



**IRCON INTERNATIONAL LIMITED**

**Transcript of 46<sup>th</sup> Annual General Meeting (AGM)  
Held on  
Friday, September 16, 2022 at 12:30 P.M.**

## **IRCON INTERNATIONAL LIMITED**

**Shri Yogesh Kumar Misra, CMD:** Namaskar, Dear Shareholders, I, Yogesh Kumar Misra, Chairman and Managing Director of Ircon International Limited extend the hearty welcome to all of you at this 46<sup>th</sup> Annual General Meeting. I hope all of you are safe and in good health. I also welcome my colleagues on the Board and the key officials of the Company who have joined this meeting from Delhi. May I introduce them to the shareholders.

Along with me, the other Directors who are attending the meeting from the Corporate Office at New Delhi are: Shri Shyam Lal Gupta ji, Director (Projects) on my left, Smt. Ragini Advani, Director (Finance) is on my right. The Government Nominee Director - Shri Dhananjaya Singh, Executive Director (Works) in Railway Board, he is shortly joining us, he got stuck up in the traffic. He is also a Chairperson of Stakeholders Relationship Committee and the representative of Government of India. We have, independent directors – Shri Ajay Kumar Chauhan, Independent Director, chairperson of the Audit Committee and Nomination and Remuneration Committee on my left. The other Independent Directors who are attending this meeting through online mode are Smt. Ranjana Upadhyay, Chairperson of Corporate Social Responsibility & Sustainability Committee, Shri Dipendra Kumar Gupta, Shri Kartik Chandulal Bhadra.

And other than the Board members, we have Shri Mugunthan Boju Gowda, Chief Finance Officer & Executive Director (Finance) in IRCON and we also have Ms. Ritu Arora, Company Secretary and Compliance Officer. We are very pleased to have Shri Dalbir Singh Gulati from Statutory Auditors, M/s HDSG & Associates and Shri N. K. Sinha from Secretarial Auditor, Kumar Naresh Sinha & Associates are also present in the meeting through video conference. Scrutinizer, Shri Sachin Agarwal, Practising Company Secretary also present through VC.

Now, I request the Company Secretary to confirm Quorum of the Meeting.

**Ms. Ritu Arora, Company Secretary:** Thank you sir, so far we have over 60 members who are attending this Annual General Meeting through video conferencing. Hence, the requisite quorum is present and proceedings of the meeting can be commenced.

**Shri Yogesh Kumar Misra, CMD:** Thank you Ritu, as the requisite Quorum is present, the meeting is properly constituted, and now, I call this meeting to order. Once again, I thank all the members for joining this meeting through Video Conferencing through Board Room. The Company has taken the requisite steps to enable the members to participate and vote on the items being considered at this Annual general meeting.

Now, I request the Company Secretary to explain the procedure of the meeting and voting.

**Ms. Ritu Arora, Company Secretary:** Good Afternoon everyone, I, Ritu Arora, Company Secretary welcome you all at this 46<sup>th</sup> Annual General Meeting of Ircon International Limited. This 46<sup>th</sup> Annual General Meeting of the Company is being held through Video Conferencing in compliance with the Companies Act, 2013, read with notifications and guidelines issued by the Ministry of Corporate Affairs and Securities and Exchange Board of India.

I would like to inform you regarding the participation process of this meeting. Facility of joining this meeting through Video conferencing is being made available on first come first serve basis. Since there is no physical attendance of the members, the requirement of appointing the proxy is not applicable. Attendance of members through VC is being counted for the purpose of reckoning of quorum under the Act.

As per the Companies Act, 2013, register of Directors and key managerial personnel and their shareholding and register of contracts or arrangements in which Directors are interested, Memorandum & Articles of Association and other documents referred to in the Notice of AGM are available for inspection and can be accessed through the link made available on the website of the NSDL during the meeting.

As per Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (LODR) Regulations, 2015, IRCON had provided the remote e-voting facility to all the shareholders of the Company for all the resolutions set forth in the Notice of AGM. The remote e-voting, was conducted from 9:00 A.M., 13<sup>th</sup> September, 2022 to 5:00 P.M. 15<sup>th</sup> September 2022. Members who have not cast their vote earlier through remote e-voting can cast their vote through e-voting in the meeting as per credential displayed in the website window.

Shri Sachin Agarwal, Practicing Company Secretary and failing him Ms. Garima, Practising Company Secretary of M/s. Agarwal S. & Associates have been appointed as the Scrutinizer to conduct the e-voting process in a fair and transparent manner. Shri Sachin Agarwal is attending the Meeting as a Scrutinizer to conduct the e-voting process. The Scrutinizer's Report would be available within two working days from the meeting.

All the members who have joined this meeting are by default put on mute mode by the host to avoid any disturbance and ensure smooth and seamless conduct of the meeting. Once the question and answer round starts, I will announce the name of the shareholders who have registered as speaker shareholders, one by one. The speaker shareholder will thereafter be un-muted by the host. While speaking shareholders are requested to use the earphones so that he or she is clearly audible. We would like to request the shareholders to limit the timing to ask questions upto 2 to 3 minutes only.

Ensure that WI-FI is not connected to any other devices, no other back ground applications are running. There is proper lighting to have a good video and audio experience. If there is connectivity problem at a speaker's end, we will ask next speaker to join. Once the connectivity improves, the earlier speaker shareholder will be called again to speak.

During the Meeting, if the shareholder faces any issue, he/she may contact on the helpline nos. mentioned in the notice of the AGM. The dedicated toll - free number for investors regarding any queries or issues during the AGM is provided in the notice of the AGM.

