors, Suppliers & Others	33.96	25.74
- Advance to IRWO	0.41	0.61
- Deferred dues (Refer note 40 (b))	31.82	31.82
	66.51	58.41
C. Considered Doubtful		
Interest Accrued on :		
- Related party-Joint Venture-CCFB (Refer note 41)	0.19	0.19
- Advances to staff	-	0.03
- Advances to Contractors, Suppliers & Others	0.40	0.40
	0.59	0.62
Less: Provision for doubtful	0.59	0.62
	-	-
Total	82.18	81.56

i) Includes Fixed Deposits ₹ **14.70 Crore** (₹ 22.04 Crore) received from contractors towards Earnest money deposit / security deposit.

* 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 2013		As at 31st March 2012	
	Nos.	Amount (₹ in Crore)	Nos.	Amount (₹ in Crore)
A Investment in Mutual Fund				
Quoted Mutual Fund				
UTI Mutual Fund - Daily Dividend Plan (i)	45,156	4.60	122,740	12.51
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		<u>0.36</u> 60.35		-
Total		64.95		12.51

Disclosure regarding Quoted Investments:	₹ in Crore	₹ in Crore
Aggregate of Quoted investments - Book value	64.95	12.51
- Market value	63.88	12.51

17 Inventories

(₹ in Crore)

Particulars	As at 31st March 2013	As at 31st March 2012
a. Material and stores		
- In Hand	37.22	65.84
- With Third Parties	1.06	1.90
- In Transit	<u>0.37</u>	<u>0.22</u>
	38.65	67.96
b. Construction work-in-progress at cost	85.91	66.55
Total	124.56	134.51



18 Trade receivables *

(₹ in Crore)

Particulars	As at 31st March 2013		As at 31st March 2012	
Unsecured :				
Outstanding for a period exceeding six months from the date they were due for payment				
- Considered good	158.75		44.96	
- Considered doubtful & provided for	21.03	179.78	<u>36.19</u>	81.15
Other trade receivables				
- Considered good	934.41		795.46	
- Considered doubtful & provided for	0.58	934.99	<u>0.12</u>	<u>795.58</u>
		1,114.77		876.73
Less: Provision for doubtful debts		21.61		36.31
Total		1,093.16		840.42

* 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).

19 Cash & Bank balances

(₹ in Crore)

Particulars	As at 31st March 2013		As at 31st March 2012	
Cash and cash equivalents				
a) Cash In hand (i)		0.24		0.46
b) Cheques / drafts in hand		0.02		0.15
c) Balances with banks :				
- In Current accounts		124.98		494.45
- In Flexi accounts (ii)		194.55		117.14
- In Fixed deposits (with a maturity period of less than 3 months) (ii)		1,247.51	1,567.04	<u>650.92</u>
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)		1,536.75		1327.85
Fixed deposits received from contractors		19.46		12.32
Total		3,127.70		2,603.29

i) Cash in hand includes cash imprest ₹ **0.02 crores** (₹ 0.06 crores).

ii) Includes Clients Fund on which interest is passed on to them: (₹ in Crore)

Particulars	Balance at the end of year	
	31.03.2013	31.03.2012
In Flexi accounts	72.55	-
In Fixed deposits (with a maturity period of less than 3 months)	470.00	289.02
In Fixed deposits (with a maturity period of more than 3 months and upto 12 months)	0.40	225.00
Total	542.95	514.02

20 Short term loans and advances *

(₹ in Crore)

Particulars	As at 31st March 2013		As at 31st March 2012	
A. Secured, considered good				
Staff Loans and Advances	0.71		0.72	
Advances to Contractors against material and machinery	<u>31.53</u>	32.24	<u>57.33</u>	58.05
B. Unsecured, considered good				
Security Deposits				
- Government Departments	7.08		4.55	
- With Clients	90.95		56.94	
- Others	0.61	98.64	0.56	62.05
Amount Recoverable from :				
Joint Ventures				
- RICON CETA SARL	1.10		3.89	
- CCFB	0.67		0.60	
- IRCON - RCS - PFLEIDERER	<u>-</u>	1.77	<u>0.01</u>	4.50
Staff Loans and Advances	2.40		3.25	
Advances to Contractors and Suppliers	93.87		126.55	
Money with held by clients	72.46		76.62	
Sales Tax (including TDS)	118.06		24.66	
Value Added Tax	84.66		66.76	
Service Tax input credit	1.18		0.93	
Income Tax (Including TDS)	12.21		11.81	
Prepaid Expenses	5.39		7.87	
Others	<u>3.82</u>	394.05	<u>9.07</u>	327.52
C. Considered Doubtful				
Staff Loans & Advances	0.01		-	
Advances to Contractors and Suppliers	8.62		6.87	
Deposits with Government Departments	2.25		3.45	
Deposits and Retention Money	16.93		15.41	
Sales Tax (including TDS)	<u>10.73</u>		-	
	38.54		25.73	
Less:- Provision for doubtful advances	38.54	-	25.73	-
Total		526.70		452.12

* 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).

