

प्रगति की ओर अग्रसर
Urge to stay Ahead



इरकॉन इन्टरनेशनल लिमिटेड
सिविल, मेकैनिकल, इलक्ट्रिकल, कम्यूनिकेशन्स और टर्नकी कान्ट्रैक्टर्स
(भारत सरकार का उपक्रम)



IRCON INTERNATIONAL LIMITED
Civil, Mechanical, Electrical, Communications and Turnkey Contractors
(A Govt. of India Undertaking)

NOTICE FOR THE 41st ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 41st Annual General Meeting of Ircon International Limited (Ircon) will be held at 2nd Floor, Rail Bhawan, Ministry of Railways, New Delhi-110001, on Thursday, the 28th September 2017 at 1200 hours to transact the following business:

Ordinary Business:

- (1) To receive and adopt the Directors' Report and the Financial Statements (Stand-alone and Consolidated) for the year ended on 31st March 2017 along with the Auditors' Report thereon, and pass, with or without modification(s), the following ordinary resolution:

“RESOLVED THAT the Financial Statements (including the Consolidated Financial Statements of Ircon and its subsidiaries/ associates/ joint ventures) for the year ended on 31st March 2017 comprising Balance Sheet as at 31st March 2017, the Statement of Profit & Loss for the year ended 31st March 2017, Cash Flow Statement for the year ended 31st March 2017, Statement of Changes in Equity as on 31st March 2016 and as on 31st March 2017, along with Notes thereto, and the Auditors' Reports thereon, as well as the Directors' Report along with its Appendices including the Report on Corporate Social Responsibility and Sustainability Activities, Management Discussion and Analysis Report, Corporate Governance Report, Secretarial Audit Report, Extract of Annual Return in Form MGT-9, Disclosure of particulars of Related Party Transactions in Form AOC – 2, and the statement of salient features of financial statements of subsidiaries/ joint ventures/ associate in Form AOC – 1, etc. as laid before the meeting, be and are hereby approved and adopted.”

- (2) To declare dividend for 2016-17, over and above the interim dividend and additional interim dividend already declared by the Board of Directors and paid in the months of February and March 2017 respectively, and pass, with or without modification(s), the following ordinary resolution:

“RESOLVED THAT dividend amounting to Rs. 97.25 crore [i.e. 278% on the paid-up share capital of Rs. 19.796 crore (for full year) and on bonus share capital of Rs. 79.184



crore (for 70 days proportionately)], as recommended by the Board of Directors for the year ended 31st March 2017, be and is hereby declared in favour of the shareholders whose names appear on the Register of Members as on the date of the Annual General Meeting, which is over and above the interim dividend and additional interim dividend declared by the Board of Directors amounting to Rs. 95.151 crore (approx.) (i.e. 272% of the paid-up share capital) and paid to all the members in February and March 2017 respectively.”

- (3) **To consider** and if thought fit, to pass with or without modification(s), the following ordinary resolution in respect of **Remuneration of Statutory Auditors of the Company for 2017-18:**

“RESOLVED THAT the Board of Directors of Ircon be and is hereby authorized to fix, based on a recommendation to be made by the Audit Committee, the remuneration including out of pocket expenses of the Statutory Auditors of the Company as may be appointed by the Comptroller & Auditor General of India, for audit of financial statements of both domestic and foreign projects of the Company for the financial year 2017-18, as well as to fix the auditors’ expenses for their visits to foreign projects for the purpose of audit.”

Special Business:

- (4) **To note appointment of Mr. S. K. Chaudhary as Chairman & Managing Director of Ircon w.e.f. 29th October 2016** and if thought fit, to pass with or without modification(s), the following ordinary resolution:

“RESOLVED THAT in terms of the Railway Board letter no. 2015/E(O)II/40/12 dated 27th October 2016 pursuant to Article 49 of the Articles of Association of the Company, the appointment of Mr. S. K. Chaudhary (DIN : 00515672) as Chairman & Managing Director of Ircon w.e.f. 29th October 2016, for a period of five years from the date of assumption of charge of the post or till the date of his superannuation or untill further orders whichever is the earliest, on the terms and conditions specified in said Railway Board’s letter, be and is hereby noted.”