Thank you very much. Now, I request our Chairman to take the proceeding further and address the forum.

**Shri Yogesh Kumar Misra, CMD:** Dear Shareholders, I am delighted to share with you the 46<sup>th</sup> Annual Report of your Company for FY 2021-22, which has been yet another year of impressive performance. It is a matter of great pride that your Company has displayed a good overall performance despite the pandemic led adverse market scenario faced at the beginning of the year. On a standalone basis, your Company has clocked an all-time high total turnover of Rs.7181 Crore, last year it was Rs.5200.31 Crore registering an increase of 38.09%; also on a consolidated basis, total turnover has registered a record increase of 37.76%, which is highest in the history of IRCON and stands at Rs.7585.71 Crore, the previous year was Rs.5506.45 Crore.

It is noteworthy to mention that your Company, which started exclusively as a railway construction Company has acquired expertise across diversified infrastructure sectors over the past 46 years and has built its reputation globally. The Company has to its credit, 128 completed projects in 25 countries across the globe, and 398 projects in India.

Despite the adverse impact of COVID-19 pandemic across the construction industry worldwide and the consequent weakening of global economic prospects, during the FY 2021-22 your Company has been successful in securing one foreign project for construction of Road from Paletwa (Myanmar) to Zorinpuri (Mizoram) under Kaladan Multi Modal Transit Transport Project in Myanmar. This project is to be done on EPC Mode and the total cost is 1780 Crore.

Your Company has also secured new domestic works of approx. Rs.14,400 Crore during FY 2021-22 through competitive bidding. With the new orders secured both in domestic and international segment, the order book as on March 31, 2022, stood at Rs.43,758 Crore as compared to Rs.34,689 Crore (approx.) in the previous financial year. The major new works secured by your company are in varied sectors like railway electrification, highway project, metro track works, workshops, airports and renewable energy. Your company has also secured Civil and Track works packages in the prestigious High Speed Railway Project being implemented for the first time in India. In the backdrop of change in the policy of Ministry of Railways, eliminating award of contracts on nomination basis, the range and value of new business secured by the company is commendable and value of the order as on June 30, 2022 stands at Rs.42,066 Crore.

Your Company has more than 50 projects in its portfolio, including 5 international projects in Bangladesh, Algeria, Sri Lanka, Nepal & Myanmar. We continue to actively participate in new projects across industry segments in the domestic front to capture healthy profit margins. The Company has forayed into the renewable power sector to establish a 500 MW solar power plant through a joint venture. With its endeavour to enhance its portfolio in international market, the Company is aggressively pursuing foreign projects funded through Line of Credit and other project export through multilateral funding and through funding of EXIM Bank of India and projects funded through Multilateral funding agencies.

Coming to the financial performance, apart from recording the highest ever total turnover, we have also recorded highest ever operating turnover of Rs.6910 Crore in FY 2021-22, as against Rs.4956 Crore in the previous year registering an increase of 39.43%. The PBT for FY 2021-22 stands at 610 Crore thereby showing an increase of 6.27% as compared to Rs.574 Crore in the previous financial year. The Profit After Tax stands at Rs.544 Crore in FY2021-22, registering a growth of 34.32%, as against Rs.405 Crore in the previous financial year. The Net Worth of your company has increased by 4.88% to Rs.4621 Crore in FY 2021-22, as against Rs.4406 Crore at the end of last year.

During FY 2021-22, the Railway sector contributed around 92% to our total revenue. Our primary focus has consistently remained deeply rooted in the Railway sector, which is our core strength. We have also increased our share of Highway business and this year its share in the total revenue is approximately 7.19% and share of other works is. 0.37%.

On a consolidated basis also, the impressive financial performance of the Company is evident from quantum jump of 37.94% in the operating turnover during FY 2021-22, which touched Rs.7380 Crore previous year it was Rs.5350 Crore. We have achieved a consolidated Net Profit of Rs.592 Crore for FY 2021-22 as against Rs.391 Crore in the previous year.

Furthermore, I would like to mention that the Statutory Auditors have not given any qualification or remarks in the Auditors' Report and the Comptroller & Auditor General of India (C&AG) has given 'Nil' comments in FY 2021-22.

Coming to the present year, the financial result for the quarter ending 30<sup>th</sup> June, 2022, It gives me pleasure to announce that the turnover and profitability for Q1FY23 (Standalone) have improved substantially in comparison with Q1FY22. The total turnover for this quarter has increased by 77.34% to Rs.1956.95 Crore from Rs.1103.49 Crore; the operating turnover stood at Rs.1897.20 Crore

showing an increase of 80.15% against Rs.1053.10 Crore last year in the corresponding period and the PAT has increased by 45.37% to Rs.123.13 Crore from Rs.84.70 Crore.

Regarding the dividend, in addition to three interim dividends of 92.50% on the paid-up share capital of Rs.188.10 Crore of the Company amounting to Rs.174 Crore approximately, your Company has proposed a final dividend of 32.50% of the paid-up share capital amounting to Rs.61.13 Crore. With this the total dividend pay-out for FY 2021-22 would stand at 125% on the paid-up equity share capital, aggregating to Rs.235.13 Crore approximately, which is 43.20% of the post-tax profits of FY 2021-22 and 5.09% of net worth of the Company as on March 31, 2022.

After declaration and payment of the proposed final dividend, the cumulative dividend paid to shareholders up to FY 2021-22 would stand at Rs.2374.47 Crore.