Details of amount due from Directors:

(₹ in Crore)

Particulars	As at 31st March 2013	As at 31st March 2012
Amount due from directors included in staff loans and advances	0.03	0.05
	0.03	0.05

21 Other current assets *

(₹ in Crore)

Particulars	As at 31st March 2013	As at 31st March 2012
A) Interest Accrued on:		
Staff loans and advances (secured)	0.16	0.14
Bonds	3.41	1.70
Staff loans and advances (unsecured)	0.09	0.08
Loan to		
- Indian Railway Welfare Organisation	0.20	0.20
Deposits & Advances with:		
- Contractors, Suppliers & Others	0.53	0.53
- Deposit with banks	94.77	56.29
B) Construction Work in Progress (At realisable value)	135.87	189.27
C) Assets held for disposal (i)	1.20	0.01
TOTAL	236.23	248.22

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

(₹ in Crore)

Block of assets	As at March 2013		As at March 2012	
	Gross Block	Net Block	Gross Block	Net Block
Plant and Machinery	13.40	1.20	3.30	0.01
Vehicles	-	-	2.06	-
Total	13.40	1.20	5.36	0.01

* Other current assets stated above ₹ Nil (₹ Nil). 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 as disclosed below:

Details of amount due from Directors:

(₹ in Crore)

Particulars	As at 31st March 2013	As at 31st March 2012
Amount due from directors included in interest accrued on staff loans and advances	0.003	0.01
	0.003	0.01



22 Revenue from operations

(₹ in Crore)

Particulars	2012-13	2011-12
Contract Revenue	4,162.15	3,514.30
Loco	35.60	31.63
Machinery hire charges	0.08	0.38
Other Operating Receipts	11.22	6.09
TOTAL	4,209.05	3,552.40

23 Other Income

(₹ in Crore)

Particulars	2012-13	2011-12
Interest on Tax Free Bonds	9.66	7.48
Bank Interest Gross	236.36	169.11
Less:- Interest passed to clients	<u>48.37</u>	<u>34.87</u>
	187.99	134.24
Interest on refund of income-tax	7.51	6.31
Interest on staff advances	0.42	0.37
Interest on other advances	4.11	5.63
Exchange Fluctuation Gain	27.55	-
Less:- Exchange Fluctuation Loss	<u>14.47</u>	<u>-</u>
	13.08	-
Dividend Income	3.05	0.41
Less:-Dividend passed to clients	<u>0.76</u>	<u>-</u>
	2.29	0.41
Profit on sale of assets	3.44	8.45
Miscellaneous	13.34	12.79
TOTAL	241.84	175.68

24 Operating expenses and administrative expenses

(₹ in Crore)

Particulars	Operating expenses		Administrative expenses	
	2012-13	2011-12	2012-13	2011-12
Materials and Stores consumed:				
Opening balance	67.75	62.45	-	-
Add: Purchases during the year	392.39	455.49	-	-
	460.14	517.94	-	-
Less: Closing Balance	38.28	421.86	67.75	450.19
Work expenses	2,348.50	1,949.04	-	-
(Increase) / Decrease in WIP	(19.37)	21.92	-	-
Design, Drawing, Business Development and Consultancy Charges	102.25	67.55	-	-
Inspection, Geo Technical Investigation and Survey expenses etc.	3.69	3.44	-	-
Repairs and maintenance of machinery	30.62	18.38	-	-
Hire charges of machinery	9.41	5.73	-	-
Exchange fluctuation loss	-	51.20	-	-
Less:- Exchange fluctuation gain	-	35.25	-	-
Net exchange fluctuation loss	-	15.95	-	-
Rent - Non-residential (Refer note 33 (III))	4.29	4.20	0.30	0.20
Rates and taxes	135.67	55.72	0.36	0.83
Vehicle operation and maintenance	14.19	15.62	0.82	0.69
Repairs and maintenance				
- Building	0.26	0.25	0.38	0.51
- Office and Others	3.16	3.18	3.23	2.33
Power, electricity and water charges	3.81	3.56	1.47	1.04
Insurance	10.17	9.83	0.18	0.12
Travelling and conveyance	9.93	10.02	1.55	1.53
Printing and stationery	1.96	2.00	0.99	0.64
Postage, telephone and telex	2.55	2.48	0.51	0.52
Legal and Professional charges	2.58	3.96	3.81	1.70
Security services	3.13	3.41	0.16	0.18
Business promotion	1.12	1.11	0.11	0.09
Write-off of:				
- Bad debts	0.10	-	-	-
- Bad advances	0.60	0.23	-	-
Loss on sale of Assets/Stores	-	-	0.40	0.06
Amortization of premium paid on Investments	-	-	0.36	0.36
Director sitting fee	-	-	0.03	0.02
Donation	-	-	-	0.15
Auditors remuneration (i)	-	-	0.78	0.76
Advertisement and publicity	-	-	3.28	4.49
Training and Recruitment	-	-	0.60	0.29
Preliminary Expenses Written off	-	-	0.68	-
Research and Development expenses	-	-	2.42	0.05
Sustainable Development	-	-	0.90	-
Corporate social responsibility	-	-	9.53	2.22
Miscellaneous expenses	2.49	2.65	1.11	0.87
Less:- Provisions / Reserves Utilised (ii)	(31.92)	(19.02)	(9.84)	-
Total	3,061.05	2,631.40	24.12	19.65

	2012-13	2011-12
(i) Payment to Statutory Auditors:		
(I) Audit Fee - current year	0.21	0.24
(ii) Tax Audit Fees - current year	0.06	0.07
(iii) Certification Fees	0.08	0.07
(iv) Reimbursement of Expenses:		
- Local	0.35	0.32
- Foreign	0.08	0.06
Total	0.78	0.76

(ii) Details given in Note - 27



25 Employee remuneration and benefits

(₹ in Crore)

Particulars	2012-13		2011-12	
	Operating	Administrative	Operating	Administrative
Salaries, wages and bonus (i) (Refer note 33(III))	119.33	33.23	97.75	31.45
Contribution to provident and other funds	6.21	2.56	7.65	2.10
Foreign service contribution	0.75	0.40	0.27	0.43
Retirement benefits	10.57	23.81	10.38	4.39
Staff welfare	2.24	0.45	2.48	0.46
Sub Total	139.10	60.45	118.53	38.83
Total	199.55		157.36	

(i) Includes income-tax on non-monetary perks ₹ **0.23 Crores** (₹ 0.21 Crores).

