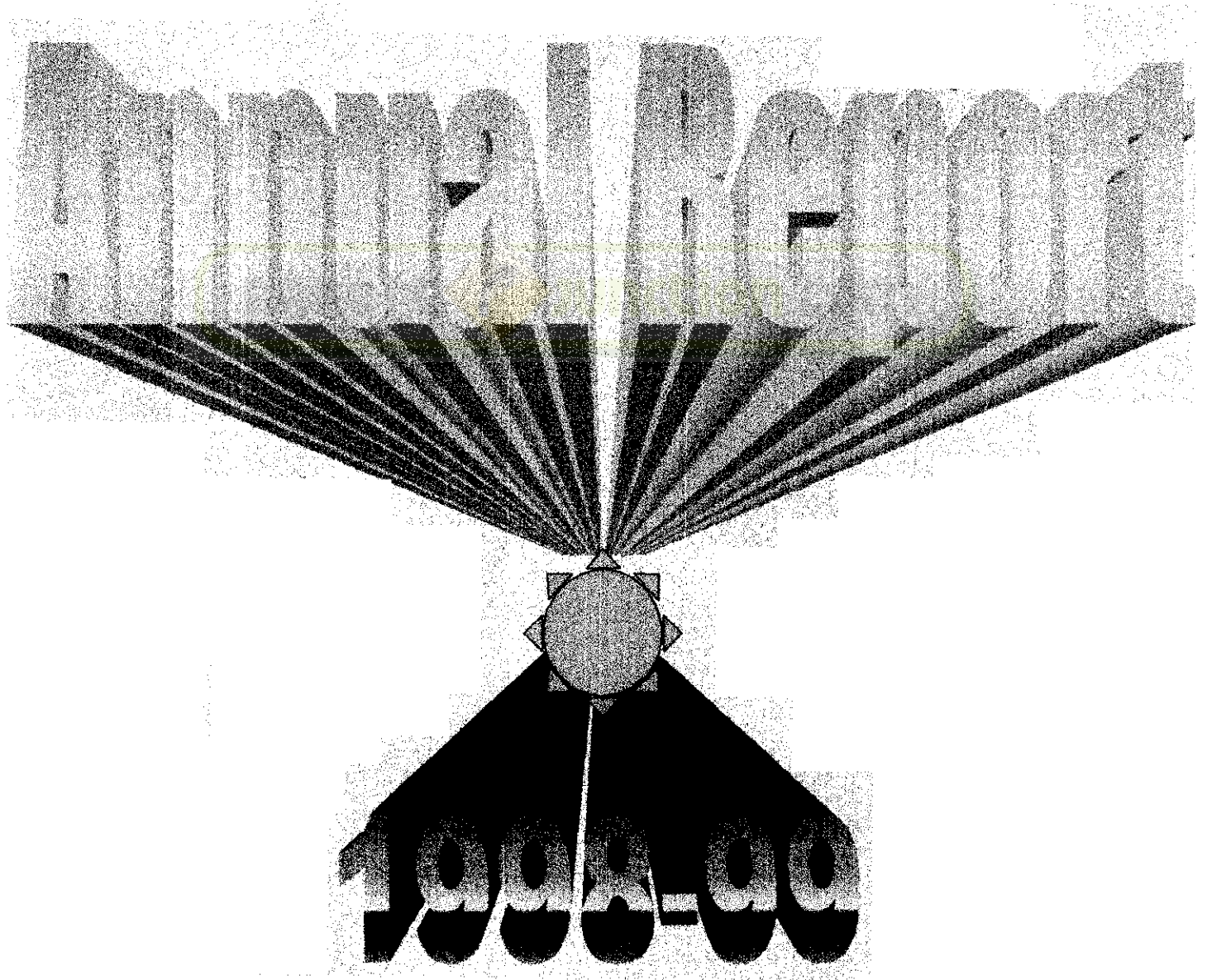


INCOOM





**Mr. V.K.Agnihotri**  
Member Engineering, Railway Board  
& ex-officio Secretary to Govt. of India  
Ministry of Railways.