During the FY 2021-22 the paid-up share capital doubled to Rs.188.10 Crore by issue of new fully paid bonus shares in the ratio of 1:1 in May 2021. As on March 31, 2022 the shareholding of the Promoter i.e. the President of India stood at 73.18% of the paid-up equity share capital. Your Company is in compliance of the Minimum Public Shareholding requirement in terms of the Securities Contracts (Regulation) Rules, 1957.

It is noteworthy to mention that IRCON Group is progressively expanding with five new subsidiary companies coming into existence during FY 2021-22. The new companies include four wholly-owned subsidiary companies incorporated for execution of highway projects of National Highways Authority of India on Hybrid Annuity Mode, of which two projects are located in the State of Maharashtra, one in Punjab and one in Uttarakhand. In addition, one subsidiary with 76% stake of IRCON has been incorporated in the renewable energy sector for setting up of 500 MW Grid Connected Solar Photovoltaic Power project of Indian Renewable Energy Development Agency Limited. As of now, IRCON Group comprises of eleven subsidiary companies and seven joint venture companies, the details of which are provided in the Directors' Report. During the year, the Company has infused equity / quasi equity of Rs.212.84 Crore in the subsidiary and JV companies, resulting in cumulative investment of Rs.1421.68 Crore as on March 31, 2022.

In the progressive path towards reducing financial investment of IRCON in its subsidiary companies and improving liquidity position of IRCON, during the FY 2021-22, the existing loan of IRCON of Rs.589.50 Crore given to Ircon Vadodara Kim Expressway Limited and Rs.501 Crore in Ircon Shivpuri Guna Tollway Limited have been repaid by these wholly-owned subsidiary companies to IRCON, after availing of the term loan facility from scheduled banks, for which IRCON has provided Corporate Guarantee. The other details of investments made, loans granted, and guarantees extended by IRCON to its subsidiary and JV companies during the FY 2021-22 forms part of the notes to the standalone financial statements provided in the Annual Report.

In terms of Memorandum of Understanding signed with the Ministry of Railways, Government of India, your company has been rated as 'Excellent' for the year 2019-20 & 2020-21. The Company expects to achieve 'Very Good' rating for the year 2021-22.

Based on the financials of FY 2021, as per USA's Engineering News Record, IRCON is the only Indian PSU to make it to the list of top 250 International Contractors. We are Ranked 229<sup>th</sup> in the list; as per the Business Standard BS 1000 Annual Magazine released in March 2022, IRCON has also been ranked 190<sup>th</sup> by the total revenue, and ranked 11<sup>th</sup> in terms of sector performance under the 'Construction and Infrastructure Sector; and at the 254<sup>th</sup> position in the list of Fortune India 500.

Keeping up the trend of winning awards year after year, during the FY 2021-22, IRCON has won 'Governance Now 8<sup>th</sup> PSU Award' in two categories CSR Commitment and CSR Leadership Award; 'National Awards for Excellence in PSU' in three categories Innovation Social Media Outreach, Increasing the Geo-Strategic Reach, and Exemplary Leader and 'Greentech Foundation Safety Award' for construction safety.

Regarding the Corporate governance, we are fully aware that sound principles of corporate governance are absolutely essential for long term development & sustainability and we are operating within the ambit of these principles. In realization of its commitment to responsible business, we follow the highest standards of ethical business operations and best practices by adopting a robust Corporate Governance Policy and Code of Conduct. Your Company is adhering to the provisions contained in the SEBI (Listing Obligation and Disclosure Requirement) Regulations 2015, Companies Act 2013, and DPE Corporate Governance Guidelines 2010 and other applicable regulatory requirements.

A certificate on Compliance of conditions of Corporate Governance under the SEBI Regulation and DPE Guidelines on Corporate Governance forms part of the Directors' Report. Your Company has secured 'Excellent' rating for FY 2021-22, on a self-evaluation basis, in compliance with Corporate Guidelines of DPE.

At IRCON our Environmental, Social and Governance framework is integrated across our business operations. Our ESG efforts are reflected in our policies and principles that govern our organization's operations. We consistently strive to make a positive impact on communities in which we operate. We have taken comprehensive initiatives in the areas of health, education, economic welfare and environment protection. Our ESG management is a thoughtful framework that includes critical factors such as transparent governance system, investing in our employees and nurturing diverse workplace, delivering high-value projects to our customers and empowering the communities in which we operate.

Our business strategies aim to achieve consistent sustainable and responsible growth. In realisation of our commitment to responsible business we follow the highest standards of ethical business operations and best practices by adopting a robust Corporate Governance Policy and Code of Conduct.

We consistently strive to make positive impact on the communities in which we operate. As a corporate citizen we have spent Rs.10.52 Crore towards Corporate Social Responsibility, as against the allocated budget of Rs.10.50 Crore. Focussing on the Annual Theme – 'Health & Nutrition and COVID related activities' as announced by the DPE and to give preference to the Aspirational districts under their CSR, the CSR & Sustainability activities of the Company comprised of installation of one oxygen Generating Plant at Samastipur Railway Hospital to enhance the capacity to face the present COVID-19 crisis; rain water harvesting system in Delhi Area; eye screening camp, artificial limb distribution, education and skill development programs and other initiatives in the field of sports, healthcare, rural development, conservation of environment, and facilitating differently abled persons. We have also contributed Rs.1.14 Crore to Prime Minister's Citizen Assistance and Relief in emergency Situation Fund during the year.

Growing with the belief that the employees hold the key to success of an organization, the Company's policies have been designed in a way to adopt the latest methods to constantly upgrade the knowledge, ability, skills and productivity of the employees. The employees are encouraged to engage as partners, with emphasis on their career progression, well-being and development to create a healthy and harmonious environment within the organization.