26 Finance Cost

(₹ in Crore)

Particulars	2012-13	2011-12
Interest Expenses	0.08	-
Other Borrowing Cost		
- Bank & Other Charges	10.79	6.51
Total	10.87	6.51

27 Provisions (Net)

(₹ in Crore)

Particulars	Balance as on 1-4-2012			During the year 2012-13			Balance as on 31-3-2013		
	Long Term	Short Term	Total	Additions	Written Back	Utilisation	Total	Long Term	Short Term
Provided for :									
A Employees Related									
(i) Retirement Benefits									
Gratuity	46.77	2.86	49.63	7.75	-	3.51	53.87	50.61	3.26
Leave Salary	52.44	5.15	57.59	11.41	0.08	4.10	64.82	58.50	6.32
Settlement allowances on retirement	1.45	0.13	1.58	-	0.16	-	1.42	1.31	0.11
Post Retirement Medical Benefits	-	-	-	9.36	-	-	9.36	-	9.36
Pension	12.80	-	12.80	5.08	-	-	17.88	17.88	-
Total of Retirement Benefits (i)	113.46	8.14	121.60	33.60	0.24	7.61	147.35	128.30	19.05
(ii) Others									
Performance Related Pay	-	12.11	12.11	10.30	-	10.97	11.44	-	11.44
Leave Travel Concession	-	-	-	0.08	-	-	0.08	0.05	0.03
Total of Other Benefits (ii)	-	12.11	12.11	10.38	-	10.97	11.52	0.05	11.47
Total Employee Related Provisions (i+ii)	113.46	20.25	133.71	43.98	0.24	18.58	158.87	128.35	30.52
B Others									
Demobilisation	18.12	10.03	28.15	9.66	-	0.57	37.24	4.97	32.27
Maintenance	63.89	19.77	83.66	71.75	7.13	6.42	141.86	46.87	94.99
Future contingencies (Contracts)	4.29	13.21	17.50	6.81	3.61	13.45	7.25	-	7.25
Design Guarantee	183.34	-	183.34	38.52	-	-	221.86	221.86	-
Doubtful debts	-	36.31	36.31	3.71	18.32	0.09	21.61	-	21.61
Doubtful advances	43.50	25.73	69.23	20.43	12.10	0.07	77.49	38.95	38.54
Diminution in value of Investment	5.53	-	5.53	-	-	-	5.53	5.53	-
Corporate Social Responsibility	-	3.34	3.34	6.50	-	9.84	-	-	-
Liabilities(Legal cases)	-	59.79	59.79	5.98	0.67	0.58	64.52	-	64.52
Other expenses	32.64	41.39	74.03	5.43	25.01	10.74	43.71	18.05	25.66
Income-tax and Wealth tax	-	445.30	445.30	392.12	13.87	2.98	820.57	-	820.57
Dividend (Interim and Proposed)	-	64.34	64.34	148.47	-	113.83	98.98	-	98.98
Tax on Dividend (Interim and Proposed)	-	10.43	10.43	24.09	-	18.46	16.06	-	16.06
Total Other Provisions (B)	351.31	729.64	1,080.95	733.47	80.71	177.03	1,556.68	336.23	1,220.45
GRAND TOTAL (C = A+B)	464.77	749.89	1,214.66	777.45	80.95	195.61	1,715.55	464.58	1,250.97
D Less:- Considered Separately									
Doubtful debts considered in Note 18	-	36.31	36.31	-	-	-	21.61	-	21.61
Doubtful advances considered in Note 14,15 & 20	43.50	25.73	69.23	-	-	-	77.49	38.95	38.54
Impairment of Investment considered in Note 12	5.53	-	5.53	-	-	-	5.53	5.53	-
Retirement Benefits considered in Note 25	-	-	-	33.60	0.24	7.61	-	-	-
PRP & LTC included in Salaries, Wages and Benefits	-	-	-	10.38	-	10.97	-	-	-
Income-tax adjusted / considered separately	-	-	-	392.12	13.87	2.98	-	-	-
Dividend paid / considered separately	-	-	-	148.47	-	113.83	-	-	-
Corporate-tax on Dividend paid / considered separately	-	-	-	24.09	-	18.46	-	-	-
TOTAL (D)	49.03	62.04	111.07	608.66	14.11	153.85	104.63	44.48	60.15
Net: Current Year (C - D)	415.74	687.85	1,103.59	168.79	66.84	41.76	1,610.92	420.10	1,190.82
Previous Year	324.78	676.25	1,001.03	265.95	16.81	19.02	1,103.59	415.74	687.85

NOTE:

Net Provisions(Additions/Write Back) carried to Statement of Profit and Loss **101.95**

Retirement Benefits provisions considered in Note 25 **25.75**

Performance Related Pay & LTC considered in Note 25 in Salary and Wages **(0.59)**