**Mr. S.Suryanarayanan**  
Addl. Member (Planning)  
Railway Board,  
Ministry of Railways.



**Mr. Arun Prasada**  
Managing Director

**Ms. Usha Mathur**  
Executive Director Fin. (Exp.)  
Railway Board,  
Ministry of Railways.

**Mr. A.K.Tandon**  
Director Projects

**Ms. Kanthi Tripathi**  
Joint Secy. (ED & MER)  
Ministry of External Affairs.

**Mr. B.S.Kapur**  
Director Works



**Dr. S. A. Dave**  
Chairman, CMIE Pvt. Ltd.,  
Mumbai.

**Prof. N.C.Nigam**  
Vice Chancellor,  
University of Roorkee.

**Mr. P.K.Choudhury**  
Managing Director  
ICRA Ltd., New Delhi.

**Mr. S.S.Shroff**  
Advocate on Record,  
Supreme Court of India.



**Ms. Lalitha Gupta**



**S.P.Chopra & Co.,**  
31-F, Connaught Place,  
Radial Road No.7,  
New Delhi - 110001.



Palika Bhawan, Sector-XIII,  
R.K.Puram, New Delhi-110066



State Bank of India  
Indian Overseas Bank



The Stock Exchange, Mumbai,  
Phiroze Jeejeebhoy Towers,  
25<sup>th</sup> Floor, Dalal Street,  
Mumbai-400 001.

Delhi Stock Exchange Association Ltd.  
West Plaza, Indira Gandhi Stadium,  
Indraprastha Estate,  
New Delhi - 110 002.

Urge to Stay Ahead

इरकॉन

इरकॉन इन्टरनेशनल लिमिटेड

सिविल, मेकैनिकल इलक्ट्रिकल, कम्युनिकेशन्स, और टर्नकी कान्ट्रैक्टर्स  
(भारत सरकार का उपक्रम)



IRCON

IRCON INTERNATIONAL LIMITED

Civil, Mechanical, Electrical, Communications, and Turnkey Contractors

(A Govt. of India Undertaking)

**NOTICE FOR THE TWENTY-THIRD ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN THAT the Twenty-third Annual General Meeting of Ircon International Limited (IRCON) will be held in the Conference Room of IRCON (4th Floor), Palika Bhawan, Sector-XIII, R.K.Puram, New Delhi-110 066 on Monday the 27th September, 1999 at 1700 hours to transact the following business:-**

**ORDINARY BUSINESS:**

- (1) To receive and adopt the Directors' Report and the Audited Balance Sheet as on 31st March, 1999 and the Profit & Loss Account for the period from 1.4.1998 to 31.3.1999 with the Auditors' Report thereon.
- (2) To declare dividend.

**SPECIAL BUSINESS:**

- (3) Amendment of Memorandum of Association.

To consider and, if thought fit, to pass with or without modification, the following special resolution:-

"RESOLVED THAT the insertion of the following sub-clause (5) in Clause III A of the Memorandum of Association be and is hereby approved.

(5) To carry on the business of telecommunications for provision of full range of telecom and Information Technology (IT) services including but not limited to business of Internet Service Provision (ISP), long distance backbone transmission service provision, basic services, cellular services, other value added services and other related services, in India and abroad."

Being a Government Company, the appointment of Auditors will be made by the Central Government on the recommendation of the office of the C&AG of India.

BY ORDER OF THE BOARD OF DIRECTORS

*Lalitha*

New Delhi  
Dated: 1.9.1999

( Ms. Lalitha Gupta )  
COMPANY SECRETARY/IRCON

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रजि० कार्यालय : पालिका भवन, सेक्टर-१३, आर० के० पुरम, नई दिल्ली-११००६६, भारत

Regd. Office : Palika Bhavan, Sector-13, R. K. Puram, New Delhi - 110066, INDIA

TEL. : 6889361-63, 6889275-76 TELEX : 031-72205, 72379 FAX : +91-011-6885165, 6873913

E-MAIL : ircon@giaadl01.vsnl.net.in

**IRCON INTERNATIONAL LIMITED  
(IRCON)**

**Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956.**

**Item 3 : Amendment of Memorandum of Association**

IRCON is already involved in the construction and maintenance of telecommunication systems in the Country for Railways and other clients. Further, recently Railways have entrusted IRCON with the construction of Optic Fibre Network along the Railway track (Delhi-Jaipur-Mumbai section). Having already a presence in the telecom sector in the construction field, IRCON proposes to enter the business of telecommunications for provision of full range of telecom and information technology services including Internet Service Provision (ISP) whenever opportunities permit. IRCON already has a licence granted by the Govt. of India, Ministry of Communications, Dept. of Telecommunications on 29.12.1998. If circumstances necessitate, IRCON may transfer this licence to another company.