The Company believes that retention of well-trained, competent, and committed employees and also expanding our workforce who can usher in new ideas, strategies and processes will ultimately help in improving the efficiency of the Company. The total strength of our human resources as of March 31, 2022 stood at 1278, with 181 newly employed personnel.

In the process of improving the levels of transparency and efficiency through technology advancement, your Company is adopting latest upgradation of S4-HANA system to cover end-to-end business processes. During the year, Employee Self Service Portal, Finance and HCM Module are under rollout for entire organization and five pilot locations are have gone live with full functionalities. The other initiatives of the Company in the direction of paperless office includes e-office system from National Informatics Centre (NIC) for approval and movement of official documents within the organization, Government e-Procurement system of NIC-GePNIC offering full transparency in public procurement and dedicated Video Conferencing facility on CISCO VC and Google Meet from official e-mail ID, which enabled seamless meetings for review of the projects, meetings of the Board, its Committees and also the other General meetings.

Regarding the future outlook, in future, IRCON's business growth will be principally focussed on its core business i.e. the Railway and Highways in domestic as well as the international market with focus on strategic alliances to pursue potential opportunities in railways, highways, building projects, ports, harbours, bridges tunnels and metro rails.

There are various economic and industry initiatives undertaken by the Government to enhance economic growth coupled with the revival of interest in the development of the infrastructure sector. In Union Budget 2022-23, the government has given a massive push to the infrastructure sector by allocating Rs.10 lakh Crore, equivalent to US\$ 130.57 billion to enhance the infrastructure sector. The government expanded the 'National Infrastructure Pipeline to 9,335 projects. As a part of Atmanirbhar Bharat, 2,000 km of network will be brought under Kavach, the indigenous world-class technology for safety and capacity augmentation in 2022-23.

In 2022-23, the national highway network will be increased by 25,000 kms with a funding outlay of Rs.20,000 Crore. These initiatives of Government will be helpful in laying blueprint for expansion of opportunities and order book of your Company. We shall be systematically targeting to improve our business share in the domestic market by improving our participation in core business sectors like Railways, Highways, Tunnels and Bridges. These include construction of the Eastern Dedicated Freight Corridor on Hybrid DBFOT Mode, EPC Tenders for tunnels, bridges and EPC Contracts for various Zonal Railways, PMC Works for Indian Railway projects, projects of High-Speed Rail, National Capital Region Transport Corporation, National Highway Authority, and other such entities. Your Company has its presence in many states in India and intends to further expand its domestic footprints across the nation as part of its business growth model.

We also aim to aggressively increase our international business share by venturing into new geographies and new business sectors to capture better profit margins accorded by these projects as compared to domestic projects.

I am incredibly thankful to all the predecessors and present Board Members, our Shareholders, and all other Stakeholders for their co-operation and trust in IRCON. On behalf of the Board of Directors, I take this opportunity to record our gratitude and appreciation for the untiring efforts of all the past and present employees of the Company. The Company is grateful for the valuable support received from the Government of India particularly the Ministry of Railways, and the other Ministries and Departments of Government of India, Banks, Comptroller & Auditor General of India, Statutory Auditors, Cost Auditors, Internal Auditor and Secretarial Auditors. Above all, I am extremely thankful to our esteemed clients both in India and abroad for their continued trust and confidence in IRCON. I

am confident that IRCON will further consolidate its position and presence by keeping itself abreast of and tuned to the ever-changing global scenario.

The Notice of AGM and the Annual Report of the Company for the year 2021-2022 containing the Directors Report, Audited Financial Statements, Auditors' Report and C&AG comments thereon have already been sent to the members at their registered email id.

Since this meeting is held through Video Conferencing, the items and resolutions mentioned in the notice convening the AGM, have been already put to vote through remote e-voting, there will be no proposing and seconding of the resolutions. As per the Notice of AGM, the items and resolutions those have been put to vote through e-voting are:

*Under the Ordinary Business:*

The first is to receive, consider and adopt the Audited Standalone Financial Statements of the Company for the Financial year ending on 31<sup>st</sup> March, 2022 along with the Boards' Report, Auditors' Report and the comments of the Comptroller and Auditor General of India (C&AG) thereon.

Second is to receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the FY 2021-22 along with the Auditors' Report and the comment of C&AG thereon.

Third is to confirm the payment of the first Interim Dividend of Re.0.45, second Interim Dividend of Re.0.70 and third Interim Dividend of Re.0.70 aggregating to Rs.1.85 per equity share on the face value of Rs.2/- and to declare a final dividend at Re.0.65 per share on face value of Rs.2/- each which is 32.50% on paid-up capital of Rs.188,10,31,480 amounting to Rs.61.13 Crore for the financial year 2021-22.

The fourth is to appoint a Director in place of Shri Shyam Lal Gupta, Director (Projects) who retires by rotation and being eligible, offers himself for re-appointment.

The fifth item is to appoint a Director in place of Shri Dhananjaya Singh, Part-time (Official) Director who retires by rotation and being eligible, offers himself for re-appointment.

Sixth is to authorize the Board of Directors to fix the remuneration of Statutory Auditors for the financial year 2022-23 appointed by C&AG.

Under the special item, we have one item; to ratify remuneration of Cost Auditor of the Company for the financial year 2022-23.

Now, I request the Company Secretary to read out the observations, if any, of Statutory Auditors and Secretarial Auditors and the Management Replies thereto.

