

RITES LTD.

Annual Report 2017-18

BOARD OF DIRECTORS



MISSION

Provide concept to commissioning consultancy, design, engineering and turnkey solutions including knowledge management in the field of Transport, Transportation Infrastructure and related technologies of highest professional standards.

Establish new national / international trends and practices and assimilate state-of-the-art technologies to provide quality and value to client.

Be a think tank for development of National policies, priorities and strategies in the Transportation and Infrastructure sector.



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REFERENCE INFORMATION

Registered Office: Scope Minar, Laxmi Nagar, Delhi-110092, India Phone No.: +91 1122024610 Fax: +91 1122024660	Company Secretary & Compliance Officer Mr. Ashish Kumar Srivastava
Corporate Office: RITES Bhawan, Plot No.1, Sector - 29, Gurgaon - 122001, (Haryana) Phone No. : +91 1242571665, Fax: +91 1242571187	Website: www.rites.com E-mail ID: cs@rites.com
Registrar & Share Transfer Agent: Link Intime India Private Limited Communication address of the RTA 44, Community Centre, 2nd Floor, Naraina Ind. Area Ph.- I, New Delhi-110028 Ph: +91 11 41410592; Fax: +91 11 41410591 Website: www.linkintime.co.in E-mail: swapann@linkintime.co.in	
Shares Listed at: National Stock Exchange of India Limited BSE Limited	Scrip Code: NSE: RITES BSE: 541556
Depositories: National Securities Depository Limited Central Depository Services (India) Limited	ISIN No. INE320J01015

FOR THE FINANCIAL YEAR UNDER REVIEW i.e. 2017-18

Statutory Auditor: M/s Agiwal & Associates Lal Kothi, 2 nd Floor, Pataudi House Road, Above Bank of Baroda, Darya Ganj, New Delhi 110 002 Phones: (91-011) 23267461, 23283162, 23278579 E-mail : office@ agiwalassociates.in	Branch Auditors: <ol style="list-style-type: none"> M/s S.K. Bhattachariya & Co. 4, Kiran Sankar Roy Road "Raja Chambers" Kolkata -700 001 Ph 033 2248-2560 Fax 033 2248 -7589 M/s Pratap B. Sheth & Co. D-25, Rameshwar, 1167, Murar Road, Mulund (West), Mumbai - 400 080 Phone 2591 6420/2639, Mob: 9819802265, 9322247031, 9323705504 Email : pbshethco@gmail.com M/s Venkat and Vasan No. 46, Balakrishna Naicken Street Extn. West Mambalam , Chennai- 600 033 Ph 2471 9660, 2471 9241, 2471 9242 Email: vandvchennai@gmail.com 	Bankers: Axis Bank HDFC Bank ICICI Bank IDFC Bank Indian Bank IndusInd Bank Kotak Mahindra Bank State Bank of India Yes Bank
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BOARD OF DIRECTORS

CHAIRMAN AND MANAGING DIRECTOR



Mr. Rajeev Mehrotra

WHOLE TIME DIRECTORS



Mr. Arbind Kumar
Director Projects



Mr. Ajay Kumar Gaur
Director Finance



Mr. Mukesh Rathore
Director Technical

GOVERNMENT NOMINEE DIRECTORS



Mr. A.P. Dwivedi



Mr. Ravindra Nath Misra
(Upto 31st August, 2017)



Mr. Bhupendra Kumar Agarwal
(From 26th September, 2017)

NON-EXECUTIVE (INDEPENDENT) DIRECTORS



Dr. Vidya Rajiv Yeravdekar



Mr. Anil Kumar Goel



Mr. Satish Sareen



Dr. Pramod Kumar Anand
(From 19th Sept., 2017)



Ms. Geethakumary
(From 15th March, 2018)



Dr. Rajendra N. Goyal
(From 15th March, 2018)

SENIOR EXECUTIVES



Mr. R. K. Tyagi
ED-Business
Development



Mr. Alok Garg
ED-Transport Infra



Mr. Pradeep Gupta
ED-Technical Services



Mr. Puneet Kumar
ED-Expotech



Mr. Pankaj Agrawal
ED-Quality Assurance



Mr. Rakesh Chopra
ED-P&C



Mr. Sanjib Kumar Biswas
ED-Rail Infra



Mr. P. K. Gupta
ED-Urban Infra



Mr. Y. K. Sharma
GGM-Building & Airport



Mr. P. T. Mittal
Company Secretary & GM (Legal)
(Upto 31st March, 2018)

FINANCIAL PERFORMANCE OF A DECADE AT A GLANCE

(₹ in Crore)

Particulars	08-09	09-10	10-11	11-12	12-13	13-14	14-15	15-16	16-17 [#]	17-18
Total Income (including other income)	672	623	881	934	1076	1246	1166	1278	1507	1603
Expenditure (including increase/decrease in stock)	522	457	518	678	731	860	710	762	1019	1109
Operating Margin	16	99	180	158	222	233	305	324	281	330
Depreciation	11	12	12	14	16	20	26	32	32	30
Profit Before Tax	150	166	363	256	345	386	456	516	488	494
Profit After Tax	94	112	244	164	245	264	306	339	331	337
Earning Per Share (EPS)- Basic & Diluted (₹)**	4.71	5.60	12.20	8.22	12.27	13.18	15.31	16.97	16.55	16.84
Dividend	20	23	49	33	50	53	62	77	146	148
General Reserve	570	655	836	961	1095	1297	1528	1778	1834	1993
Fixed Assets (Net Block) (Property, Plant & Equipment and Intangible Assets)	119	128	146	162	185	209	217	262	261	263
Inventories	22	37	78	62	26	17	7	11	50	9
Foreign Exchange Earnings	137	94	242	310	342	444	189	233	422	308
Share Capital	40	40	40	40	100	100	100	100	200	200
Capital Employed	501	538	689	602	781	853	1122	1506	1658	1915
Government Investment*	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Net Worth	610	695	876	1001	1195	1397	1628	1878	2035	2192
Profit Before Tax to Capital Employed (in %)	30	31	53	43	44	45	41	34	29	26
Operating Margin to Capital Employed (in %)	3	18	26	26	28	27	27	22	17	17
Profit After Tax to Share Capital (in %)	235	280	610	410	245	264	306	339	166	169
Profit After Tax to Net Worth (in %)	15	16	28	16	21	19	19	18	16	15
Expenditure to Income (in %)	78	73	66	73	68	69	61	60	68	69
Number of Employees	3048	3002	3134	3294	3247	3226	3227	3153	3200	3267
Income per Employee	0.22	0.21	0.28	0.28	0.33	0.39	0.36	0.41	0.47	0.49
Foreign Exchange Earning per Employee	0.04	0.03	0.08	0.09	0.11	0.14	0.06	0.07	0.13	0.09
Current Ratio	1.36	1.33	1.29	1.23	1.32	1.32	1.52	1.57	1.58	1.63
Investments	54	62	112	143	318	231	238	274	373	180

* Does not include bonus share of ₹199.90 crore issued from time to time.

** Consequent upon issuance of bonus shares in financial year 2012-13 & 2016-17, the earning per share for all the year has been computed on enhanced equity

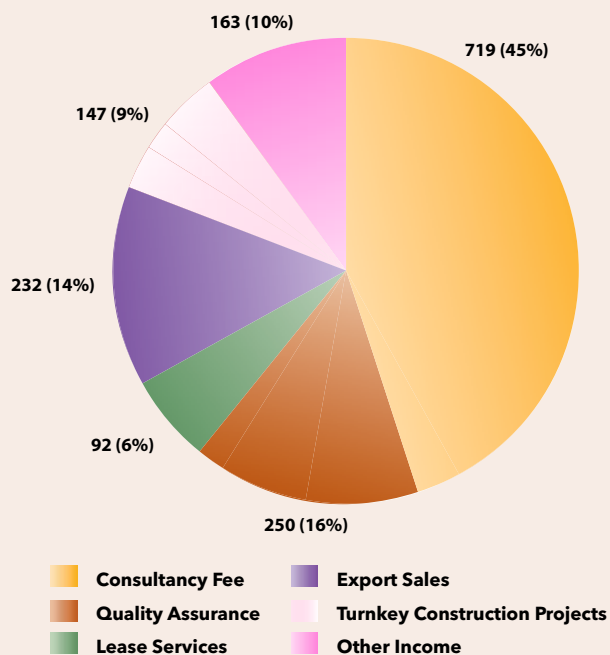
Re-adjusted inline with Ind AS.