Provisions Utilized considered in Note 24 **41.76**

28 Prior Period Adjustments

(₹ in Crore)

Particulars	2012-13	2011-12
PRIOR PERIOD ITEMS:		
Income:		
Revenue from Operation	0.65	(0.61)
Interest income on deposits/ loans	0.71	-
Miscellaneous	0.22	<u>0.01</u>
	1.58	(0.60)
Expenses:		
Work expenses	1.75	1.11
Administrative expenses	0.01	-
Depreciation	1.27	-
Interest & Financial Charges	0.22	
Rates and taxes	-	5.44
Design, Drawing, Business Development and Consultancy Charges	3.15	4.01
Others	0.13	<u>0.07</u>
	6.53	10.63
TOTAL	(4.95)	(11.23)

29. Contingent liabilities consist of:

- (a) Claims against the Company not acknowledged as debt ₹ 597.21 crore (₹ 622.19 crore). Against this the Company has counter claims of ₹ 265.48 crore (₹ 137.33 crore). In case claims against the Company do materialise, claims for ₹ 88.14 crore (₹ 327.12 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 ₹ 145.91 crore (₹ 175.29 crore) of which ₹ 23.06 crore (₹ 46.21 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 maximum to the extent of ₹ 300 crore (being 50% of total term loan of ₹ 600 crore).

30. Commitments:

- (a) Estimated amount of contracts remaining to be executed on capital account (net of advances) is ₹ 0.51 crore (₹ 1.92 crore).
- (b) In case of subsidiary (Ircn Infrastructure & Services Ltd.), the estimated amount of contract amounting to ₹ 16.44 crore (₹ 34.95 crore) are remaining to be executed on capital account.

(c) Other Commitments :

Commitments to fund Joint Ventures/ associates :

- a. To Chattisgarh East Railway Limited and Chattisgarh East-West Railway Limited towards company's share of equity (26% each) for ₹ 2.60 crore (Nil).

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	2012-13	2011-12
Work Receipts & Loco lease	1978.03	1843.27
Bank Interest	6.11	5.94
Other Interest	0.15	0.42
Foreign Exchange Fluctuation Gain (Net)	13.09	-
Others	2.91	12.82
TOTAL	2000.29	1862.44

(b) **Expenditure in foreign currency:**

(₹ in Crore)

Particulars	2012-13	2011-12
Operational Expenses	961.85	1181.39
Consultancy charges	48.96	66.13
Foreign Exchange Fluctuation Loss (Net)	-	15.95
Administrative & Other Expenses	101.73	155.22
TOTAL	1112.54	1418.69

(c) **CIF value of Imports:**

(₹ in Crore)

Particulars	2012-13	2011-12
Materials	55.74	21.44
Consumables, Components and Spares	-	-
TOTAL	55.74	21.44

(d) **Material and Stores consumed:**

(₹ in Crore)

Particulars	2012-13		2011-12	
	Amount	%age	Amount	%age
Imported	55.74	13.21%	21.44	4.76%
Indigenous	366.12	86.79%	428.75	95.24%
Total	421.86	100%	450.19	100%

33. Disclosure regarding Leases:

I. Operating leases for locomotives

- (a) The Company has provided 25 locomotives on lease to a foreign client as on 31.03.2013.
- (b) Future minimum lease rental payable / receivable under operating lease for each of the following period is as under:

(₹ in Crore)

Lease Rent	Not later than 1 year	Later than 1 year to 5 years	Later than 5 years
Receivable	25.20 (25.49)	0.26 (Nil)	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 of assets	As on 31st March 2013	As on 31st March 2012
Gross carrying amount of assets	26.79	24.82
Accumulated depreciation	25.45	23.58

(₹ in Crore)

Particulars	2012-13	2011-12
Depreciation for the year	1.87	14.76

II. Operating lease for light vehicles

The Company has taken three (four) light vehicles on operating lease without any obligation to purchase from lessor for its use for 5 years. The agreement has expired on 09.04.2013. The future minimum basic lease rent payable is as under:

(₹ in Crore)

Lease Rent	Not later than 1 year	Later than 1 year to 5 years	Later than 5 years
Payable	Nil (0.04)	Nil (Nil)	Nil (Nil)

III. 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 ₹ 5.55 crore (₹ 5.44 crore) towards lease payments, net of recoveries in respect of premises for residential use of employees. Lease payments in respect of premises for offices, guesthouses and transit camps aggregate to ₹ 4.59 crore (₹ 4.43 crore) shown as rent in note 24.

34. Segment Reporting:

Primary Segment information (Geographic):

(₹ in crore)

Particulars	International		Domestic		Others*		Total	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
A. Turnover								
Revenue from Operations	1974.63	1849.76	2246.47	1749.51	0.91	2.14	4222.01	3601.41
Other Income	20.09	15.17	17.10	14.94	204.65	150.40	241.84	180.51
Inter-segment	-	-	-	-	-	-	-	-
Total Revenue	1994.72	1864.93	2263.57	1764.45	205.56	152.54	4463.85	3781.92
B. Result								
Profit before Provision, Depreciation, Interest and Tax	862.38	603.73	111.16	191.74	178.26	112.65	1151.80	908.12