**Ms. Ritu Arora, Company Secretary:** Thanks Sir. Statutory Auditors have not given any qualification or remarks in the Auditors' Report. C&AG has also issued Nil comments. The observations of the Secretarial Auditors and Management's Reply are mentioned at page no.128 of the Annual Report which I am reading out for the shareholders. The observations are:

*The Company did not have Requisite number of non-executive director i.e not less than 50% of the Board of Directors as required under Regulation 17 up to November 10, 2021 and Woman and Woman Independent Director up to November 15, 2021, as required under Section 149 of the Companies Act, 2013 read with Rule 3 of Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 17 of SEBI (LODR) Regulations, 2015.*



*Second observation is requisite number of Independent Directors i.e., at least half of the board of directors on its Board up to March 31, 2022, as required under SEBI (LODR) Regulations, DPE Guidelines on Corporate Governance regarding Composition of the Board of Directors.*

Management replies thereto are: Ircon International Limited is a government company as per provisions of the Section 2(45) of the Companies Act 2013. As per provisions of this Act and Articles of Association of IRCON, the President of India is vested with the power to appoint Directors (including Independent Directors) on the Board of the Company. All Directors in IRCON are appointed by the Government of India through its Administrative Ministry, i.e., Ministry of Railways and IRCON has no role to play in appointment of any Director (including Independent Director or Woman Director) unless nominated by the Government.

The Company has on various occasions requested the Ministry of Railways for appointment of requisite number of Independent Directors including Woman Director and Government Nominee Directors on behalf of IRCON to ensure the compliance. One Government Nominee Director was nominated on behalf of the Board by the Ministry of Railways vide its order dated May 11, 2021 and appointed on the Board of the Company w.e.f. May 13, 2021, thereby making the total number of Government Nominee Directors on the Board of the Company to 'two'.

Further, as nominated by the Ministry of Railways, one Independent Director have been appointed on the Board w.e.f. November 11, 2021 and two Independent Directors including Woman Director are appointed w.e.f. November 16, 2021. Subsequently, by another order dated November 29, 2021, one more Independent Director has been appointed w.e.f. December 31, 2021.

After the appointment of the directors as mentioned above, the requirement of Requisite number of non-executive director have been complied w.e.f. November 11, 2021. Woman / Woman Independent Director have been complied w.e.f. November 16, 2021, Requisite number of the directors have been complied w.e.f. November 16, 2021. Also, the requirement of presence of at least one Independent director in the meetings of the Board for forming the requisite quorum for the Board meeting have been complied. This is with respect to the observations related to not having the quorum in the Board meeting held upto November 12, 2021. However, even after appointment of four Independent Directors on the Board of the Company, the requirement of requisite number of Independent Directors i.e., at least half of the Board of Directors has not been complied during the FY 2021-22, for which the request for nomination have already been made to the Ministry of Railways.

*Appropriate composition of Audit Committee as required under Regulation 18 up to November 17, 2021, requisite quorum in its meetings held up to November 12, 2021, as per SEBI Regulation. Appropriate composition of Nomination and Remuneration committee as required under Regulation 19, up to November 17, 2021, and requisite quorum in its meeting held on June 29, 2021.*

*Next observation is appropriate composition of Stakeholder Relationship Committee as required under Regulation 20(2A), and Risk Management Committee as required under Regulation 21(2) of SEBI Regulations.*

*The last observation is appropriate composition of Corporate Social Responsibility Committee as required under Section 135 of the Companies Act, up to November 17, 2021*

The management replies to these observations are the composition of the Audit Committee, Nomination & Remuneration Committee, Stakeholders' Relationship Committee, Risk Management Committee and Corporate Social Responsibility & Sustainability Committee was not in compliance with the legal requirements upto November 17, 2021, due to not having any Independent Director on the Board of the Company. After the appointment of Independent Directors on the Board of the Company, these Committees of the Board have been re-constituted in compliance with the legal requirements i.e., w.e.f. November 18, 2021. After the appointment of Independent Directors on the

Board of the Company, the requisite quorum for the Audit Committee and Nomination & Remuneration Committee meetings have also been complied.

Now, I request the Chairman to continue with the proceedings.

**Shri Yogesh Kumar Misra, CMD:** Now, we will begin with question and answer session. The number of registered speakers are 17. Moderator to please call out the name of registered speakers one by one.

**Moderator:** Thank you sir. Dear all speaker shareholders, please be precise with your questions. Now I invite our first speaker shareholder – Mr. Kaushik Narendra Shahukar, please ON your video sir and ask your question.

**Shri Kaushik:** Hello, am I audible?

**Moderator:** Yes sir, yes sir, you are audible.

**Shri Kaushik:** Good Afternoon everyone, first of all I would like to thank the Board of Directors for giving me an opportunity to speak in this forum. Many of you would remembered me from the conversation of the past. So, I will skip both my introduction and ask my brief. I hope I am clearly audible?

**Shri Yogesh Kumar Misra, CMD:** Yes, you are.

**Shri Kaushik:** Thank you sir! My self, Kaushik Shahukar, I am qualified Chartered Accountant from Mumbai. I have been suffering from dystonia *[unclear]*, 55% of body paralysed impacting my right hand, right leg and face. While I have not let it come in my way of becoming Chartered Accountant, I do request support and help *[unclear]*. I hope I am clearly audible till now.

**Shri Yogesh Kumar Misra, CMD:** Yes Narendra, you are.

**Shri Kaushik:** Thank you sir! *[unclear]* conversation we had last year about me working for our organization on certification work including form 15CB. However, the things have progressed, while I understand things may not have progressed due to pandemic situation last year, I do hope that after our conversation today, our organization will engage me in the area as soon as possible. I again thank you for the opportunity to speak today. I hope to see a positive moment forward with the ask. I support all the resolutions. It will be appreciated if our Company can support me with some kind of certification work.