1 Crore = 10 Million

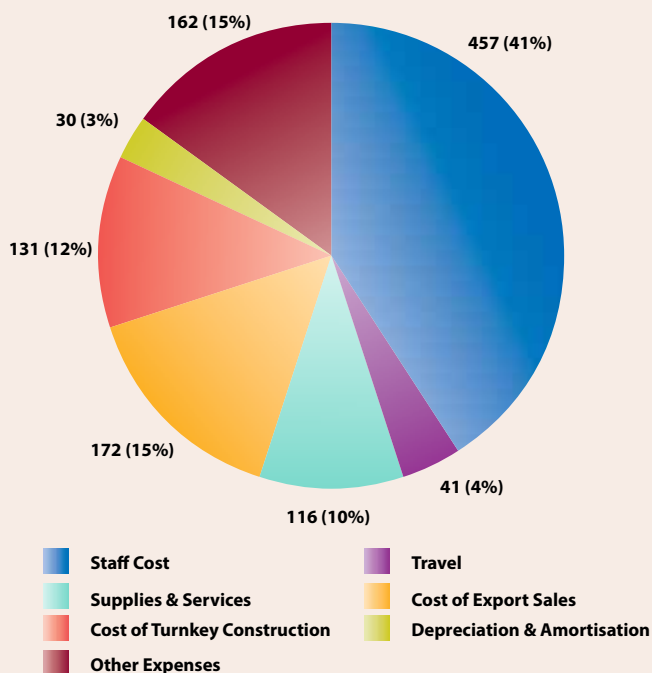
1 US\$ = ₹ 64.26 (31.03.2018)

FINANCIAL INDICATORS

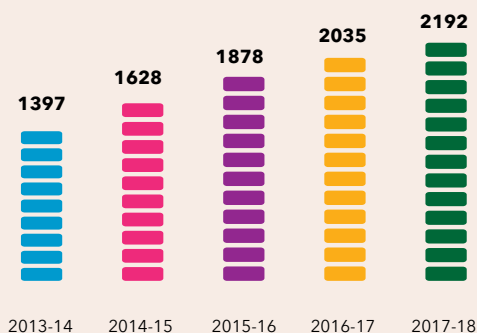
Earning (₹ 1603 Crore)



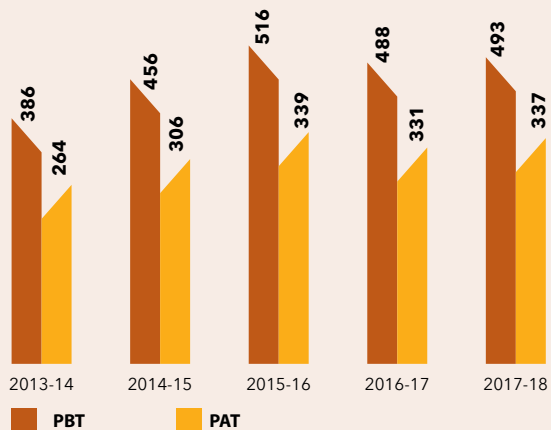
Spending (₹ 1109 Crore)



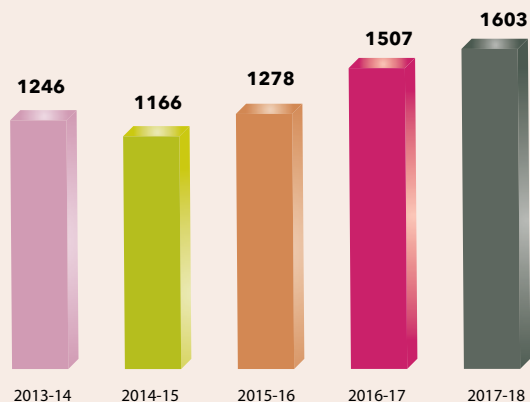
Net worth (₹ in Crore)



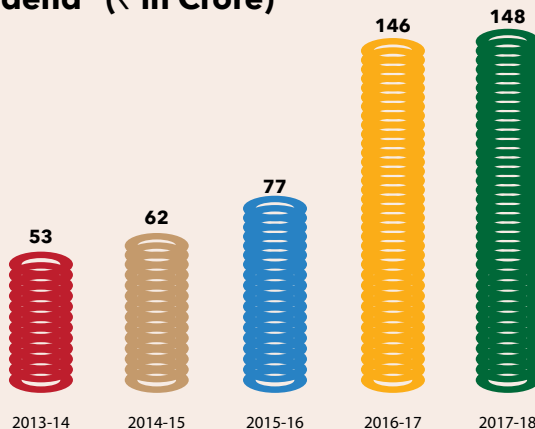
Profit Before/After Tax (₹ in Crore)



Turnover (₹ in Crore)



Dividend (₹ in Crore)





CHAIRMAN & MANAGING DIRECTOR'S MESSAGE

“The confidence posed in the company by the investors will be a great source of motivation for all of us to excel further in times to come.”

Dear Shareholders,

It gives me immense pleasure to present before you the Annual Report of your company for the financial year 2017-18. This has been an year of transition for RITES during which we not only maintained business growth, profitability and order book consolidation but also successfully completed exercise for listing of the company through part disinvestment of holding by Government of India.

Your Company has maintained its distinct brand name over the last 44 years in India and abroad, while serving different infrastructure sectors and diversified geographical locations.

Listing with Stock Exchanges

The initial public offer in June 2018, to disinvest 12.6% stake of Government of India received very encouraging response from the investors. The issue received over 13 lakh applications and was over-subscribed about 67 times as per the bid book of BSE and NSE. This indicates deep trust and confidence of investors your company enjoys. The Company's equity shares were listed on BSE Limited and National Stock Exchange of India Limited on 2nd July, 2018. The confidence posed in the company by the investors will be a great source of motivation for all of us to excel further in times to come.

Financial Highlights

I am pleased to inform that during FY 2017-18, your Company achieved its highest ever standalone Turnover and Profit After Tax of ₹ 1603 crore and ₹ 337 crore respectively as compared to previous year's standalone Turnover of ₹ 1507 crore and Profit After Tax of ₹ 331 crore respectively, showing an increase of 6.4% in total revenue and 1.8% in PAT.

On Consolidated Accounts basis, the total revenue was ₹ 1,667 crore in FY 2017-18 as compared to ₹ 1,561 crore in FY 2016-17, recording an increase of 6.8%. The consolidated PAT in FY 2017-18 was ₹ 363 crore as compared to ₹ 337 crore in FY 2016-17, showing an increase of 7.8%. In the FY 2017-18, growth was predominantly driven by consultancy income which was ₹ 1,015 crore as compared to ₹ 833 crore in FY 2016-17, registering a growth of 22%. Revenue from turnkey construction projects has increased by ₹ 116 crore to ₹ 147 crore in FY 2017-18 as compared to ₹ 31 crore in FY 2016-17.

Your company achieved these results despite severe competition from domestic and foreign consultancy companies.

REMCL - Subsidiary of RITES

RITES subsidiary company REMCL has also reported excellent performance in FY 2017-18. Its turnover increased to ₹ 69 crore in FY 2017-18 as compared to ₹ 58 crore in FY 2016-17. PAT of REMCL has increased to ₹ 30 crore in FY 2017-18 from ₹ 18 crore in FY 2016-17, registering a growth of 72%. The company has successfully facilitated procurement of power for Indian Railways for 1160 MW. The company successfully awarded 120 MW of solar roof top projects for zonal railways. Mandate has been received from Indian Railways for 323 MW of solar roof projects and 450 MW of solar ground mounted projects.

Dividend

The growth in the business & excellent financial results have prompted your Directors to recommend a final dividend of ₹ 40 crore for FY 2017-18. This is in addition to interim dividend of ₹ 70 crore which was

paid in January 2018 to the esteemed shareholders.

Order Book

Your Company has ended FY 2017-18 with its highest ever order book of ₹ 4,818 crore. In view of the healthy order book and huge investments taking place in infrastructure projects in India, I am confident that the accelerated growth of your company will continue in years to come. This increase was due to orders flowing in from various infrastructure projects in railways, metros, airports, exports and loco leasing segments. The focus of the management would be to ensure timely execution of these orders with quality standards and complete client satisfaction.

New Tax Regime

The FY 2017-18 also marked the introduction of Goods and Service Tax (GST), which is considered as the biggest tax reform so far. Your company was able to ensure a smooth transition into the new tax regime and also coordinated proactively with its business partners and clients on these matters.

Outlook

Your company has been able to consistently achieve "Excellent" rating in its performance evaluation under Memorandum of Understanding (MOU) by Department of Public enterprises. With the performance in FY 2017-18, your company has become eligible to be rated as "Excellent" for the FY 2017-18 also.

Keeping in view the sectoral investment scenario and the orders in hand, your company has signed MOU with the Government of India for setting performance target for excellent rating showing 22% growth in FY 2018-19 over FY 2017-18. I am confident that my team at RITES would scale up the efforts and ensure that we achieve such enhanced performance targets.

The audited accounts of the Company for the FY 2017-18 along with the Directors' Report, Report of Auditors and Comments of Comptroller and Auditor General of India have already been circulated to you and with your permission, I take them as read.

Transport Infrastructure and RITES

The key infrastructure sectors where your company is actively working in India and abroad are seeing increasing investments from Government and private sector.

In India, the capital expenditure in projects in railways, highways, metros, airports, ports have been getting 20-30% increase in budget allocation for investments on year on year basis since last 3-4 years. In addition, Govt. of India has identified specific goals/targets for 75th year of independence

to set up a modern and efficient transport system through its New India 2022 development agenda, with key emphasis on railways, roads, urban transportation and airports.