- (5) **To note appointment of Mr. Rajiv Chaudhry as Part-time (Official) Director of Ircon w.e.f. 17th November 2016** and if thought fit, to pass with or without modification(s), the following ordinary resolution:

“RESOLVED THAT in terms of the Railway Board letter no. 2004/PL/44/4 dated 16th November 2016 pursuant to Article 49 of the Articles of Association of the Company, the appointment of Mr. Rajiv Chaudhry (DIN: 03146422), Adviser/ Station Development, Railway Board, as Part-time (Official) Director of Ircon w.e.f. 17th November 2016, till he holds the post of Adviser/ Station Development, Railway Board, or till further orders whichever is earlier, be and is hereby noted.”

- (6) **To note appointment of Mr. S.C. Jain as Part-time (Official) Director of Ircon w.e.f. 3rd January 2017** and if thought fit, to pass with or without modification(s), the following ordinary resolution:

“RESOLVED THAT in terms of the Railway Board letter no. 2004/PL/44/4 dated 3rd January 2017 pursuant to Article 49 of the Articles of Association of the Company, the appointment of Mr. S.C. Jain (DIN : 07564584), Executive Director / Works, Railway Board, as Part-time (Official) Director of Ircon w.e.f. 3rd January 2017, till he holds the post of Executive Director / Works or till further orders whichever is earlier, be and is hereby noted.”

- (7) **To ratify remuneration of Cost Auditor of the Company for 2017-18** and, if thought fit, to pass, with or without modification(s), the following ordinary resolution:

“RESOLVED THAT pursuant to the provisions of section 148 (3) read with applicable rules of the Companies (Audit and Auditors) Rules, 2014, and other applicable provisions, if any (including any statutory modification(s) or re-enactment thereof, for the time being in force), a remuneration of Rs. 2,00,000/- (Rupees two lakh only) plus service tax and out of pocket expenses, be and is hereby ratified to be paid to M/s. Chandra Wadhwa & Co., Cost Accountants, appointed by the Board of Directors (based on the recommendations of the Audit Committee) as Cost Auditor of the Company for the financial year 2017-18 for audit of cost records maintained by the Company.”

BY ORDER OF THE BOARD OF DIRECTORS

Place : New Delhi
Date : 23-09-2017


(Sumita Sharma)
Company Secretary

NOTES:

1. A MEMBER OF THE COMPANY ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY IN WRITING DULY SIGNED BY

HIM/HER TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND A PROXY NEED NOT BE A MEMBER. **Form of Proxy is enclosed.**

2. As per the provisions of the Companies Act, 2013, a person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company. A member holding more than 10% of the total share capital of the Company may appoint a single person as proxy and such person shall not act as a proxy for any other person or member.
3. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company provided that not less than 3 days of notice in writing of the intention to inspect is given to the Company.
4. Voting to be by show of hands in the first instance. Every member present in person shall have only one vote on a show of hands. Only when a poll is demanded under section 109, every such member shall have one vote for every share held by him/her.
5. Five members (shareholders) of the Company personally present throughout the meeting is the Quorum.
6. A brief in respect of ordinary business items 1 to 3 are attached as **Annexure – 1.**
7. Explanatory statement pursuant to section 102 of the Companies Act, 2013, in respect of special business items 4 to 7 are attached as **Annexure – 2.**
8. The record date shall be the date of Annual General Meeting i.e. 28th September 2017.
9. A form of Attendance slip is attached as **Annexure – 3.**
10. Route map including prominent landmark for easy location of the venue of the meeting is attached as **Annexure – 4.**
11. Relevant documents referred to in the accompanying notice are open for inspection by the Members at the registered office of the Company on all working days during business hours up to the date of Annual General Meeting.
12. **Members are requested to bring their copies of Annual Report, Notice, and Attendance slip duly completed and signed at the meeting.**

- To:
1. All Shareholders of the Company.
 2. All Directors of the Company.
 3. M/s. K.G. Somani & Co., Chartered Accountants (Statutory Auditor).
 4. M/s. Vishal Agarwal & Associates, Company Secretaries (Secretarial Auditor).
 5. M/s. Chandra Wadhwa, Cost Accountants (Cost Auditor).