Less:								
Provision & write backs (Net)	106.25	112.93	(7.79)	80.18	3.49	56.03	101.95	249.14
Depreciation	33.62	42.90	7.80	10.50	1.55	3.44	42.97	56.84
Interest	-	-	-	-	0.08	-	0.08	-
Profit Before Tax	722.51	447.90	111.15	101.06	173.14	53.18	1006.80	602.14
Tax Expense	35.76	44.72	94.77	54.90	155.08	32.60	285.61	132.22
Profit After Tax	686.75	403.18	16.38	46.16	18.06	20.58	721.19	469.92
C. Other Information								
Assets	2516.64	2131.79	1804.15	1607.92	2015.53	1788.92	6336.32	5528.63
Include Fixed Assets (Net Block)	71.11	75.33	94.89	38.24	82.04	82.54	248.04	196.11
Liabilities	1818.61	1756.02	1714.40	1564.00	510.23	465.67	4043.24	3785.69
Capital Expenditure: Additions to Fixed Assets	28.42	13.62	0.44	0.37	2.49	0.55	31.35	14.54

*Others include unallocated revenue, expenses, assets and liabilities.

Secondary Segment information (Business):

(₹ in crore)

Particulars	Operating Income		Segment Assets		Additions to Fixed Assets	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Construction, etc.	4186.00	3569.29	6300.32	5516.11	29.30	14.36
Leasing operation	36.01	32.12	36.00	12.52	2.05	0.18
Total	4222.01	3601.41	6336.32	5528.63	31.35	14.54

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

(a) Unincorporated Joint-Ventures:

i) For projects in operation:

S. No.	Name of the JV	Partner(s) and Country of Origin	Participating Interest (in %) as on 31st March	
			2013	2012
1	Ircon-RCS-PFLEIDERER	Ircon, India	65.08	65.08
		Rayalseema Concrete Sleepers Pvt. Ltd, India	21.87	21.87
		Pfleiderer Infrastrukturtechnik GmbH & Co, Germany	13.05	13.05
2	IRCON-SPSCPL	IRCON, INDIA SPSCPL, INDIA	50.00 50.00	50.00 50.00

ii) For projects which have been completed :

S. No.	Name of the JV	Partner(s) and Country of Origin	Participating Interest (in %) as on 31st March	
			2013	2012
1	RICON	Ircon, India RITES, India	49.00	49.00
			51.00	51.00
2	RICON- CETA SARL	RICON, India CETA, Mozambique	49.00	49.00
			51.00	51.00
3	Ircon-COBRA-ELIOP	Ircon, India COBRA, Spain ELIOP, Spain	61.22	61.22
			34.35	34.35
			4.43	4.43
4	Ircon-Sree Bhawani Builders	Ircon, India Sree Bhawani Builders, India	24.21	24.21
			75.79	75.79
5	SMJ – Ircon	Ircon, India Sumber Mitra Jaya, Indonesia	25.00	25.00
			75.00	75.00
6	Ircon-SMJ Project JV	Ircon, India Sumber Mitra Jaya, Indonesia	55.00	55.00
			45.00	45.00
7	International Metro Civil Contractor (IMCC)	Dywidag, Germany Larsen & Tubro Ltd., India Samsung Corp., Korea Shimizu Corp., Japan Ircon, India	29.00	29.00
			26.00	26.00
			26.00	26.00
			9.50	9.50
			9.50	9.50
8	Metro Tunneling Group (MTG)	Dywidag, Germany Larsen & Tubro Ltd., India Samsung Corp., Korea Shimizu Corp., Japan Ircon, India	29.00	29.00
			26.00	26.00
			26.00	26.00
			9.50	9.50
			9.50	9.50
9	Ircon-GANNON Dunkerly	Ircon, India GANNON Dunkerly	55.70	55.70
			44.30	44.30

(b) Joint-Venture Companies:

S. No	Name of JV Company	Shareholders and country of origin	Percentage of Ownership	
			As at 31st March 13	As at 31st March 12
1	CCFB (Companhia Dos Caminhos De Ferro Da Beira SARL) Mozambique	Ircon, India RITES, India CFM, Mozambique	25.00	25.00
			26.00	26.00
			49.00	49.00
2	Ircon-Soma Tollway Private Limited	Ircon, India Soma Enterprise Limited, India	50.00	50.00
			50.00	50.00
3	Indian Railway Station Development Corporation Limited.	Ircon, India RLDA, India	51.00	-
			49.00	-
4	Chattisgarh East Railway Limited	Ircon, India SECL, India GoCG	26.00	-
			64.00	-
			10.00	-
5	Chattisgarh East-West Railway Limited	Ircon, India SECL, India GoCG	26.00	-
			64.00	-
			10.00	-



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

(₹ in crore)

S.No.	Particulars	RICON-CETA SARL		RICON		IMCC		MTG		IRCON-SPSCPL		Total	
		2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
1	Income	-	0.24	0.82	1.76	0.01	-	0.64	0.27	11.49	21.16	12.96	23.44
2	Expenditure	-	0.24	0.39	0.80	0.13	0.02	(0.15)	(0.23)	11.22	20.14	11.59	20.97
3	Fixed Assets	-	-	0.01	-	-	-	-	-	0.01	0.01	0.02	0.01
4	Current Assets	-	6.98	5.59	9.22	4.47	5.01	7.92	7.73	6.55	5.85	24.53	34.79
5	Current Liabilities	-	3.22	(3.88)	-	1.46	1.52	2.79	3.64	6.87	5.39	7.24	13.78
6	Loan Fund	-	-	-	-	-	-	-	-	-	-	-	-

(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) Bank guarantee in case of MTG ₹ **Nil** (₹ 0.59 crore).
- (iv) Corporate guarantee to Central Excise in case of MTG ₹ **1.54 crore** (₹ 1.54 crore).
- (v) Bank guarantee in case of Ircon-RCS- PFLEIDERER ₹ **0.91 crore** (₹ 0.91 crore).
- (vi) Income Tax liability in the case of IMCC (Joint Venture) ₹ **5.29 crore** (₹ 5.29 crore) and ₹ **0.40 crore** (₹ 0.09 crore) in case of MTG.
- (vii) Recovery suit against the IMCC by M/s Sai Engineers as on 31.03.2013 is ₹ **0.02 crore** (₹ 0.02 crore).
- (viii) Contingent liability towards the company's share against payments to sub-contractor for ₹ **0.07 crore** (₹ Nil) for IMCC.