Also, in several countries where we pursue business interests, there is increased attention to expand rail network, establish Light Rail System (metro rail) to enhance suburbs connectivity with cities and acquire new rolling stock. We are participating in such business opportunities wherever possible. Such investment scenario opens up possibilities of higher growth in the years to come.

Your company has further strengthened its leading position in providing comprehensive consultancy to railway sector in India. Apart from feasibility studies, integrated design services, institutional management and technical support services, your company has shown significant growth in its quality assurance business.

Your company continues to maintain its growth in the highway, metro rail and airport sectors, despite stiff competition. Several new projects for airports Project Management Consultancy have been received during the year. With 44 locomotives, business of offering shunting locomotives on wet lease including operation & maintenance continued to be well received by domestic Non- Railway clients.

Select Domestic Projects

Your Company continues to follow a path of systematic and professional operations, resulting in preserving its position as a premier transport consultancy organization in India and abroad. During the year, the company was engaged in a number of prestigious domestic projects, which included High Speed Passenger Corridor between Ahmedabad - Mumbai; and Dedicated Freight Corridor between Dadri-JNPT Mumbai, railway construction projects of doubling, 3rd line, electrification and upgradation of workshops on EPC/turnkey basis, General Consultancy work for Metro rail projects for Ahmedabad, Nagpur, Pune and DPR for Kochi, Patna, Gauhati, Kanpur, Varanasi, Agra, Lucknow and Chennai etc; design of 4940 metres long rail-cum-road bridge, a fully welded composite structure over River Brahmaputra in Bogibeel near Dibrugarh, Assam; upgradation of 1132 km national highway under Bharatmala project in 4 states; Integrated Check Post (ICP) at Jogbani on Nepal Border and at Moreh on Myanmar Border and airport at Khushinagar (UP).

Select Foreign Projects

Your company was also engaged in technical services for Metro project in Mauritius, supply of coaches to Bangladesh, supply of Diesel-Electric Multiple Units (DMU) train sets and Broad Gauge

locomotives to Sri Lanka, Metre Gauge locomotives to Myanmar, engineering consultancy for new standard gauge railway line in Gabon, Integrated Check Posts at Biratnagar, Nepal, Road project at Botswana and Guyana etc.

Corporate Governance

Your company consistently endeavors to adopt and maintain the highest standards of ethics in all spheres of business activities. Your company is implementing the percepts of Corporate Governance in letter and spirit. Your company accords highest importance to transparency, accountability and equity in all facets of its operations.

With emphasis on transparency, several initiatives were implemented during the year. All details related to vacancies, recruitments, e-procurements & tenders, policies & procedures for use by employees, employees' service portals, inspection calls registration and status etc. have been made accessible online. Online Grievance registration has been made effective.

Contribution to Govt. of India Initiatives

RITES has always been proactively supporting the Government of India initiatives by formulating its business or governance objectives in line with the Govt. of India plans.

Make in India

In line with 'Make in India' initiative, our joint venture company with SAIL, SRBWIP (SAIL RITES Bengal Wagon India Pvt Ltd.) has been established and the company has started manufacturing and rehabilitation of wagons at its works at Kulti, West Bengal.

Skill India Mission

In line with "Skill India Mission" initiative, to create convergence across sectors and states in terms of skill training, your company has provided training to 135 apprentices in the non-technical and non-engineering categories during FY 2017-18, in all the sectors of operation of RITES viz. Railway Equipment Services, Highways & Ports, Bridges & Airports, Electrical and S&T projects.

Digital India

In line with the Digital India initiative and to enhance transparency, improve efficiency of our operations, several key initiatives have been implemented which include companywide SAP based Enterprise Resource Planning (ERP); e-procurement for works, goods and services; mobile app for third party inspection services, Employee Self Service (ESS) portals and online grievance handling and monitoring etc.

Corporate Social Responsibility

Your company understands its responsibility towards society and adopted a "Corporate Social Responsibility and Sustainability policy" to show its commitment towards operating in economically, socially and environmentally sustainable manner. As a responsible corporate citizen, your Company has spent ₹ 9.9 crore on various CSR activities during the year 2017-18.

Acknowledgment

I express my gratitude to our esteemed Shareholders, my colleagues on the Board of Directors and to the Chairman, Members and Officers of the Railway Board, for their valuable support, advice and co-operation. We are particularly grateful to the Ministries of Railways, Road, Transport and Highways, Commerce, Finance, External Affairs and Urban Development, Health and other Ministries and to the Indian Embassies and Missions abroad, to the Foreign Mission and Embassies in India and Exim Bank and other Bankers of the company for their valuable support and guidance to the Company. Your continued support and unstinted confidence inspires us in all our endeavors for excellence.

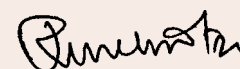
I would like to express my sincere and heartiest thanks to Department of Investment and Public Asset Management (DIPAM), Security and Exchange Board of India (SEBI), Stock Exchanges, i.e. National Stock Exchange of India Ltd. and BSE Ltd. and Registrar of Companies (ROC) for their guidance and support throughout the IPO process.

Special mention is warranted for the tireless efforts of RITES team of officers and staff for their performance and enduring contribution in bringing the Company to such a height. Powered by the talent of our people and vesting reaffirmed faith in the resilience of our business model, we look forward to overcoming any challenges that may lie ahead.

We are indebted to our loyal set of clients who have been a constant source of inspiration for us to provide them value added services. Their continued support has sustained our excellent performance through the years.

I am confident that with its sustainable track record and global reputation, your company will achieve new heights of success by effectively harnessing the host of opportunities and business that can be expected in the coming times.

Best regards,



(Rajeev Mehrotra)
Chairman & Managing
Director and Chief
Executive Officer

Dated: 16th August, 2018

DIRECTORS' REPORT

To,

The Members,

The Directors of your company have immense pleasure in presenting the 44th Annual Report of the company together with the audited Financial Statements and Auditors' Report for the year ended 31st March, 2018.

FINANCIAL HIGHLIGHTS

The financial performance of the Company for the year 2017-18 is given below:

(₹ in Crore)

Particulars	2017-18	2016-17
Financial Results:		
Total Income	1603	1507
Operating Turnover	1439	1299
Operating Expenditure	1109	1019
Other Income	164	208
Profit Before Tax (PBT)	494	488
Income Tax including Deferred Tax	(157)	(157)
Profit After Tax (PAT)	337	331
Appropriations:		
Dividend including Dividend Distribution Tax	178	176
Transfer to General Reserve	159	155

BUSINESS PERFORMANCE

During the year, your company has achieved highest ever turnover of ₹ 1603 crore as compared to the previous year's turnover of ₹ 1507 crore, higher by 6.37%. The profit before tax is ₹ 494 crore as against ₹ 488 crore of the previous year.

During the year, company was engaged in a number of prestigious domestic projects, which included setting up of wagon POH facilities at Bikaner workshop, NWR & at Kurduwadi workshop, C.Rly.; setting up of a new wagon POH factory at Dalmianagar, Bihar; setting up of facilities for Refurbishing of LHB coaches at New Bongaigaon Workshop, N.F. Rly, DPR for Construction of ROB's/ Flyover at 6 locations for DDA, DPR for strategically important roads under Bharatmala scheme in Gujarat and West Bengal and BRT in West Bengal, Design of State of Art Extra - dosed Cable stayed Bridge over River Ganga in West Bengal, Detailed



The Integrated Check Post (ICP) at Birgunj, Nepal, implemented by MEA through its PMC consultant M/s RITES, was jointly inaugurated by our Hon. Prime Minister, Shri Narendra Modi and Hon. Prime Minister of Nepal, Shri K.P. Sharma Oli.



Launch of Digital Receipt Note, Receipted Challan & Digital bill submission by Hon'ble Minister of Railways and Coal, Shri Piyush Goyal & Chairman Railway Board, Shri Ashwani Lohani at the Initiatives towards Ease of Doing Business, Digitisation & Transparency conference

Project Reports of Rail Based Mass Transit Systems for Gorakhpur, Allahabad, Chennai, Vijayawada, Jammu, Thane Srinagar, Kolkata, Nagpur, Mumbai & Gurgaon, General Consultancy for Delhi Metro Phase-III, Ahmedabad Metro & Nagpur Metro, Detailed Design Consultancy for Power Supply & Distribution system for Ahmedabad Metro & Bangalore Metro, Independent Quality Monitor agency for NOIDA-Greater NOIDA Metro, Maintenance of Rolling Stock & workshop equipment of MGR system at various locations of NTPC like Rihand, Singrauli, Sipat, Talcher, Kahalgaon & Farakka, Project Management Consultancy services for (i) Central university at Pondicherry, Gulbarga, Kasaragod, Gaya, Allahabad, IIT at Kharagpur, NIT at Meghalaya (ii) National Automotive Testing and R&D Infrastructure Project (NATRIP) - Ministry of Heavy Industries (iii) Rail Infrastructure for DVC,



Shri Manoj Sinha, Honourable Minister of State for Railways & Minister of Communication (Independent Charge) speaking at the Suppliers' Samvad function

NTPC, CIL and others at different locations (iv) Construction of Integrated check posts at Birgunj, Jogbani and Biratnagar along Indo-Nepal border, at Dawaki along Indo-Bangladesh border and Moreh along Indo - Myanmar border, detailed engineering for construction of ICP at Sonauli and Rupediah, consultancy services for development of Greenfield international airport at Bhiwadi, Rajasthan and Project Management Consultancy for development of airports at Chitrakoot & Kushinagar, Uttar Pradesh (v) Construction of double line electrified track and related infrastructure for Western Dedicated Freight Corridor (1477 km) for Ph-1, Dadri- JNPT.