A brief on Ordinary Business items:

Item No. 1 **To receive and adopt the Directors' Report and Financial (stand-alone and consolidated) for the year ended on 31st March 2017 along with the Auditors' Report thereon.**

The Board of Directors at its meeting held on 21st September 2017 had:

- a) Approved the Stand-alone and Consolidated Financial Statements along with Notes thereto and Form AOC-1, as per the Companies Act, 2013.
- b) Approved the Directors' Report along with its Appendices viz. Report on Corporate Social Responsibility & Sustainability Activities, Management Discussion and Analysis Report, Corporate Governance Report, Secretarial Audit Report, Extract of Annual Return in form MGT-9, and Disclosure of particulars of related party transactions in Form AOC-2.
- c) Noted the Auditor's Report on the Financial Statements (Stand-alone and Consolidated) dated 21st September 2017.

The financial statements along with above said reports are to be adopted by the shareholders.

Item No. 2 **To declare dividend for 2016-17.**

The Board of Directors had declared interim dividend for 2016-17 amounting to Rs. 79,05,92,581/- [i.e. 226% of the paid-up share capital of Rs. 19.796 crore (for full year) and on bonus share capital of Rs. 79.184 crore (for 70 days proportionately)], at its meeting held on 5th January 2017, which was paid to the shareholders of the Company in February 2017.

Further, Board of Directors had declared additional interim dividend for 2016-17 amounting to Rs. 16,09,17,074/- [i.e. Rs. 46% of the paid-up share capital of Rs. 19.796 crore (for full year) and on bonus share capital of Rs. 79.184 crore (for 70 days proportionately)], at its meeting held on 23rd March 2017, which was paid to the shareholders of the Company in March 2017.

Now, the Board of Directors has recommended (over and above the interim and additional interim dividend) a dividend amounting to Rs. 97.25 crore (approx.) [i.e. 278% of the paid-up share capital of Rs. 19.796 crore (for full year) and on bonus share capital of Rs. 79.184 crore (for 70 days proportionately) for the year 2016-17 for consideration by the members. The Company has recorded a profit before tax of Rs. 532 crore and a profit after tax of Rs. 369 crore during 2016-17.

After declaring the dividend at the Annual General Meeting, the total dividend for 2016-17 would amount to Rs. 192.40 crore approx. which works out to 52.15% approx. of post-tax profit.

This is in accordance with:

- a) DPE-OM dated 20th June 2016 which provides that every CPSEs should pay a minimum annual dividend of 30% of PAT or 5% of net-worth, whichever is higher,
- b) Railway Board's letter dated 29th April 2016 directing that total dividend for the financial year 2015-16 shall be paid at the rate of 40% of PAT (inclusive of interim dividend).
- c) Railway Board's letter dated 23rd August 2017 has advised that Ircon have to pay a minimum dividend at 5% of net worth (which is higher than 40% of PAT).

As per Article 67 of the Articles of Association, "the Company in general meeting may declare a dividend to be paid to the members according to their rights and interests in the profits but no dividend shall exceed the amount recommended by the Board of Directors".

Item No. 3 To consider Remuneration of Auditors of the Company for 2017-18.

- a) The remuneration of the auditors of a company shall be fixed by the Company in general meeting or in such manner as the Company in general meeting may determine [section 142 (1) of the Companies Act, 2013].
- b) The auditors of a government company shall be appointed by the Comptroller & Auditor General of India (C&AG) [section 139 (5) of the Companies Act, 2013].
- c) The Audit Committee has to recommend to the Board of Directors for fixation of audit fee, and also approval for payment to statutory auditors for any other services that may be required of them [section 177 of the Companies Act, 2013; Chapter 4 of the DPE Corporate Governance Guidelines, 2010; and sl. no. 1 of the Board approved terms of reference for Audit Committee].

Thus, on a harmonious application of the aforesaid legal provisions, every year the general meeting has been authorizing the Board of Directors to fix, based on a recommendation made by the Audit Committee, the remuneration including out of pocket expenses of the auditors as well as the auditors' expenses for their visits to foreign projects for the purpose of audit. Therefore, a resolution is being proposed for authorizing the Board of Directors for fixing remuneration and permissible expenses of auditors for the financial year 2017-18.