Sir, I am also aware that this is not the forum where I should speak all these things but how else can I reach you, please through some light. Sir, IRCON is well known for its excellent work. You have transformed the life of a village person. I request support from IRCON to enable to me *[unclear]* self-planned, self-dependant and independent. Sir, finally how will company will contribute to our PM's dream of Aatmnirbhar Bharat, how is government spending in the infrastructure project as compared to last year, do company contribute for generating employment in our country *[unclear]* contract labour or skilled labour. Also, I do not forget to compliment to Ms. Ranjhana Upadhyay. She is really like rock star singer Mrs. Usha Uthup. I was really confused when I was login and I was wondering whether I am seeing Mrs. Usha Uthup but it was realised that she is our director who is *[unclear]*. Thank you so much.

**Shri Yogesh Kumar Misra, CMD:** Thank you very much Mr. Shahukar, we have noted your comments and we will definitely try to see. There is a CSR Policy under which we work & madam Upadhyay you addressed to, she knows and she has also probably listened to your comments and that she will take care of that. Regarding the employment generation through infrastructure creation, I think that is the biggest thing that you can achieve by expanding the infrastructure of the country,

which the Government of India and the Prime Minister, they are after infrastructure development. Basically, for the purpose of creating jobs & creating infrastructure which is world class, which will support more job and more enterprise. Thank you very much!

**Moderator:** Now I invite our next speaker shareholder, Mr. Ankur Chanda, please sir, ON your video and ask your questions.

**Shri Chanda:** Sir, am I audible?

**Moderator:** Yes sir, you are audible, go ahead.

**Shri Chanda:** Ok, Good afternoon sir!, I just wanted to say that our corporate governance is too good. इसपर ज्यादा question नहीं है और बाकी आपकी speech में लगभग cover हो गया है, लेकिन sir एक communication gap बहुत बड़ा है Secretarial Department में और shareholder में। इसको fill करवाने की कोशिश कीजिये sir, बस और कुछ ज्यादा नहीं है, क्योंकि हम इनसे connect ही नहीं है ना तो वो, जैसे मुझे अभी speaker registration के लिए link भेजा लेकिन कोई communication नहीं किया की आप join कर सकते है या नहीं कर सकते, कोई दिक्कत आ रही है या नहीं आ रही और हम कोशिश करते तो हम बात नहीं कर पाते। बस यही है sir धन्यवाद।

**Shri Yogesh Kumar Misra, CMD:** Ankur Ji, I am sorry आपको अगर इसके कोई दिक्कत हुई, join करने में या कोई communication में। हम आगे जरूर ध्यान रखेंगे। मेरे विचार में हम अपनी तरफ से पूरा प्रयास करते है कि इस तरह की किसी भी shareholder को दिक्कत ना हो। communication तो सबसे जरूरी है, क्योंकि आपके communication के basis पर हम लोग company में कोई improvement या कोई action ले सकते है। तो मैं आपसे माफी चाहता हूँ और मैं उम्मीद करूंगा की आगली बार आपको इस तरह की कोई शिकायत नहीं होगी।

**Moderator:** Now, I invite our next speaker shareholder Mr. Abhishek J.

**Shri Abhishek:** [unclear] update the instruction of document sir [unclear] join in same device. Just a second sir, allow me to start my video. Sir, my name is Abhishek, shareholder of the company [unclear].

**Shri Yogesh Kumar Misra, CMD:** Mr. Abhishek, Mr. Abhishek ji.

**Shri Abhishek:** First of all I congratulate the Management [unclear]

**Shri Yogesh Kumar Misra, CMD:** Mr. Abhishek, can u speak little slowly so that we are able to understand you better.

**Shri Abhishek:** Just a second sir.

**Moderator:** Mr. Abhishek, your audio is not connected properly.

**Shri Abhishek:** Now it should be clear.

**Moderator:** Yes, yes, please go ahead.

**Shri Abhishek:** [unclear], in this challenging situation, the company deserves much more respect than the current market cap. After completing more than a decade of successful operations, profitability, dividend history and becoming one of the strongest brand, [unclear] sir, I would like to know, however [unclear] impacted in the past 3 year of covid time, the corona virus, then the subsequent lockdown [unclear], whether any employee we have set higher salary cut in pandemic situation and any salary cut [unclear]. I would request the management to kindly take part in con-call, quarterly presentations and meeting with global investor on a regular basis. This would [unclear] boom in stock price in the market sir. I would request the management to kindly arrange factory visit for investor, sir we hope to see the physical AGM and remember I attended 2019 AGM physically at Delhi and after that we are forced to meet virtually. Sir, so I hope that the management will fulfill the hope of minority shareholders in years to come and we do expect a bonus as well from management

sir, hope that management will reward shareholders sir. Nothing much to ask sir. I wish the Company and Board of Directors a great success and prosperity in the coming future. I thank the Company Secretary for sending us the link well in advance and making this annual general meeting a grand success. Thanks for giving opportunity. Hope to see the physical meeting next year sir.

**Shri Yogesh Kumar Misra, CMD**: Thank you Mr. Abhishek, I think the performance of the company during the covid and after that speak for itself. We have said in my speech also that despite the problems, we have done very well, we have done reasonably well as compared to any other company in our peer group. So, only during the covid period, there were some...., you know. for the employee, there was cuts, not on salaries but some of the items where we could save money because that was the requirement of that time but that happened for a very short while and now we have all our allowances, everything we have restored and now we have no issues because the company is able to pay them all so due to the profits that we have earned. Thank you!