During the year company has provided wide spectrum of consultancy services in Ropeway projects (i) techno-economic feasibility report for passenger ropeway at Pelling - Sikkim and Kudargarh - Chhattisgarh (ii) project management services for passenger ropeways at Namchi - Sikkim, Jammu - J&K, Rajgir & Banka - Bihar, Sholingur & Ayyarmalai - Tamilnadu, Guwahati - Assam, Bhongir - Telangana and Shri Mata Vaishno Devi (SMVD) shrine - J&K (iii) material ropeway for Shri Mata Vaishno Devi (SMVD) shrine - J&K and successfully commissioned funicular railway system at Nashik, Maharashtra.

In addition to the above, during the year the company has secured / executed following important Railway Projects:

- Construction Projects for new railway lines Gooty-Dharmavaram Doubling in South Central Railway Route length (90.2 kms) and Anuppur - Pendra Road third line in South East Central Railway (50.1 kms) - Ministry of Railways.
- Feasibility Study for high-speed rail corridor for



H.E. Mrs. Fazila Jeewa Daareeawoo, Vice President, Mauritian with CMD, Director Finance and senior RITES officials

Mumbai - Chennai route (1300 km) and Final Location Survey and GT Investigations for Mumbai - Ahmedabad route for National High Speed Railway Corporation. In order to expedite field work for topographic data collection Airborne LiDAR surveying technology has been used to facilitate the survey of the 508km corridor.

- Feasibility Studies, Geotechnical investigations and detailed engineering for new railway line for Bilaspur-Manali-Leh, New Broad Gauge railway project covering a distance of about 650 kms, which is one of the four strategic border lines along India - China border.
- Design and designer's association services during construction are being provided for a prestigious project named "Rail cum Road Bridge over river Brahmaputra at Bogibeel near Dibrugarh, Assam" for NF Rly.

During the year, company was also engaged in a number of prestigious international assignments covering export, leasing and consultancy services, which included contract for supply of 18 nos. new YDM 4 Meter Gauge Locomotives with microprocessor control with electronic governor and other modern feature such as remote monitoring of performance & driver control desk with digital TFT based display to Myanmar, leasing & maintenance of locomotives in Mozambique and providing expert service for maintenance of these Locomotives to CFM/Mozambique.

RITES has also provided warranty maintenance and support services for state of art LHB BG passenger coaches supplied to Bangladesh and Senegal, rendered consultancy services for supervision of



Site Visit of GRNW-6 Bridge by the Prime Minister of Mauritius (Shri Pravind Jugnauth). Present officials are Project Director RITES- Shri Arun Kumar Singh and Project Director of L&T- Shri G Vinod

Tshesebe to Masunqa road in Botswana and DPR of East Bank - East Coast road linkage project, Georgetown in Guyana (South America), DPR for project Trident for Government of Mauritius and supervision for implementation of Metro Express Project in Mauritius.

During the year, RITES has secured two major contracts from Sri Lanka Railway for supply 10 Broad Gauge diesel electric locomotives and 6 Broad Gauge diesels multiple unit train (DMU) sets with AC-AC traction. Manufacturing of Diesel electric locomotives and Diesel multiple unit train (DMU) have started at Diesel Locomotive works Varanasi and ICF, Chennai respectively.

OUTLOOK

Over the years, RITES as one of the leading transport infrastructure consulting companies in Public Sector in the Country has been playing a pivotal role in the development of transport and infrastructure sectors viz , Railways, Highways, Ports, Airports, Waterways, Ropeways, Urban Transport, Urban Engineering, Container Depots, Institutional Buildings and Railway Electrification etc. RITES have eventually diversified into providing multidisciplinary services from concept to commissioning for efficient and economic implementation of the projects.

The Company continued to provide specialized, integrated services under single roof in transportation infrastructure sector and export packages for supply of locomotives, coaches, wagons, spare parts and modernization of workshops. The Company has



Shri Rajen Gohain, Honourable Minister of State for Railways at the formal handing of 18th brand new AC-DC 1350 HP diesel electric locomotives to Myanma Railways, supplied by RITES and manufactured by Diesel Locomotive Works, Varanasi, India . Present at the ceremony was HE U.Thant Sin Moun, Honourable Minister of Transportation and Communication, Myanmar, HE Vikram Misri, the Indian Ambassador to Myanmar, Mr.U.Thurein Win, Managing Director (Myanma Railways), Mr.Mukesh Rathore, Director Technical (RITES) and Senior Myanma Railways and RITES officials.

expanded its reach through its subsidiaries and JV Companies by venturing into the business of wagon manufacturing and is also planning to develop potential business avenues in the field of power sector including Green Energy etc. The company is also exploring business opportunities in captive railway systems in India through equity participation with other stakeholders, with the main focus on providing total transportation solution as against pure consultancy assignments.

During the year, the business of offering shunting locomotives on wet lease including operation & maintenance continued to be well received by domestic Non- Railway clients. The Company has so far leased 41 locomotives to domestic non railway customers. Demand of shunting locomotives on lease by non-railway customers is growing day by



Roof top solar panels at Katra Railway station



The bell ringing to mark the beginning of trading during company's Listing ceremony on July 02, 2018

day. Apart from wet leasing, company was engaged in maintenance of over 130 diesel locomotives & 1400 wagons owned by customers like NTPC, NSPCL, WBPDC, SAIL & APCPL.

As a matter of diversification (i) RITES and Indian Railways promoted a Joint Venture Company, Railway Energy Management Company Ltd. (REMCL) for renewable energy projects, bilateral purchases, power trading and energy efficiency projects etc. Company has successfully implemented open access supply for Railways in 10 States, covering 55% of energy requirement resulting in the annual saving of over ₹ 2,000 crore to Indian Railways (ii) RITES has completed setting up of the state-of-the-Art wagon factory, at Kulti, West Bengal as a 50:50 JVC between RITES and SAIL, a "Make in India" initiative of the Indian Railways. An assured off-take Agreement has also been signed with Railways, arising out of the commitment made by the Ministry of Railways in the year 2010 regarding assured off-take order for manufacture of 1200 wagons/annum and rehabilitation of a minimum of 300 wagons/annum. JVC has shown significant improvement in its second year of operations. It has successfully completed the first order of rehabilitation of 400 wagons within the delivery period, duly adhering to cycle time & quality standards and completed manufacture of 303 new wagons and rehabilitation of 441 wagons (iii) Company has taken up turnkey works for construction and supply, installation and commissioning of machinery & Plant for up gradation / modernization of Railway Workshops.

IPO INITIATIVE

The Government of India announced the divestment in Company's shares in the financial year 2017-18. Accordingly, Department of Investment and Public Asset Management (DIPAM), Ministry of Finance, appointed DSK Legal alongwith Riker Danzig Scherer Hyland & Perretti, LLP as Legal advisors to the issue and Elara Capital, SBI Capital, IDBI Capital and IDFC Bank Limited as Book Running Lead Managers (BRLMs) for disinvestment of 25,200,000 equity shares i.e. 12.6% of RITES paid up equity share capital of the Company through Initial Public Offering (IPO) of shares by the Promoters (i.e Government of India). The Company's public issue was subscribed multiple times and shares got listed on July 2, 2018 on National Stock Exchange of India Limited and BSE Limited.

Listing of equity shares will enhance the company visibility and brand image and provide liquidity to the shareholders. Listing will also provide a public market for the equity shares in India.

CAPITAL STRUCTURE

The Paid-up share capital of the company remained at ₹ 200 crore as against Authorised Share Capital of ₹ 300 crore and the company has not issued any share during the year under consideration.

DIVIDEND

Your Directors have recommended a final dividend of ₹ 40 crore in addition to interim dividend of ₹ 70 crore paid during the year 2017- 18. The total dividend for financial year 2017-18 is ₹ 110 crore



CMD/RITES planting a sapling in support of green initiatives program at RITES office complex

(i.e. ₹ 5.5 per share) which is 55% of paid up share capital of the company. The total dividend payout for the year works out to be ₹ 148 crore which includes ₹ 78 crore final dividend for financial year 2016-17 and ₹ 70 crore interim dividend for the financial year 2017-18.

DEPOSITS

The Company has not accepted any deposits from public during the year under review.

RESERVES

An amount of ₹ 159 crore is proposed to be transferred to General Reserve by appropriation from the profits of the Company for the year 2017-18. Reserves & Surplus will increase from ₹ 1834 crore at end of the previous year to ₹ 1993 crore as at 31st March, 2018.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

CONSERVATION OF ENERGY

As a consultancy organization, RITES is not a major energy consumer and hence our carbon emission is minimum. Yet for the consultancy studies undertaken by RITES, it has been practice to pursue the national goal of energy conservation and accordingly, suggestions are given to our client's for measures and methods to conserve energy.