According to the Memorandum of Association of IRCON, the Company can carry on business of construction and modernisation of telecommunication systems including all services ancillary thereto. Strictly speaking, provision of telecom services including internet services is not spelt out in the objects of IRCON. It is therefore proposed to amend the Memorandum in order to provide for carrying on the business of telecommunications for provision of full range of telecom and Information Technology (IT) services including but not limited to ISP operation, long distance backbone transmission service provision, basic services, cellular services, other value added services and other related services, in India and abroad.

The Board of Directors have approved the proposal and as required by section 17 of the Companies Act, 1956, this is now before the shareholders for approval by a special resolution.

None of the directors is in any way concerned or interested in this resolution.



**IRCON INTERNATIONAL LIMITED  
(IRCON)**

**Palika Bhawan,  
Sector-XIII, R.K.Puram,  
New Delhi - 110 066.**

**PROXY FORM**

I,

\_\_\_\_\_ being a member IRCON INTERNATIONAL LIMITED hereby appoint Mr. \_\_\_\_\_ failing him \_\_\_\_\_ as my proxy to vote for me and on my behalf at the 23rd Annual General Meeting of the Company to be held on 27th September, 1999 or at any adjournment or postponement thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 1999

Signature \_\_\_\_\_

Name \_\_\_\_\_

Designation \_\_\_\_\_

**Affix 30 Paise Revenue Stamp**

Folio No. \_\_\_\_\_

No. of shares held \_\_\_\_\_

**Note:** The proxy must be returned duly completed so as to reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.

## DIRECTORS' REPORT

Distinguished shareholders of IRCON,

It is our privilege and pleasure to present the Twenty-third Annual Report of IRCON for the year ended 31st March, 1999.

### Financial performance

The total turnover of the Company during 1998-99 is Rs. 4129 million including a contribution of Rs. 696 million from foreign projects. The profit before tax stands at Rs. 402 million. The net foreign exchange earnings have marginally increased from Rs. 435 million in 1997-98 to Rs. 439 million during the year. The net worth of the Company as on 31st March 1999 is significant at Rs. 4121 million.

Company's performance during the year is summarised below:-

	(Figures in Millions of Rs.)	
	1998-99	1997-98
Total turnover	4129	4540
Operating turnover	3803	4197
Expenditure	3384	3765
Depreciation	94	104
Operating profit	325	328
Other income	326	342
Administrative and other expenses	194 *	129
Interest and finance charges	67	35
Prior period adjustment (Net)	12	(3)
Profit before tax	402	503
Tax provision for the year	37	115
Tax provision for the earlier year/refund	(197)	(38)
Net profit after tax	562	426
Net foreign exchange earnings	439 **	435
Net worth	4121	3682

\* Includes Rs. 39 million towards voluntary retirement terminal benefits.

\*\* During 1998-99 the Company has earned foreign exchange of Rs. 689 million, the foreign exchange outgo being Rs. 250 million.

## **Reserves**

To obtain tax benefits under the Income-tax, 1961, in respect of profits and gains from projects outside India, it is proposed to transfer Rs. 160 million from profit and loss account to the foreign projects reserve and write back Rs. 110 million bringing the balance of foreign projects reserve to Rs. 1680 million. After such appropriation and adjustments, it is proposed to transfer a sum of Rs. 389 million to the general reserve which will stand at Rs. 2391 million.

## **Share capital**

During the year there has been no increase in the paid-up share capital of the Company which remains at Rs. 49.49 million. Shareholders' fund has increased from Rs. 3682 million to Rs. 4121 million.

## **Dividend**

The Board of Directors have recommended a dividend of 225% of the paid-up share capital for 1998-99 amounting to Rs. 111.35 million out of which Rs. 24.7 million (representing 50% of the paid up share capital) has been paid as interim dividend. With this the cumulative dividend paid till 1998-99 will stand at Rs. 341 million approximately.

## **Operational Performance**

During the year, IRCON has successfully completed two projects abroad -- one each in Malaysia and Bangladesh -- and secured two contracts worth Rs. 200 million -- one each in Bangladesh and Malaysia.

In India, the Company has completed 22 projects and secured more than fifteen projects worth Rs. 4900 million during the year.

The Company has received two all India export awards -- one each from OCCI and EEPC -- for its performance in 1997-98.

## Projects abroad

The projects completed during the year are:-

### Malaysia

- Track work for rail link from South port to West port - Pulau Indah.