**Moderator**: Now, I invite our next speaker shareholder Mr. Murlidhar Talreja. Please sir, ON your video and ask your question.

**Moderator**: Sir, is this audible to you sir?

*[disturbances for some time at the speaker level]*

**Ms. Ritu Arora, Company Secretary**: Moderator, you can call the next speaker if there is an issue.

**Moderator**: Ok mam. Now I invite our next speaker shareholder, Mr. K. Bharat Raj. Sir please ON your video and go ahead with your questions.

**Shri K. Bharat Raj**: Hello, a very good afternoon sir. I am Bharat raj calling from Hyderabad. Sir am I audible?

**Moderator**: Yes sir, you are audible.

**Shri Yogesh Kumar Misra, CMD**: Your video is not ON.

**Shri K. Bharat Raj**: Ya sir, now I am audible sir. First of all I am happy to say that in this pandemic also, my company is doing wonderful performance sir. Thanks to management for dividend payout sir. I thank our Company Secretarial Department for wonderful video conference sir. They are always accessible, 24 x7 sir.

Sir, regarding few question sir. What are the road map for build the railway track sir. If you compare in South India, a lot of projects are pending sir. You know the reason why projects are pending sir.

Sir, India needs 4<sup>th</sup> line and 3<sup>rd</sup> line sir, so why the government is not serious about 3<sup>rd</sup> line and 4<sup>th</sup> line sir. If you compare in India, in South India, south central railways, which was to go to 3<sup>rd</sup> line is still pending sir. *[unclear]*

India needs 3<sup>rd</sup> line and 4<sup>th</sup> line sir because if you compare with China, the tracks are reach till the border of India. So, when will be the track of that sir. Please make effort to make railway build more railway line and more speed trains to our country sir so that revenue will be increased and passenger facility will be increased. Sir in next year, we expect physical AGM sir, so that we have very great interaction with you sir. I thank board of director, all the best for coming years sir. We support all the resolutions. Secretarial Department, thank you very much. Sir please look up the hospitality sir. Thank you for giving me this opportunity sir. God bless you all.

**Shri Yogesh Kumar Misra, CMD**: Ya, Thank you Mr. Bharat Raj, I think the issue that you have raised, we are not authorized to speak on them, because the Government of India and Ministry of Railways looks after them but I am sure that they have very large expansion program. I think from

60,000 Crore per year, they are going to spend 2 lakh 50 thousand crore, which my Government director, here present can confirm. Yesterday only we were talking about that. So there will be ample work done in the entire India including the South India and as a company we are looking at all the opportunity we have, u know, we have done highway project in south and we would be happy to take up railway project also whenever they come up with southern parts. Thank you!

**Moderator:** Now I invite our next speaker shareholder, Mr. Yash Pal Chopra. Sir please ON your video and ask your questions.

**Shri Chopra:** Ok, Ok, am I audible?

**Moderator:** Yes sir, you are audible.

**Shri Chopra:** I am trying to turn on my video. anyhow, no problem.

**Moderator:** You can go ahead without video as well.

**Shri Chopra:** No problem, I can speak out, hello.

**Shri Yogesh Kumar Misra, CMD:** Ya, please go ahead.

**Shri Chopra:** hello, myself Yash Pal Chopra calling from Delhi its client id 10592847 [unclear] 10592558 [unclear]. Sir, I am very much proud of the management which is consisting of eminent people. This is very good thing sir that our company has given excellent results over the years gone by, inspite of the first 3 months. First quarter was wasted because of this corona and last quarter was wasted because of Russian-Ukraine war and in both cases, there was disruption in supply chain and all that, inspite of all that, virtually we had [unclear] work for 6 months but still we gave a result was more than. rather at the pre-covid level the results you have given, this is matter of pride for us. We are proud of our management. They have given fantastic results.

Sir, I would also applaud a Ministry of Railways that they had taken a very nice decision of getting most of the railway subsidiaries listed because now all those companies we are making there is competition between all the railway companies and every company is definitely is giving ground and giving a very-very fantastic results. So this is matter of pride for us and I know that railway track is the main, I can call it the veins, as veins are important in the body, similarly railway track are important for my country and now this communication system that is excellent and with that we are very sure that our GDP growth is going to scale new highs. In spite of very-very poor global economy, our economy shall still be at forefront because of railways because they are the main strategic carrier for our economy to higher level. It is a big thing sir.

Sir, as regards to the performance, it has been all round growth whether it is turnover, PBT, PAT and EBIDTA or dividend is excellent because the management appears to be investor friendly because they have given a dividend of around two rupees fifty paise on a face value of share of just Rs.2/-. Along with that, you have declared bonus as one for one that shows that you are very-very much concerned with investor's benefits, investor's value. I am proud of that and I must congratulate and compliment to management.

Sir, my query is as you are doing lot of work even in neighboring foreign countries like Bangladesh, Myanmar and all other things, so, what is the foreign exchange contribution in our revenue . Just like to know that you can please get my first query, the second query is that I just want to find out among your employees, what are the strength of women employees over there because now in almost in all the PSUs, women are just being treated as [unclear] empowerment and most of the chairman, even chairman of Indian Oil Corporation, she is a women, ONGC, she is a women, I just want to find out that what our company is doing on the part of that and next point is, that is very much in my mind, that is.....