I. Steps taken or impact on conservation of energy:

For both the buildings, solar power panels have been mounted on roof tops to generate electricity from solar power. RITES Limited has also installed 32.5 KWp Solar photovoltaic Power Plant at Railway Station Gurgaon and 100KWp Solar photovoltaic Power Plant at Jodhpur junction Railway Station under RITES CSR scheme. Project for replacement of fluorescent tube lights of the ROC- I with energy efficient LED tube lights has been initiated, which will lead to substantial conservation of energy.

II. Steps taken by the company for utilizing alternate source of energy:

Railway Energy Management Company limited (REMCL), the subsidiary company of RITES Limited, has successfully commissioned 26 MW windmill in Jaisalmer and has implemented many power procurement contracts for Indian Railways under Open Access policy under the Electricity Act, 2003, resulting in substantial energy savings to Indian Railways.



New locomotive WDS commissioned at Adani Dahej project



A visit of Mr. Mamadou Ibrahimal Lo, Director of Cabinet of the Minister of Infrastructure and Transport and Mr. Abdoulaye Lo, Director General, ANCF, Senegal at RITES office

III. The Capital investment on energy conservation equipments:

During the year, Capital investment on energy conservation equipment is NIL.

TECHNOLOGY ABSORPTION

I. The efforts made towards technology absorption:

Being a leading consultancy organization in the field of transportation, RITES keeps itself abreast with the latest technology and knowhow not only in the area of the transportation but also in the technology and technological innovation that bring better efficiency and economic benefits to the sector. To achieve this, the company continuously strives to procure and absorb the best and the latest technological innovations in areas of its business by continuously updating its software and knowledge base by sponsoring and encouraging its employees to become members of National/International Institutions for improving their professional standing and



Engineering the design and construction of Six Lane Cable Stayed Bridge along with Approaches near Santra Market, Nagpur.jpg

commitments, to compete with the domestic and international competitors, to improve the quality of service to the client and to actively participate in national and international seminars and conferences, perusal of information and technological updates available on internet, study of periodicals, etc.

II. The benefits derived like product improvement, cost reduction, product development or import substitution:

Optimized and environment friendly rolling stock designs being developed by the company will benefit the sector in many ways such as weight reduction, reduced manufacturing cost, reduced track load density and track wear, increased speed, higher carrying capacity and lowered emission. This will also lead to reduced fuel consumption. This has helped the industry in developing rolling stock components by developing and standardizing their specification which were being imported so far.

III. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

- a. The details of technology imported:
 - Not applicable
- b. The year of import:
 - Not applicable.
- c. Whether the technology been fully absorbed:
 - Not applicable.
- d. If not fully absorbed, areas where absorption has not been taken place, and the reasons thereof:
 - Not applicable.

IV. The expenditure incurred on Research & Development.

RITES has received Consultancy Contract for Study of Emission from Diesel Locomotives and setting up of Emission Standards. This is a complex technological study which has not been done earlier in India. This study will comprise setting up of locomotive emission standards for India and preparing a roadmap for Indian Railway with identification of emission reduction technologies for achieving these standards.



H.E Eng. Carlos Mesquita, Honourable Minister of Transport & Communications, Republic of Mozambique with RITES CMD, Functional Directors and senior officials at RITES office

During the year, RITES has undertaken the work of providing technical consultancy to M/s BEML for Static and Fatigue Testing of the Bogie Frame. These tests conducted as per International European UIC standards. These tests are mandatory for newly designed Bogie Frame or any Bogie Frame being manufactured by a new manufacturer. The real challenge was to ensure the point of application of loads and their direction that would emulate the forces the way they would occur in field under actual operation/usage. RITES has now proven experience for testing of Bogies as per International Standards.

Under the Guidance of Prime Minister's "स्वच्छ भारत अभियान" with directives from Railway Board, RITES has prepared a technical feasibility report for best suitable technologies to handle MSW in environment friendly stations of Indian Railways. Segregation of degradable & non-degradable waste and Biomethanation process is recommended for processing of



Static and fatigue test of RS13 Metro bogie frame as per UIC 615-4 requirements for DMRC at BEML R&D Facility by RITES.



H.E. Dr. Abdulla Belhaif Al Nuaimi, Minister of Infrastructure Development and Chairman, Federal Transport Authority - Land & Maritime with Mr. M.K. Gupta, Member Engineering, Railway Board, Mr. Rajeev Mehrotra, CMD RITES and senior officials from RITES, IRCON and Indian Embassy at Middle East Rail event, Dubai

biodegradable waste in this report which is recommended by MoUD. Based on these recommendations Railway Board awarded work on the bid process and project management for setting up of solid waste management plants at various stations to RITES.

FOREIGN EXCHANGE EARNINGS AND OUTGO

The Foreign Exchange earned and the Foreign Exchange outgo in terms of actual inflows/ outflows during the year is as under:

Total foreign exchange earnings during the year under review were ₹ 307.50 crore (previous year ₹ 422.03 crore) and foreign exchange outgo were ₹ 21.25 crore (previous year ₹ 31.84 crore) respectively. This resulted in net foreign exchange earnings of ₹ 286.25 crore (previous year ₹ 390.19 crore).

PRESIDENTIAL DIRECTIVE

Ministry of Railways vide its letter no. 2018/PL/45/1 dated 09/01/2018 has conveyed its decision of disinvestment of its shareholding in the Company through Initial Public Offering. Accordingly, Company has disinvested 12.6% (25,200,000 equity shares) of its shareholding by way of Initial Public Offering in June 2018 and the company was listed with BSE Ltd. and National Stock Exchange of India Ltd. on 02/07/2018.

VIGILANCE

The objective of RITES Vigilance Cell is to facilitate an environment enabling people to work with integrity, efficiency and in a transparent manner, upholding highest ethical standards for the organization. To



Release of a Special booklet on 'Case Studies' in the presence of CMD RITES, Functional Directors and the Chief Vigilance Officer

achieve this objective, the Vigilance Cell carries out preventive, proactive and punitive actions with greater emphasis on the preventive and proactive functions. Following activities were undertaken during the Financial Year 2017-18:

- Preventive checks were conducted regularly in vulnerable areas of the Company. Total of 26 surprise checks in the field of material inspection and 3 preventive checks at project sites including documents scrutiny and Joint Checks were conducted at Kolkata, Mumbai, Silvasa, Chandigarh, Ludhiana, Delhi, Ghaziabad, Faridabad etc.
- Vigilance provides vital inputs to the technical authorities for improving the prevailing systems for bringing about more transparency and plugging out loop holes. Accordingly, nineteen System Improvements were recommended by Vigilance and implemented by technical authorities.
- 5 CTE type Examinations were taken up at Bankura (W.B.), Kasargod (Kerala), Tuticorin -2 nos. (Tamilnadu), Pondicherry (Puducherry). During these Intensive Examinations, high value procurement / contracts were scrutinized and checked comprehensively and necessary recommendations were forwarded to concerned authorities for implementing suggestions for improvement.
- In order to share the experiences gained during the various checks by vigilance, interactive sessions on common irregularities during project implementation and material inspection were held by CVO with officials of regional project and inspection offices in Kolkata and Delhi.
- RITES Vigilance has scrutinized Annual Property Return files of 418 executive and non-executive employees during 2017-18.
- As per the Guidelines of Central Vigilance Commission, Vigilance Awareness Week was observed in RITES with a theme of 'My Vision: Corruption Free India' during 30th October to 4th November, 2017. On the opening day i.e. 30th October 2017, Integrity pledge was administered to the employees at Corporate Office. During this week, a Vigilance Bulletin on Common Irregularities in Project Execution and Inspection of Materials, Systemic Improvements and various articles related to Eradication of Corruptions were published for bringing awareness amongst employees. A Special Cover was released on the theme of 'My Vision: Corruption Free India, by Superintendent of Post Office, Gurugram. A 'Gram Sabha' was organized at Khanpur Ghati Village, District- Nuhu (Haryana) for awareness amongst villagers about anti-corruption measures. An Elocution competition on the theme was also organized amongst students of various Government / private schools located at Gurugram on the topic 'Corruption Free India'.



Shri Manoj Sinha, Honourable Minister of State for Railways and Minister of Communication (IC) addressing the gathering at RITES Clients' Meet

Detailed report on observance of Vigilance Awareness Week- 2017 has been sent to CVC. All employees of RITES were also administered the e-pledge on Integrity floated by CVC.

- Vendors' Meet was organized at Kolkata, Delhi, and Noida to develop awareness for eradication of corruption amongst vendors/contractors. Programme was chaired by Chief Vigilance Officer.

CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES UNDER SECTION 188 (1) OF THE COMPANIES ACT, 2013

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis.

Your Directors draw attention of the members to Note No. 2.39 to the financial statement which sets out related party disclosures. (The details of contracts entered into with related parties in prescribed format AOC-2 is placed at **Annexure -I**).