### Bangladesh

- Second Road Rehabilitation and maintenance project, RRMP-II Widening Contract-W4, Nawabhanj Project ---Shibganj-Kansat-Sonamasjid.

The new and ongoing projects are:-

### Malaysia

- Installation of track and associated ancillary supply of track materials including testing, commissioning and maintenance for the proposed Kuala Lumpur Central Station and related infrastructure work; valued Rs. 140 million (new).
- Leasing and maintenance of 23 YDM4 Diesel locomotives to KTMB -- Malaysian Railways on wet leasing basis.

### Bangladesh

- Flood Restoration work at Nawabganj-Sonamasjid; valued Rs. 60 million (new)

### Iran

- Signalling project on Shahrud-Mashad section in Iran; valued at US\$ 25 million approximately.

## Projects in India

The Company has completed 22 works in India comprising construction of railway line, railway siding, doubling of track, road over bridges, runway and apron, hospital complex, staff quarters, station buildings with shopping arcades



and commercial complexes, housing complex, signalling and telecommunication works including optical fibre system, etc. This apart, more than fifty projects are being executed which include the following prestigious works secured during the year:-

- Construction of road over bridges in Maharashtra for MSRDC valued at Rs. 1000 million.
- Construction of expressway between Noida and Greater Noida (25 Kms) for Noida Development Authority valued at Rs. 1260 million.
- Development of Sector 47 and 48 Noida for Noida Development Authority valued at Rs. 400 million.
- Construction of Jaipur by-pass Phase-1 connecting NH-11 and NH 8 in Rajasthan for National Highway Authority of India valued at Rs. 539 million.
- Construction of cable stayed bridge at Bangalore for Southern Railway valued at Rs. 206 million.
- Construction of ring road works at Bangalore for Bangalore Development Authority valued at Rs. 262 million.
- Construction of Vadodara-Halol road in Gujrat for Gujrat Government valued at Rs. 550 million.

### **Marketing and future works**

Focussed marketing efforts have resulted in orders worth Rs. 5100 million in India and abroad during 1998-99. Further the Company has secured, after the close of the year, a large contract for execution of new railway line in Malaysia on barter trade worth Rs. 5205 million and a road improvement project in Bangladesh worth Rs. 361 million. In India too, the Company has secured six contracts after March 1999 worth Rs. 1745 million, the important ones being --

- Construction of railway siding system for Simhadri Thermal Power Project, NTPC, valued at Rs. 811 million.
- 220, 132 and 33 KV EHV sub station (Package D) for GRIDCO, Bhubneshwar, valued at Rs. 307 million.
- Construction of outer ring road between Tumkur Road and Magadi Road in Bangalore for Bangalore Development Authority, valued at Rs. 254 million.

## Development of personnel

Cordial and harmonious industrial relations prevail in the Company. The Company has been continuously tuning its training programmes to meet the organisational needs which includes intensive induction courses to the new entrants and development programmes for employees at different levels. The Company also has a liberal voluntary retirement scheme which has been availed by more than 230 surplus staff.

The 23rd annual day of IRCON was celebrated on 28<sup>th</sup> April, 1999 with its characteristic zest and enthusiasm. The then Minister for Railways, Mr. Nitish Kumar, the Minister of State for Railways and Parliamentary Affairs, Mr. Ram Naik, and other dignitaries from the Ministry of Railways, public sector undertakings, clients, etc. graced the occasion. The Minister for Railways presented awards to outstanding personnel of the Company for meritorious services rendered by them for the Company, which was followed by an aesthetic cultural presentation.

IRCON continues to actively support and encourage the sporting-spirit among its employees through annual sports meet, inter-project sports and participation of its cricket team in DDCA league matches. The Company also organised two trekking tours -- Shimla-Kurfi-Shimla (18 Kms), Dalhosie-Khajjiar-Dalhosie (22 Kms) for the employees.

## Compliances

### 1. SC/ST/OBC recruitment

2 employees belonging to SC category were recruited during the year.

### 2. Official language

IRCON has been successful in fully implementing section 3(3) of the Official Language Act. IRCON has also created its own website in Hindi which has been highly appreciated by the Minister for Railways. Besides, Hindi workshops are organised regularly and IRCON's publications are bilingual.

### 3. Particulars of employees

The particulars of employees drawing a remuneration of Rs. 50,000/- per month or more, as required by the Companies Act, 1956, and rules thereunder are given in an Annexure forming part of this Report.