36. Related Party disclosures:

- (a) Enterprises where control exists:
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	
	2012-13	2011-12	As on 31-3-2013	As on 31-3-2012
Remuneration to key management personnel (b above) & Sitting Fees to other Independent Directors	As per Note No. 37		0.44	0.04
Investment in CCFB/ISTPL	Nil	Nil	69.40	69.40
Loan to CCFB/ISTPL	(4.42)	(10)	88.82	93.24
Advances recoverable from CCFB/ISTPL/RICON	1.61	(1.73)	3.23	2.22
Amount payable to RICON	(6.62)	0.19	10.91	17.53
Income from CCFB/RICON/ISTPL	2.62	38.51	16.70	16.71

- (c) Disclosure in respect of direction under section 212(8) of the Companies Act, 1956 regarding Wholly Owned Subsidiary Ircon Infrastructure & Services Limited (IrconISL) and other Subsidiary company Indian Railway Stations Development Corporation Limited (IRSDC) : (₹ in Crore)

S.No.	Particulars	2012-13		2011-12	
		IrconISL	IRSDC	IrconISL	IRSDC
1	Capital	40.00	20.00	4.90	-
2	Reserves	4.53	(1.07)	2.61	-
3	Total Assets	99.87	19.96	72.21	-
4	Total Liabilities	55.34	1.03	64.70	-
5	Investment	-	-	-	-
6	Turnover	12.82	0.86	6.14	-
7	Profit Before Tax	2.79	(1.07)	3.81	-
8	Provision for Tax	0.88	-	1.26	-
9	Profit After Tax	1.91	(1.07)	2.56	-
10	Proposed Dividend	-	-	-	-

37. Details of remuneration to Directors: (₹ in Crore)

S.No.	Particulars	2012-13	2011-12
I	Salary & allowances	1.94	1.06
II	Contribution to provident fund	0.08	0.07
III	Superannuation including retirement benefits	0.03	0.01
IV	Reimbursement of medical expenses	0.03	0.01
V	Sitting fee	0.03	0.02
VI	Other benefits	0.22	0.17
	TOTAL	2.33	1.34

- 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 is being renewed on year-to-year basis. 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) Due to gulf war when payments from clients (including for Samawa and Al-muthana projects executed in Iraq) were not forthcoming, Government of India (GOI) bailed out project exporters in Iraq including Ircon under Deferred Payment Agreement Protocol (DPA).
 (b) Under DPA, the outstanding balances dues as certified by Central Bank of Iraq (CBI) to Exim Bank upto Sept.1995 were settled by GOI by issuing bonds in two phases. Subsequent to 2nd phase, CBI had further certified (confirmed by Exim Bank in May, 2000) an amount of USD 0.89 crore (equivalent to ₹ 31.802 crore converted at the last settlement rate of 1 USD = ₹ 35.802) to Exim Bank, awaiting settlement by GOI, for which the Company had conveyed its consent to Ministry of Railways vide its letter dt. 26.05.2005 the settlement is yet to be approved by GOI. Corresponding to these dues, interest payable to sub-contractors on back-to-back basis amounting to USD 0.42 crore (equivalent to ₹ 15.04 crore converted at the last settlement rate of 1 USD = ₹ 35.802) has been provided in the books of accounts.
 (c) The accrued interest on deferred Iraqi dues and provision for interest to sub-contractors (under Deferred Payment Agreement Protocol) on back-to-back basis have been translated at the last settlement rate (i.e. 1 USD = ₹ 35.802) with the Government of India, based on prudence as in previous year. Had the dues been translated at the closing exchange rate as on 31.03.2013 as per AS-11, other non current assets would have been higher by ₹ 16.23 crore (previous year higher by ₹ 13.25 crore), long term provisions would have been higher by ₹ 7.67 crore (previous year

higher ₹ 6.27 crore) and profit before tax would have been higher by ₹ 8.56 crore (effect on current year ₹ 1.58 crore and of earlier years ₹ 6.98 crore) (previous year higher ₹ 6.98 crore).