**Moderator:** Yash Pal sir, Please windup

**Shri Chopra:** Payment of Loan. Sir, you have advanced so big loan sir but now are just on recovery part. I just want to find out that as regards the increased amount of outstanding, what is your strategy to recover that. Sir before I close, I must thank our corporate governance under our madam Ritu Arora Ji and all those persons who has given me chance to express myself and before I close, I pray god to bestow positivity on all you **from the top to the last man** because positivity means strength of company and strength of company is strength of my investment. Best of luck to you and happy-happy festive greeting for the times to come. Thank you sir.

**Shri Yogesh Kumar Misra, CMD:** Ya, Thank you Yash Pal Ji for the good words about the company and the economy of the country. I really appreciate that. Regarding the women employees, I think we have a significant figure, I don't have the figure right now with me but you can see on my right, my Director (Finance), Company Secretary, both are here, they are in important key positions and we have many employees, you know are, women employees on our roll. And regarding the financial questions, did you hear that, forex earning, so I think my Director Finance would be able to probably answer that.

**Smt. Ragini Advani, Director (Finance):** So, you know we had fairly good foreign earning though there has been a decline over the previous year. In terms of dollars, we have made some money from our neighbouring countries, the exact numbers are given in our segmental reporting already and I think further details can be shared over a detailed questioner. Thank You!

**Moderator:** Now I invite our next speaker shareholder, Mr. Jasmeet Singh. Sir please ON your video and ask your questions.

**Shri Jasmeet Singh:** please allow me ... ah...**[unclear]**.

**Moderator:** We can't see you but you are audible sir.

**Shri Jasmeet Singh:** Ok, Thank you, honourable Chairman, Board of Director, Chief of Finance and Company Secretary and every one attending this video conference. Very good afternoon. Chairman While the year under review was another challenging year given the continued covid pandemic, despite adverse conditions, we have actually done very well with higher revenues, higher EBIDTA, Profit, everything and higher dividend also and of course you have given bonus shares also. So, I am thankful to Board for all these good numbers, I understand that this would not have been possible without hardwork and focused approach given by our leadership team. While the working shared by you chairman sir about our company, have provided with fair amount of information which is assuring of a very bright future. I have a little concern with regards to the order book which we have close to 40,000 cr, I mean to say, given the last year topline of, close to 7000 crore. How long this order booking can take place to execute and because you see, again, this year you have plenty of orders coming in and next year also, so this how it tends to say, bridge the gap order book and execution part. Is there a shortage of skilled labour or is there shortage of funding which we need to execute the projects. Do share your perspective in this regards.

Apart from that, we have been doing lot of stuff with regards to CSR and I am happy to note that yes these are very important and good that you have adopted even included sports as a part of the CSR funding. This is a good indication to other corporates to support our sports activities. I also want to request you that given the 75<sup>th</sup> year of Amrit Mahaotsav, the Board may consider declaring a platinum seven and half rupee special one-time dividend not following the precedence in future. I support all the resolutions and I am thankful to finance and Secretarial legal team to conduct this virtual meeting successfully. Thank You!

**Shri Yogesh Kumar Misra, CMD:** Thank you Jasmeet Singh Ji, regarding your question about the order book and turnover, you know that the first step to company's growth is to acquire the order book, to acquire the order for the company and the second is to then develop the execution capabilities to meet that. So, we have already, you know, increased our execution capabilities and some of the project that we have secured like high speed and all they are slightly long period contract. So, you know, the expenditure would be spread out over the next three to four years, I mean even slightly more than that. Most of our projects that we have in our order book, now will be executed in a span of three to four years, so they will be completed but we would be acquiring more and we have already recruited lot of engineers this year and you know, based on the requirement for each project, we have recruited contract engineers from the local areas because they are the people who provide, basically the backup support to everything on the project. So, I think there is no problem, we can increase our execution capabilities to match the orders that we have secured and in future also we will be able to do that. Thank you!

**Moderator:** Now I invite again, Mr. Murlidhar Talreja if he can speak. Sir, is this audible to you? *[no response from the speaker side for some time]*. Okay may be it's a technical issue. Mr. Chairman sir, I handover to you. Now, we can conclude the question answer session and you can do the vote of thanks. .

**Shri Yogesh Kumar Misra, CMD:** I want to thank all the shareholders for taking out time to join the meeting through video conferencing and being with us and listening to us patiently. I thank you all for commenting on the excellent performance of the company, thank you very much.

**Ms Ritu Arora, Company Secretary:** Thank You sir, now, I request Shri Shyam Lal Gupta, Director (Projects) to please propose a vote of thanks.

**Shri Shyam Lal Gupta, Director (Projects):** On behalf of the Ircon International Limited, I thank all the shareholders for sparing their valuable time and attending today's AGM. I am particularly thankful to the CMD & other Board Members Shri Dhananjaya Singh Government nominee Director and Independent Director, Mr. Ajay Kumar Chauhan, madam Ranjana Upadhyay, Shri Dipendra Kumar Gupta, Dr. Kartik Chandulal Bhadra who have attended this meeting by sparing their valuable time. I am also thankful to Statutory Auditors & Secretarial Auditor for attending the meeting. I would also like to place on record the best efforts made by all the employees of the Company in achieving the current level of performance and all volunteers in organizing this AGM.

I declare the meeting as closed and wish the shareholders to be safe and healthy. Thank You all !

**Ms Ritu Arora, Company Secretary:** Thank you sir, Now we are closing this meeting, the e-voting will remain open for the next 15 minutes after the closure of this meeting to enable those of the members who have not cast their vote earlier and would like to cast their vote now. On receipt of the report from the scrutinizer, result of this meeting will be declared on the website of the IRCON, NSDL, BSE and NSE.

With this, I and all other Directors would like to leave this meeting and wish the shareholders to be safe and healthy. Thank you so much!

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