The total audit fee including out of pocket expenses, expenditure on foreign visit(s), as well as fee for audit of accounts of foreign projects during the last two years, after recommendation of Audit Committee and approval of Board of Directors, based on the criteria advised by the Audit

Committee for fixing the fee of auditors, namely turnover (volume of work load), inflation, market scenario, etc. and as disclosed in the Financial Statement for 2016-17 is as under:

2015-16	-	Rs. 0.53 crore
2016-17	-	Rs. 0.60 crore

None of the Directors and Key Managerial Personnel of the Company are in any way concerned or interested, in any of the resolutions of ordinary business items.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 -- SPECIAL BUSINESS ITEMS

Item No. 4 **To note appointment of Mr. S. K. Chaudhary as Chairman & Managing Director, Ircon.**

Mr. S. K. Chaudhary has joined the Board of Ircon as Chairman & Managing Director (CMD) w.e.f. 29th October 2016, for a period of five years with effect from the date of assumption of charge of the post or till the date of his superannuation or untill further orders whichever is the earliest, in terms of Railway Board letter no. 2015/E(O)II/40/12 dated 27th October 2016.

Section 152(2) of the Companies Act, 2013, provides that *save as otherwise expressly provided, all the directors will be appointed in general meeting*".

Since all the directors in Ircon [whole-time, part-time (official/ non-official)] **are appointed by** the President of India through Administrative Ministry i.e. **Ministry of Railways**, in terms of Articles of Association of Ircon for a fixed tenure, it is not possible to appoint directors at a general meeting. **Therefore, the appointments made by the Ministry during the year are being put up for noting by the shareholders.**

Further, section 152(6) read with section 160 provides that not less than 2/3rd of the total number of directors shall be persons whose period of office is liable to determination by **retirement of directors by rotation**. Out of the aforesaid 2/3rd directors, 1/3rd are liable to retire at Annual General Meeting (AGM). A director who retires as aforesaid, is eligible for re-appointment. The said provisions [i.e. section152(6)] are exempt for government companies (which is not a listed company) wherein not less than 51% of paid-up share capital is held by the Central/ State Government (vide MCA notification dated 13th June 2017), therefore Ircon is not required to retire its directors by rotation.

None of the Directors and Key Managerial Personnel of the Company are in any way concerned or interested, in the resolution, except Mr. S. K. Chaudhary, Chairman & Managing Director, Ircon.

Item No. 5 and 6

To note appointment of Mr. Rajiv Chaudhry and Mr. S.C. Jain as Part-time (Official) Directors, Ircon.

Mr. Rajiv Chaudhry, Adviser/ Station Development, Railway Board, has been appointed as Part-time (Official) Director on the Board of Ircon w.e.f. 17th November 2016, till he holds the post of Adviser/ Station Development or till further orders whichever is earlier, in terms of Railway Board letter no. 2004/PL/44/4 dated 16th November 2016.

Mr. S.C. Jain, Executive Director / Works, Railway Board, has been appointed as Part-time (Official) Director on the Board of Ircon w.e.f. 3rd January 2017, till he holds the post of Executive Director / Works or till further orders whichever is earlier, in terms of Railway Board letter no. 2004/PL/44/4 dated 3rd January 2017.

Mr. Chaudhry and Mr. Jain have been appointed [vice Mr. H. K. Kala, former Additional Member (Planning), Railway Board, and Mr. Anjum Pervez, former Executive Director / Project Monitoring, Railway Board, respectively] as Part-time (Official) Directors on the Board of Ircon.

Section 152(2) of the Companies Act, 2013, provides that ***save as otherwise expressly provided, all the directors will be appointed in general meeting***.

Since all the directors in Ircon [whole-time, part-time (Official/ non-official)] are appointed by the President of India through Administrative Ministry i.e. Ministry of Railways, in terms of Articles of Association for a fixed tenure, it is not possible to appoint directors at a general meeting. Therefore, the appointments made by the Ministry during the year are being put up for noting by the shareholders.

Further, section 152(6) read with section 160 provides that not less than 2/3rd of the total number of directors shall be persons whose period of office is liable to determination by retirement of directors by rotation. Out of the aforesaid 2/3rd directors, 1/3rd are liable to retire at Annual General Meeting (AGM). A director who retires as aforesaid, is eligible for re-appointment. The said provisions [i.e. section 152(6)] are exempt for government companies (which is not a listed company) wherein not less than 51% of paid-up share capital is held by the Central/ State Government (vide MCA notification dated 13th June 2017), therefore Ircon is not required to retire its directors by rotation.