41. (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 had given 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 (₹ 93.24 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 ₹ 1.08 crore has been recognised during the year which includes ₹ 0.65 crore relating to financial year 2011-12. 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 ₹ 35.57 crore (₹ 42.13 crore) [₹ 29.77 crore (₹ 34.20 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 ₹ 2.94 crore (₹ 0.81 crore)] (refer Note 12, 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 ₹ 4.28 crore (₹ 3.38 crore), cumulative ₹ 7.66 crore (₹ 3.38 crore) has not been recognized.
- (c) Had the dues been translated at the closing exchange rate as on 31.03.2013 as per AS-11, long term loan and advances would have been higher by ₹ 13.10 crore (₹ 8.33 crore) and profit before tax would have been higher by ₹ 13.10 crore (effect on current year ₹ 4.46 crore and of earlier years ₹ 8.64 crore) (₹ 8.33 crore).
Had the effect of Note no. 40 & 41 would have been given cumulatively, the long term loans & advances would have been ₹ 372.24 crore (₹ 325.67 crore), other non- current assets would have been ₹ 98.41 crore (₹ 94.81 crore), long term provisions would have been ₹ 427.77 crore (₹ 422.01 crore) and profit before tax would have been ₹ 1028.46 crore (₹ 617.45 crore).
42. 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 was disallowed by the CIT (A) in some of the assessment years. Although, the CIT (A) has considered our claim for the assessment year 2004-05 and 2005-06, but the Income tax department moved to the Tribunal against the order of CIT(A). Accordingly, the tax is being provided without considering the deduction under Section 80IA. The amount of such deduction up to assessment year 2012-13 is ₹ 700.53 crore (₹ 580.29 crore). The matter is pending before the Tribunal.
43. Ircon has been offering global income for tax in India. Income earned by its permanent establishments outside India was excluded from total income being exempted as per certain settled legal position that such income can be taxed by source country and not taxable in India. But CIT (Appeals) did not agree to treatment given by Ircon to foreign income earned out of India and instead of excluding foreign income, credit for taxes paid out of India was allowed for the AY 2006-07, 2008-09 and 2009-10.
Jurisdictional DCIT has also completed the assessment for the AY 2010-11 in the similar pattern. Therefore, during the FY 2012-13 (AY 2013-14), the Company has changed its method of estimating provision for tax w.e.f. AY 2006-07. Accordingly, as a matter of prudence provision for the current assessment year 2013-14 (FY 2012-13) and for the AY 2006-07 onwards up to AY 2012-13 have been recomputed taking credit of taxes paid abroad.
Additional (increase) provision for tax due to change in methodology for taxation, for earlier years i.e. from AY 2006-07 to AY 2012-13 has been worked out and provided in books amounting to ₹ 108.48 crore and for the AY 2013-14 for ₹ 76.88 crore. Deferred tax as per new methodology has been worked out and provided in books ₹ 79.60 crore.

44. **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. This being a voluntary welfare measure, the Company is not liable for providing such benefits to its employees. However, during the year company has contributed ₹ 1.79 Crore (₹ Nil) in the trust. Itron Medical Trust has a combined fund of ₹ 30.57 crore as on 31.03.2013 (₹ 26.32 crore). Company has also made provision of ₹ 9.36 crore (₹ Nil) 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.

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	Other Retirement Benefits
Present Value of Obligation as at beginning of the period	49.63 (44.61)	55.61 (54.01)	1.57 (1.45)
Interest Cost	3.72 (3.34)	4.17 (4.05)	0.12 (0.11)
Current Service Cost	2.90 (2.72)	5.09 (3.94)	0.07 (0.08)
Past Service Cost	- (-)	- (-)	- (-)
Benefit Paid	(3.51) ((2.05))	(3.56) ((1.21))	(0.00) (0.01)
Actuarial (gain)/loss on obligation	1.13 (1.01)	0.04 ((5.18))	(0.34) ((0.06))
Present Value of Obligation as at the end of the period	53.87 (49.63)	61.34 (55.61)	1.42 (1.57)

ii) Changes in the fair value of plan assets

(₹ in crore)

	Gratuity	Leave Encashment	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	- (-)	- (-)	- (-)

iii) Fair Value of plan assets

(₹ in crore)

	Gratuity	Leave Encashment	Other Retirement Benefits
Fair Value of plan assets as at beginning of the period	- (-)	- (-)	- (-)
Actual return on Plan Assets	- (-)	- (-)	- (-)
Benefits paid	- (-)	- (-)	- (-)
Fair value of Plan Assets at the end of period	- (-)	- (-)	- (-)
Funded Status	(53.87) ((49.63))	(61.34) ((55.61))	(1.42) ((1.57))
Excess of actual over expected return on plan assets	- (-)	- (-)	- (-)

iv) Actuarial Gain/Loss Recognised for the period

(₹ in crore)

	Gratuity	Leave Encashment	Other Retirement Benefits
Actuarial gain/(loss) for the period- Obligation	(1.13) ((1.01))	(0.04) ((5.18))	0.35 (0.06)
Actuarial gain/(loss) for the period- Plan Assets	- (-)	- (-)	- (-)
Total (gain)/loss for the period	1.13 (1.01)	0.04 (5.18)	(0.35) ((0.06))
Actuarial (gain)/loss recognised in the period	1.13 (1.01)	0.04 (5.18)	(0.35) ((0.06))

v) Amount Recognised in Balance Sheet

(₹ in crore)

	Gratuity	Leave Encashment	Other Retirement Benefits
Present Value of Obligation as at the end of the period	53.87 (49.63)	61.34 (55.61)	1.42 (1.57)
Fair Value of Plan Assets as at the end of the period	- (-)	- (-)	- (-)
Funded Status	(53.87) ((49.63))	(61.34) ((55.61))	(1.42) ((1.57))
Excess of actual over estimated	- ((-))	-	-
Net liability recognised in the balance sheet	(53.87) ((49.63))	(61.34) ((55.61))	(1.42) ((1.57))

vi) Expenses recognised in statement of profit & loss

(₹ in crore)