JVS AND SUBSIDIARIES

The Company has two Indian Subsidiaries i.e. (i) Railway Energy Management Company Limited incorporated on 16th August, 2013 in Joint Venture with Ministry of Railways for taking up various assignments/tasks to develop potential business avenues in the field of power sector including Green Energy, power trading etc.; (ii) RITES Infrastructure

Services Limited incorporated on 27.04.2010 with the main object of construction, operation and maintenance of Multi-functional Complexes in the vicinity of Railway land. The Board of Directors of RISL decided to initiate the process of winding up during the year 2016-17 and the company is currently under liquidation;

The Company also has a joint venture with SAIL namely SAIL RITES Bengal Wagon Industries Private Limited (a 50:50 JV Company). Further, the Company has two subsidiary companies abroad namely (i) RITES AFRIKA (PTY) Limited, Botswana; and (ii) RITES Mohwarean Arabia Company Limited (RMAC), Saudi Arabia. RMAC, a local JV Company was formed for carrying out the O&M work of North South Railway network of Saudi Railway. The operation contract has been foreclosed in June, 2011 and the Company is under liquidation.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

Particulars of loans, guarantees given or investments made along with the purpose for which the loan is proposed to be utilized by the recipients are provided in the standalone financial statement (Please refer to Note 2.6, 2.7, 2.8, 2.15, & 2.16 of the standalone financial statement).

PARTICULARS OF EMPLOYEES

As per the provisions of sec 197(12) of Companies Act, 2013 read with rule 5 of Companies

(Appointment and Remuneration of Managerial Personnel) Rules, 2014, every listed company is required to disclose the ratio of the remuneration of each Director to the median employee's remuneration and details of employees receiving remuneration exceeding limit as prescribed from time to time in the Director's Report. However, as per notification dated June 5th, 2015 issued by MCA, Government Companies are exempted from complying with the provisions of Sec 197 of Companies Act, 2013. Therefore, such particulars have not been included as a part of Director's Report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS/COURTS/TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

No significant or material order has been passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company and its operations in future.

RISK MANAGEMENT

The company has a risk management committee comprising of Directors Shri Anil Kumar Goel, Shri Satish Sareen, Shri Ajay Kumar Gaur, Dr. Pramod Kumar Anand and Shri. A.P. Dwivedi.

The company has a sound currency risk management policy in place for risk identification and its mitigation. The execution of foreign projects gives rise to currency variation risk. For this purpose, company regularly monitors exchange fluctuations to mitigate this risk, Policy covers various aspects of currency risk management, benchmarking, hedging and risk appetite, permissible Instruments, hedging policy, structure of the risk management committee and treasury group, reporting procedures etc.

In this respect Company has also constituted Treasury Risk Management Committee and assistance is also taken from an external consultant/ economist as and when required. During the year one meeting of the Risk Management Committee was held on 21st March, 2018.

PROPAGATION OF HINDI (RAJBHASHA)

In pursuance of Official Language policy of the Govt. of India (Ministry of Home Affairs, Deptt. of Official Language) and the directions received from Railway Board from time to time, all round efforts



CMD RITES, CMD Wapcos Ltd and other officers in discussion during Town Official Language Implementation Committee meeting

were made to accelerate the progressive use of Hindi in official work of the Company. Important documents, such as Annual Report, MOU, minutes of various meetings, Circulars, Office Orders and Questionnaire of Committees of Parliament were prepared and issued in bilingual form. Rajbhasha Fortnight was organized smoothly in RITES corporate office from 14th September to 28th September, 2017. 'HINDI DIWAS' message by CMD/RITES was issued timely to all the officials of RITES located all over India. Competitions like; Noting and Drafting, Essay and Elocution were organized during this period and Hindi workshop, Table Training and inspections of different departments were also conducted. 27 winners of different competitions were awarded cash award and certificates by CMD/RITES. Rajbhasha Fortnight was organized in various project and inspection offices also. CMD RITES delivered his speeches on various occasions in Hindi.

During the year inspections regarding Progressive use of Hindi and workshops/table training in



Ms S D Mandotia, Asst (MCS) receiving Raj Bhasha award from CMD



Parliamentary Committee (OBC) at Kolkata with CMD/RITES and its officials

different Departments/Offices were conducted. Various incentive schemes regarding the use of Hindi were implemented. 50% Hindi books were purchased in the library. The quarterly meetings of Official Language Implementation Committee were held regularly in which progress of various items of Annual Programme of the Deptt. of Official Language, Ministry of Home Affairs were discussed and reviewed. CMD and Representative of RITES also participated in OLIC, Railway Board and Town Official Language Implementation Committee, Gurgaon.

RITES bagged 'Rajbhasha Promotion Award -2017 for excellence in implementation of Rajbhasha policy and Rajbhasha activities. The award was given by Shri Prabhas Kumar Jha, Secy. Deptt of Official Language, Ministry of Home Affairs in 'Rajbhasha cum Prize distribution function' organized by Town Official Language Implementation Committee, Gurgaon.

MEMORANDUM OF UNDERSTANDING

The company meets parameters of 'Excellent' rating in its performance evaluation under the MOU signed with the Ministry of Railways for the year under consideration (2017-18). However, communication from Department of Public Enterprises in this regard is expected in due course. Company has also signed Memorandum of Understanding with Ministry of Railways for the year 2018-19.

SCHEDULED CASTE, SCHEDULED TRIBES AND OTHER BACKWARD CLASSES

The company continued to give utmost importance to implementation of the policies and directives of the Government of India in matters relating to reservations in employment of candidates belonging to SC/ST/OBC and differently abled categories. During the year 2017-18, 47 employees were inducted against regular post (including 13



absorption cases), out of which 20 belong to SC/ST/OBC/differently abled category. Similarly during the year, 181 employees were inducted against contractual position, out of which 96 belong to SC/ST/OBC/ differently abled category.

In the year 2017-18, pre promotion training has been given to employees belonging to these categories. To ensure the welfare of such employees, the company has appointed Liaison officers for SC/ST/OBC and differently abled employees.

The infrastructure of company is well built and caters to the needs of differently abled employees.

ISO 9001-2008 CERTIFICATION

To ensure quality in its operations, the Company maintains an Excellent Quality Management System which conforms to ISO 9001:2008 and is certified by NVTQC (under ANAB accreditation). The certification covers all the activities and Divisions of the Company.

Also, RITES is empanelled with BEE as a Grade -I Energy Service Company (ESCO). This grading indicates "Very High" ability of RITES to carry out energy efficiency audits and implement the energy saving projects in ESCO Mode.



Inspection of locos supplied by RITES at DLW, Varanasi by Myanmar Railways' team



CMD received Dainik Bhaskar Group's initiative India Pride Award 2016-17 in the PSU category of transport sector from Shri Manoj Sinha, Honourable Minister of State for Railways and Minister of Communication (IC).

CORPORATE GOVERNANCE REPORT AND GREEN INITIATIVE

Your Company believes in the principle that good Corporate Governance establishes a positive organizational culture and it is evident by responsibility, accountability, consistency, fairness and transparency towards its stakeholders. As required under the DPE guidelines on Corporate Governance, a separate report on Corporate Governance practices followed by the Company forms part of this Report placed at **Annexure-A**.

In support of the "Green Initiative" measure taken by Ministry of Corporate Affairs, Government of India, New Delhi, enabling electronic delivery of documents and also in line with circular issued by Securities and Exchange Board of India (SEBI) dated November 05, 2011 and as prescribed under the relevant provisions under the Companies Act, 2013 and the Rules made thereunder, Company has sent Annual Reports in Electronic Mode to the shareholders who have registered their E-mail IDs either with the Registrar and Transfer Agents or with the depositories. However, an option is available to the shareholders to continue to receive the physical copies of the documents/ Annual Reports by making a specific request to Company or to R & T Agents.

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis" covering Division-wise Performance forms part of the Directors' Report has been placed at **Annexure - B**.

ANNUAL RETURN

Annual Return as per Section 92(3) of the Companies Act, 2013 will be available on the website of the Company i.e. www.rites.com (**Annexure -II**). Annual Return is also placed as Annexure II of this report.

INTERNAL CONTROL SYSTEMS AND ITS ADEQUACY

RITES have an effective internal control and audit systems for maintaining efficiency of operations and compliances of applicable laws and regulations. The organization has well structured policies and guidelines which are well-documented with pre-defined authorities. Detailed Manual is in place to guide and strengthen the internal checks and controls. Regular and exhaustive internal audits are being conducted by experienced firms of Chartered Accountants, appointed by the Management and in-house internal audit team headed by a qualified and experienced professional. The internal control and audit systems are being reviewed periodically by the Management and the Audit Committee. Corrective measures, whenever necessary are being taken up from time to time as a part of continuous improvement system.



CMD in panel discussion at India Corporate Governance and Sustainability Vision Summit

FORMAL ANNUAL EVALUATION OF DIRECTORS UNDER SECTION 134 (3) (P) OF THE COMPANIES ACT, 2013

Formal Annual evaluation of Chairman & Managing Director and Directors, being a Govt. Company are done by Administrative Ministry. Further, as per Notification issued by Ministry of Corporate Affairs dated 5/06/2015, the provisions of the said section shall not apply to Govt Company, in case the Directors are evaluated by the Ministry or Department of the Central Govt. etc.