None of the Directors and Key Managerial Personnel of the Company are in any way concerned or interested, in this resolutions, except Mr. Rajiv Chaudhry and Mr. S.C. Jain, Part-time (Official) Directors, Ircon .

Item No. 7 To ratify remuneration of Cost Auditor of the Company for 2017-18.

In terms of rule 3(B)(10) read with rule 6 of the Companies (Cost Records and Audit) Amendment Rules, 2014, the Board of Directors at its meeting held on 21st September 2017, based on the recommendation of the Audit Committee, had appointed M/s. Chandra Wadhwa & Co., Cost Accountants, as Cost Auditors of the Company for the financial year 2017-18 to conduct the audit of cost records maintained by the Company relating to its 'Roads and other infrastructure projects corresponding to Para No (I) (a) specified in Schedule VI of the Companies Act, 2013' at a remuneration of Rs. 2,00,000/- plus service tax and out of pocket expenses for conducting the audit.

Further, in term of section 148(3) of the Companies Act, 2013, read with rule 14 of Companies (Audit and Auditors) Rules, 2014, remuneration to be payable to the said Cost Auditor approved by the Board of Directors, based on the recommendation of the Audit Committee, is placed for ratification by the shareholders.

The same remuneration was paid to Cost Auditor for the financial years 2014-15 to 2016-17 after ratification by the shareholders at annual general meeting.

None of the Directors and Key Managerial Personnel of the Company are in any way concerned or interested, in this resolution.

Annexure-3

IRCON INTERNATIONAL LIMITED
C-4, District Centre, Saket, New Delhi - 110017
CIN: U45203DL1976GOI008171

ATTENDANCE SLIP

Name of the Member/ Proxy :
(In Block Letters)

Address of the Member/ Proxy :

Folio No. :

No. of Shares held :

I certify that I am a member/ proxy for the member of the Company.

I hereby record my presence at the 41st Annual General Meeting of the Company held on Thursday, the 28th September 2017 at 1200 hours at 2nd Floor, Rail Bhawan, Ministry of Railways, New Delhi-110001.