	Gratuity	Leave Encashment	Other Retirement Benefits
Current Service Cost	2.89 (2.71)	5.09 (3.94)	0.07 (0.08)
Past Service Cost	- (-)	- (-)	- (-)
Interest Cost	3.72 (3.34)	4.17 (4.05)	0.12 (0.11)
Expected return on plan assets	- (-)	- (-)	- (-)
Net actuarial (gain)/ loss recognised in the year	1.13 (1.01)	0.04 (5.18)	(0.35) (0.06)
Expenses recognised in the statement of profit & loss	7.75 (7.07)	9.29 (2.81)	(0.16) (0.13)

vii) Amount for the current period

(₹ in crore)

	Gratuity	Leave Encashment	Other Retirement Benefits
Present Value of Obligation	53.87 (49.63)	61.34 (55.61)	1.42 (1.57)
Plan Assets	- (-)	- (-)	- (-)
Surplus (Deficit)	(53.87) (49.63)	(61.34) (55.61)	(1.42) (1.57)
Experience adjustments on plan liabilities -(Loss)/ Gain	(1.13) (1.01)	(0.04) (5.18)	0.35 (0.06)
Experience adjustments on plan assets -(Loss)/ Gain	- (-)	- (-)	- (-)

viii) Actuarial Assumptions

I)	Method used	Projected Unit Credit Method
II)	Discount rate	7.50%
III)	Rate of increase in compensation levels	7.50%
IV)	Average outstanding service of employees up to retirement	13.58 years
V)	Estimated term of benefit obligations	13.58 years

45. Disclosure in respect of contracts in progress*

Details		Up to 31st March 2013	Up to 31st March 2012
(a)	Aggregate amount of costs incurred and recognized profits (less recognized losses)	16716.79	13143.81
		As on 31st March 2013	As on 31st March 2012
(b)	Amount of advances received from client	1141.93	1391.36
(c)	Amount of retentions (by client)	144.33	124.29

* excluding projects completed up to 31.03.2013



46. Sum of ₹ 68.29 crore (₹ 55.96 crore) has been capitalized as capital work in progress by Irrcon Infrastructure & Services Limited including 75% of administrative cost relating to construction of projects.
47. 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 31st March 2013.
- 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 2013 is ₹ Nil (₹ Nil).
48. Basic earnings per share are computed by dividing net profit after tax ₹ 721.70 crore (₹ 464.96 crore) by weighted average 14,434,583 (9,898,000) fully paid equity shares of ₹10 each. Diluted Earnings per share is not applicable, as there is no dilution involved.
49. Previous year's figures have been regrouped, rearranged and recast wherever necessary to make it comparable to the current year's classification.

For Wahi & Gupta

Chartered Accountants
FRN : 002263N

For and on behalf of the Board of Directors

CA Y. K. Gupta

Partner
M.No.16020

Lalitha Gupta

Company Secretary
& GM (Law)

K. K. Garg

Director Finance

Mohan Tiwari

Chairman &
Managing Director

Place : New Delhi

Dated : 26.07.2013

WAHI & GUPTA
CHARTERED ACCOUNTANTS
HOTEL REX BUILDING,
5, NETAJI SUBHASH MARG,
DARYA GANJ, NEW DELHI-110002
PHONE-23269921, 23252597

AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF IRCON INTERNATIONAL LIMITED, NEW DELHI

1. We have audited the accompanying consolidated financial statements of Ircan International Limited ("the Company") and its two subsidiaries, M/s Indian Railway Stations Development Corporation Limited (IRSDC) and Ircan Infrastructure & Services limited (IrcanISL), which comprise the consolidated Balance Sheet as at 31st March, 2013, 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 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 Company 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 Company'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. 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

(i) The Company has been carrying balances at exchange rate prevalent at the time of settlement of dues in 1995 with Government of India and not translating at rates prevalent on 31.03.2013 is not in conformity with AS-11. As a result, Other non current assets is lower by ₹ 16.23 crore, Long term provisions is lower by ₹ 7.67 crore and Profit before tax is lower by ₹ 8.56 crore (current year ₹ 1.58 crore, earlier year ₹ 6.98 crore). (Refer Note No. 40).



- (ii) The Company has been carrying balances at exchange rate prevalent on 31.03.2011, of shareholder's loan and interest accrued thereon due from Joint venture Company CCFB, and not translating at rates prevalent on 31.03.2013 is not in conformity with AS-11. As a result, Long term loan and advances is lower by ₹ 13.10 crore and Profit before tax is lower by ₹ 13.10 crore (current year ₹ 4.46 crore, earlier year ₹ 8.64 crore). (Refer Note No. 41).
- (iii) Had the effect of above (i) & (ii) would have been given cumulatively, the long term loans and advances would be ₹ 372.24 crore Other non current assets would be ₹ 98.41 crore, Long Tern Provisions would be ₹ 427.77 crore and Profit Before Tax would be ₹ 1028.46 crore.

5. Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries as noted below, 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 Company as at March 31, 2013;
- (b) in the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

6. Other Matter

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), whose financial statements reflect total assets (net) of ₹ 119.83 crore as at March 31, 2013, total revenues of ₹ 13.68 crore and net cash inflows amounting to ₹ 22.36 crore for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion is based solely on the reports of the other auditors. Our opinion is not qualified in respect of this matter.

For Wahi & Gupta
Chartered Accountants
FRN 002263N

(CA Y. K. Gupta)
Partner
Membership No. 16020

Place : New Delhi
Date : 26.07.2013