BOARD OF DIRECTORS AND NUMBER OF MEETINGS OF THE BOARD

As on 31st March, 2018, Company has twelve Directors comprising of four Functional Directors, two Government Nominees Directors and six Independent Directors. The Board met ten (10) times during the year 2017-18.



Shri Rajeev Mehrotra, CMD (RITES) received Export Excellence award from Shri Satya Dev Pachauri, Hon'ble Minister of MSME & Export Promotion, (UP) in Engineering Services, large enterprises category from EEPC India Northern Region,



Mr. Mukesh Rathore, Director (Technical) and Mr. Virendra Singh, ED (Expotech) receiving the EPCC Gold Trophy for the best export performance for the year 2015-16 in Merchant Exporter category from Honourable Chief Minister of Uttarakhand, Shri Trivendra Singh Rawat

The following Directors held office during the year:

Whole-time Directors:

Shri Rajeev Mehrotra*	Chairman and Managing Director
Shri Arbind Kumar	Director Projects
Shri Ajay Kumar Gaur **	Director Finance
Shri Mukesh Rathore	Director Technical

Government Nominee Directors:

Shri R.N. Misra	Director (up to 31/08/2017)
Shri B.K. Agarwal	Director (from 26/09/2017)
Shri A.P. Dwivedi	Director

Independent Directors:

Dr. Vidya Rajiv Yeravdekar	
Shri Anil Kumar Goel	
Shri Satish Sareen	
Dr. P.K. Anand	(From 19/09/2017)
Ms. Geethakumary	(From 15/03/2018)
Dr. R.N. Goyal	(From 15/03/2018)

KEY MANAGERIAL PERSONNEL (KMP) (SECTION 203 OF THE COMPANIES ACT, 2013)

Shri Rajeev Mehrotra	Chairman & Managing Director and Chief Executive Officer
Shri Arbind Kumar	Director (Projects)
Shri Ajay Kumar Gaur	Director (Finance) and Chief Finance Officer
Shri Mukesh Rathore	Director (Technical)
Shri P.T. Mittal	Company Secretary & GM (Legal) (Upto 31.03.2018)
Shri Ashish Srivastava	Company Secretary (From 01.04.2018)

* The term of Shri Rajeev Mehrotra, Chairman and Managing Director has been extended by the Ministry of Railways for a period w.e.f 11.10.2017 till 30.06.2021 i.e the date of his superannuation.

** The term of Shri Ajay Kumar Gaur, Director Finance has been extended by the Ministry of Railways for a period w.e.f. 02.09.2018 till 31.07.2019 i.e. the date of his superannuation.

RETIREMENT OF DIRECTORS BY ROTATION

As per the Companies Act, 2013 the provisions in respect of retirement of Directors by rotation is applicable. In view of this, all the directors, except Independent Directors and Chairman & Managing Director (As per Article 56(h) of the Articles of Association, CMD is a non-retiring Director) will be liable to retire by rotation. Accordingly, one third among all other directors will retire by rotation. Accordingly, Shri Ajay Kumar Gaur and Shri A.P Dwivedi will retire by rotation and being eligible, offer themselves for reappointment.

DECLARATION BY INDEPENDENT DIRECTORS

During the year all Independent Directors have met the requirements specified u/s 149(6) of Companies Act, 2013 for holding the position of "Independent Director" and necessary declaration from each Independent Director u/s 149(7) was received.

COMMITTEES OF THE BOARD

Company has Audit Committee, CSR Committee and other Committees are in place. The Composition and scope of the Committees are provided in the report of Corporate Governance.

A report on Corporate Governance together with the certificate thereon, form the part of this report in **Annexure-A**.

DIRECTORS' RESPONSIBILITY STATEMENT UNDER THE COMPANIES ACT, 2013

In pursuance of Section 134 (5) of the Companies Act, 2013, The Director hereby confirms that:



Shri Ajay Gaur, Director Finance, (RITES) received Dainik Bhaskar India Pride Award 2017-18 for excellence in performance and services from Shri. Dharmendra Pradhan, Honourable Union Minister of Petroleum and Natural Gas, Minister of Skill Development and Entrepreneurship, Shri. Shivraj Singh Chouhan, Honourable Chief Minister of Madhya Pradesh

- (a) In the preparation of the annual accounts the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The directors have prepared the annual accounts on a going concern basis;
- (e) The directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and are operating effectively; and
- (f) The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

PERFORMANCE AND FINANCIAL POSITION OF EACH OF SUBSIDIARIES, ASSOCIATE AND JOINT VENTURE COMPANIES

A report on the performance and financial position of each subsidiaries, associates and Joint Ventures

companies as per the provisions of Section 129 (3) of the Companies Act, 2013 in prescribed format AOC-1 is provided as Annexure to the consolidated financial statements and hence not repeated here for sake of brevity.

KNOWLEDGE MANAGEMENT SYSTEM

Knowledge Management has been implemented in RITES as a module of ERP SAP in order to identify, capture, evaluate, retrieve and share enterprise information. The system consolidates important information of its employees and their knowledge for being available at a glance to SBU Heads. It provides information of experts regarding their qualification, experience, sector and sub-sector, projects handled etc in various job roles & specialisation, projects in various sectors and disciplines, thus reducing effort and helping them in business development process.

To keep the system relevant and contemporary, regular updation of the content is done by updating information on projects secured and additional expertise gained by employees. Regular reviews and diagnostic processes of the knowledge base are conducted to ensure a valuable and effective Knowledge Management System is in place.

ENVIRONMENTAL PROTECTION

The Company has long been integrating sustainability in its operations systematically with best practices. On the lookout for sustainable development, sets in clean and green surroundings. All the offices of the Company commit to maintain environmental friendly work processes and strongly believe that environmental sustainability results in providing safe and healthy work conditions to the employees which in turn enhances the productivity. The company sets objectives in compliance to DPE guidelines, further approaches towards adopting breakthrough technology for enhancing environmental protection. It has been the practice in all offices of the Company to follow conservation of natural resources like energy conservation, water conservation and reduction in waste generation is inculcated as a routine approach. The Company looks beyond obvious opportunities. In rendering consultancy to its clients, the Company ensures that rules pertaining to the environmental protection are being followed in the projects.

The Company has installed sewerage treatment plants in both the office buildings at Gurgaon and



CMD (RITES) received the Governance now PSU Award 2016 for business diversification

the recycled water is used for horticulture. Rain water harvesting system has been installed to recharge the ground water. Reducing carbon footprints is one of the main motives of the Company. REMCL, a subsidiary company of the Company has been working continuously for generating solar energy for Railways. Apart from that the Company has installed roof top solar energy plant to generate to meet its energy requirements. The Company is also socially active in propagating green corridors in the society and has undertaken the maintenance of greenery in the pavements near its corporate office. It also endeavours to impart environmental awareness among the masses.

Cleanliness drive was carried out at Gurgaon Railway Station to remove pile of plastic waste. This was followed up by planting of saplings at the same site for protection of environment.

CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY

Corporate Social Responsibility and Sustainability policy is our commitment to operate in economically,

socially and environmentally sustainable manner that is transparent and ethical. It encourages engagement with the stakeholders in determining their needs and expectations. The stakeholders include employees, shareholders, investors, customers, clients, business associates, civil society groups, Centre/State/local government, communities, environment and society at large. A total of ₹ 9.90 crore was spent during 2017-18 against the annual budget of ₹ 9.90 crore. Good image of RITES has been generated among the community. The underprivileged and economically weaker sections have also benefited from the activities.

In order to comply with the Guidelines on CSR issued by DPE and provisions of Section 135 of the Companies Act, 2013, Board level committee headed by an Independent Director has been constituted to oversee the implantation of CSR & Sustainability policy and to assist the Board of Directors to formulate suitable policies & strategies in this regard.

CSR Committee comprising of Shri Satish Sareen, Independent Director as Chairman, Dr. Vidya Rajiv Yeravdekar, Independent Director, Shri Anil Kumar Goel, Independent Director, Shri A.P Dwivedi, Govt Nominee Director, Ms. Geethakumary, Independent Director and Shri Ajay Kumar Gaur, Director Finance as members.

A report on CSR projects for the financial year 2017-18 is attached as **Annexure - III**.

The CSR projects / activities taken up by RITES are in accordance with the sectors as defined in the Schedule VII of Companies Act, 2013. Key projects taken up during the financial year 2017-18 are as follows:



Swachh Bharat Abhiyan campaign





CMD RITES inaugurating the Skill Development and Vocational Training Centre at Mewat, Haryana

SECTOR: Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.

- 1. Setting up of infrastructure facilities by providing Machinery, equipments for extending outreach and securing livelihood for Skill Development Training Programme for disadvantaged rural women by establishing Training cum Production centre.**

RITES has provided infrastructure facilities like Machinery, equipments for setting up Skill development training Centre at Mewat Haryana with the objective of socio-economic upliftment of economically weaker sections and rural community through Skill Development and Vocational Training programmes.

This centre will help to generate alternative employment opportunity for Rural Women and Youth. Focus will be on training and skill development resulting in meaningful employment.