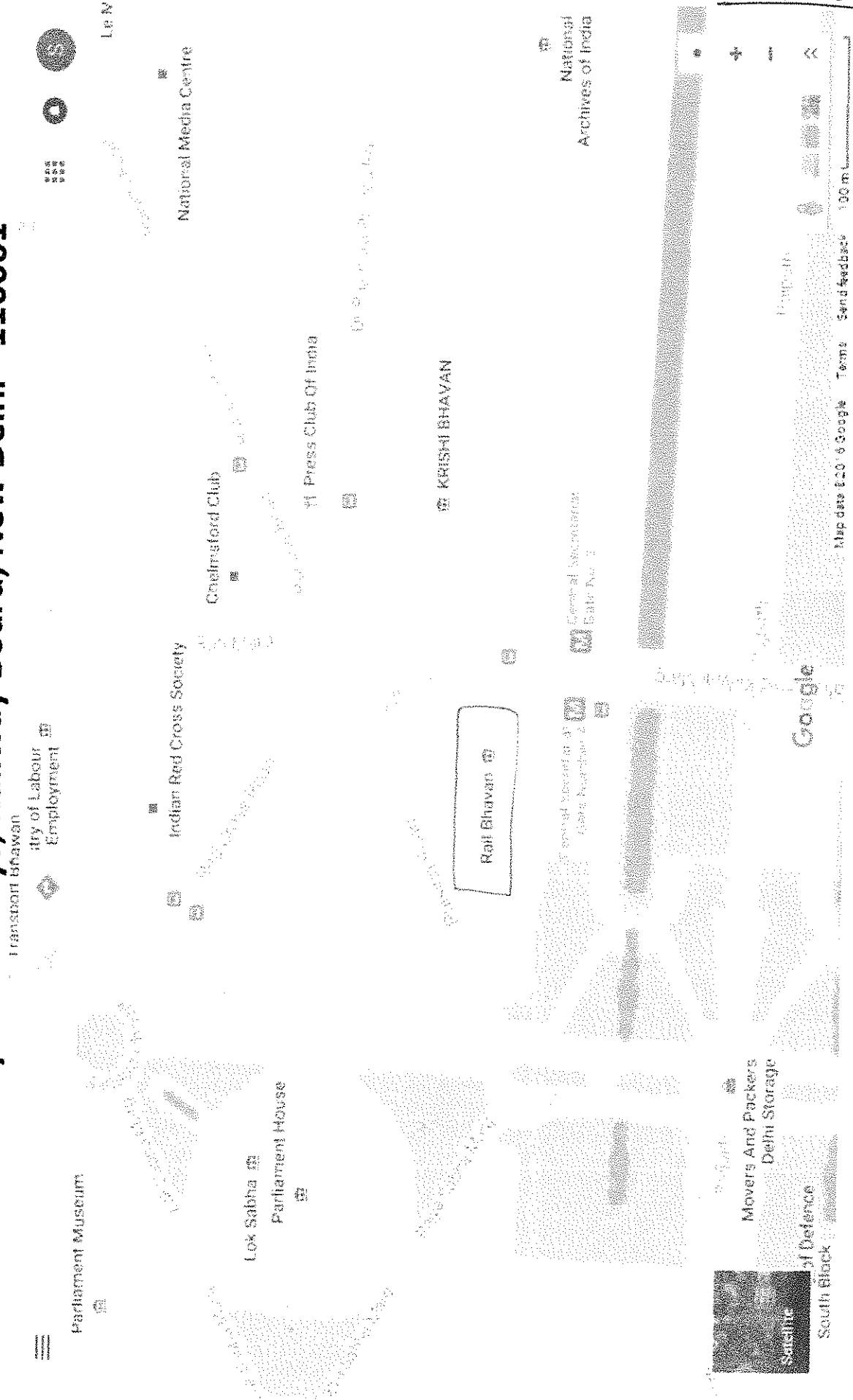
Member's / Proxy's Signature

Note:

Please fill and sign this attendance slip and hand it over at the entrance of the meeting.

Route Map – Venue of AGM of Ircon International Limited

Ministry of Railways, Railway Board, New Delhi - 110001



Annexure-4

IRCON INTERNATIONAL LIMITED

CIN: U45203DL1976GOI008171

Regd. Address: Plot No. C-4 District Centre, Saket, New Delhi - 110017

Form No. MGT 11 – PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member	:	_____
Registered address	:	_____
E-mail Id	:	_____
Folio No	:	_____

I, being the member holding _____ equity shares of Ircon International Limited, hereby appoint:

1. Name : _____ E-mail Id : _____
Address : _____ Signature : _____
or failing him / her

2. Name : _____ E-mail Id : _____
Address : _____ Signature : _____
or failing him / her

3. Name : _____ E-mail Id : _____
Address : _____ Signature : _____

as my proxy to attend and vote (on a poll) for me and on my behalf at the 41st Annual General Meeting of the Company, to be held on Thursday, the 28th September 2017, at 1200 hours at 2nd Floor, Rail Bhawan, Ministry of Railways, New Delhi – 110001, or at any adjournment thereof in respect of such resolutions as are indicated below :

Resolutions:

1. To receive and adopt the Directors' Report and the Financial Statements (Stand-alone and Consolidated) for the year ended on 31st March 2017 along with the Auditors' Report thereon.
2. To declare dividend for the year 2016-17.
3. To consider Remuneration of Statutory Auditors of the Company for 2017-18.
4. To take note of appointment of Mr. S. K. Chaudhary as Chairman & Managing Director, Ircon.
5. To take note of appointment of Mr. Rajiv Chaudhry and Mr. S.C. Jain as Part-time (Official) Director, Ircon.
6. To ratify remuneration of Cost Auditor of the Company for 2017-18.

Signed this ___ day of September 2017

**Affix
Revenue
Stamp**

Signature of Shareholder

Signature of Proxy holder(s)

Note:

This form of proxy in order to be effective should be completed (i.e. duly filled, stamped, and signed) and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting, i.e. latest before 1200 hours on 26th September 2017.