- 2. Construction of Vocational training/skill development institute for under privileged children of rural areas (Vrindavan / Mathura, UP).**

RITES has contributed for part construction of Vocational Training & Skill Development Institute in Vrindavan, Mathura, U.P. Objective of setting up the Institute is to promote vocational training & skill development to children of the economically backward and under privileged children belonging to rural areas of the BPL/

OBC/SC/ST category. On yearly basis, more than 5000 men and women are estimated to be provided with vocational training in order to enable them to be employed or self employed for a happy and fulfilling life.

- 3. Setting up of infrastructure facilities by providing Computers, Furniture, Sewing Machines etc. For running Skill development training Programmes at Skill Development Centre in Dr. B.R. Ambedkar Foundation Campus, Jaipur, Rajasthan.**

RITES has contributed for infrastructure facilities like Computers, Furniture, Sewing Machines etc. for running Skill development training Programmes. Due to lack of skill, poverty, socio-economic conditions youths are deprived of job opportunity, especially in rural areas.

The main objective of this project is to enable the



Self employed tailor training program

SC/ST, OBC and women candidates overcome the difficulties and get employment after Skill training.

- 4. Skill Development training Programme by Apparel, Made ups & Home furnishing Sectors Skill Council (AMHSSC) under National Skill Development Corporation (NSDC) under Ministry of Skill Development & Entrepreneurship, Govt of India.**

RITES has contributed for Skill Development training Programme of Self Employed Tailor and In-Line Checker in line with Pradhan Mantri Kaushal Vikas Yojana (PMKVY).

Beneficiaries of training in Self Employed Tailor and In-Line Checker can start their small business of stitching and start earning basic livelihood or alternatively can get employment in this field.



*Children of SOS village at Greenfields with Mr Ajay Gaur
Director Finance, RITES*

Objective of the trainings is to encourage self-employment leading to reduction in migration of people from villages to the urban areas.

5. Empowering children/women through Self-Defense Training programs in National Capital Region by Jwala Mahila Samiti, Indore, Madhya Pradesh.

RITES has contributed for Self-Defense Training Programme for women & children. During the training women/ children were taught the skills to as to verbally respond to a potential sexual threat, strike vulnerable areas, escape from choke holds and body grabs, and execute defense techniques. Self-defense training has equipped the beneficiary women/ children with the tools to identify and prevent violence and sexual abuse.

6. Sponsorship of 2 Children's homes and 25 youths for employment linked higher education to children of SOS Children's Villages of India.

RITES has taken initiative for Sponsoring 2 children's homes in Greenfields, Faridabad and 25 youth for employment linked higher education to Children of SOS Children's Villages of India in Faridabad, Bawana Delhi and Bhubneshwar Orissa.

RITES also distributed Woolen Jackets to Children and Sarees to the assigned mothers of these orphan Children.

Beneficiaries are the parentless children of SOS Children's Village who will get all the logistic support to attend school, college education and vocational training.

SECTOR: Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.

7. Provision of Health Care facilities for women during pregnancy in Dr. B.R. Ambedkar Foundation Campus, Jaipur, Rajasthan.

RITES has contributed for medical assistance, regular medical check up and provision of Healthy diet and nutrition to women during pregnancy.

Healthy diet and nutrition is required for all human beings, especially women during pregnancy. Unhealthy diet during pregnancy is a major cause which results in premature birth and also increases pre natal mortality risks.

The objective of the project is to keeps both the mother and child healthy with the healthy diet like Milk products rich in calcium and protein that protects from anaemia, weakness, infections and keeps the immune system strong.

8. Construction of One 5 seated Community Toilet in Kanpur, U.P.

RITES has set up a Community Toilet at Fazalganj, Kanpur through SULABH International. The



Health check-up and supply of milk products to pregnant women

project will help overcoming open defecation by public in Fazalganj area of Kanpur city, which was earlier affected by poor sanitation due to inadequate infrastructure. The project will also reduce the incidences of health issues leading to healthy community and overall development of the people living in and visiting this area.

9. Supply and Installation of Hand pumps for Drinking Water in villages of District Hathras, U.P.

RITES has installed Hand pumps in villages of District Hathras U.P. Objective of the project is to provide safe drinking water to the villagers. Water is a fundamental human need, and an average human being requires 20 to 50 liters of clean & safe water every day for drinking, cooking, etc. Presently they are fetching water from very far away places. Installation of Hand pumps will benefit villagers in meeting their basic need of water.

10. Surgery for Congenital Heart Disease for children

RITES have joined hands with Balaji Heart Hospital & Diagnostic centre, Mumbai, Maharashtra in noble cause of Paediatric Cardiac Surgery for infants born with Congenital Heart Disease. About 78,000 infants born with congenital heart disease in India die every year because of inadequate health care facilities in the country. RITES provided funds for Cardiac Surgery of four children. By this Initiative of RITES, four lives have been saved bringing smiles on the faces of the relatives and parents of the patients.

SECTOR: Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro-forestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.

11. Solar Street Lighting System in villages of Ghazipur, Bhadohi, Shrawasti, Mirzapur, Shahjahanpur & Sultanpur District of UP and Pali District of Rajasthan.

RITES has installed Solar Street Lighting Systems in villages of Ghazipur, Bhadohi, Shrawasti,



Solar street lighting systems

Mirzapur, Shahjahanpur & Sultanpur District of UP and Pali District of Rajasthan.

Objective of the Project is to provide solar powered street lighting system to the villages, where power outages are very high. The village streets are ill lit due to which villagers are at a constant danger of mis-happenings in night. Installation of solar street lights will benefit the villagers.

12. Setting up Rain Water Harvesting System at Government schools in Jaipur, Rajasthan

RITES has contributed for Setting up Rain Water Harvesting System at Government schools in Jaipur, Rajasthan. This project would facilitate in replenishing the ground water table and thus contribute to environmental sustainability.

13. Procurement of Composting Machine for execution of Biomass Gas at National Academy of Indian Railways (NAIR) at Vadodra, Gujrat.

RITES has contributed for Procurement of Composting Machine for execution of Biomass Gas at National Academy of Indian Railways (NAIR) at Vadodra, Gujrat.

SECTOR: Rural Development Project.

14. Farmer & Agriculture Awareness Program in five Villages of Tehsil Kishangarh, District Ajmer, Rajasthan.

RITES has taken initiative for Farmer & Agriculture Awareness Program through an NGO WARDS.

The objective is to create awareness about Govt. Policies for farmers, welfare measures announced from time to time, newer trends in agricultural reforms, weather forecasts, Implementation of Kisaan Beema, etc., use of computers and Internet, and encouraging the farmers for Saving Habits, etc among farmers of villages in Kishangarh Tahsil of District Ajmer, Rajasthan.



Farmer and Agriculture Awareness Program in Kishangarh Tahsil, Ajmer (Rajasthan)

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

Being a premier consulting organization, RITES is constantly enhancing the knowledge and professional pool by inducting the desired professionals in its team every year. The Human Resource department is committed and focused to achieve deliverables in terms of talent acquisition, employee engagement, talent retention, career progression and development of the human capital.

A pool of experienced professionals is already part of RITES team and their strength is multiplying every year. The focus is on inducting enriched professionals at various levels including fresh



Mr. Yogesh Sharma, Manager (RES), Employee of the Year with CMD, CVO and GGM (Pers) at RITES Annual Day

incumbents such as Graduate Engineer Trainees and Management Trainees. RITES boasts of its rich talent pool comprising of experienced and fresh graduates hired from IITs, NITs, IIMs, XLRI and MDI etc. During the financial year 2017-18, RITES inducted more than 225 employees either on regular pay scale, contract with pay scale and on fixed tenure contract on lump sum remuneration.

Talent acquisition thus is a continuous exercise round the year in the Company. In order to meet its continuous need for trained and experienced manpower from Railway, Road, Port and Metro sectors, RITES has been hiring experienced, skilled manpower from Indian Railways on deputation basis which gets rotated every 3/5 years. In the current year 49 deputationists have joined as per the requirements of the Company.

In-house training programs aimed at improving the functional and technical skills across all levels of employees were organized throughout the year. Also professional programs, workshops and seminars conducted by reputed and prestigious agencies were carefully identified in line with business needs of RITES and suitable officers were nominated for such programs. RITES has provided 9784 days of training to its employees during the current year. In order to build a strong leadership base, customized multiple week-long workshops were organized through IIM Lucknow, for 80 officers across the country. Succession planning for critical roles has also been undertaken to ensure business continuity and long term organization sustainability. Other key areas in which training were imparted includes Project Management, Contract Management and arbitration, Risk Management etc. Employees were sensitized on labour law



CMD addressing the employees and the guests at RITES Annual Day

compliances through appropriate programs/workshops to comply with statutory obligations. Employee physical and financial wellness programs covering stress management, lifestyle diseases and financial planning were among the other awareness programs organized during the year.

Newly recruited GETs and other employees were given structured induction training for seamless assimilation into the organization, duly understanding the organizational culture.

Special focus was laid on developing a capacity building plan to bring in structured intervention for employees at specific stages of their career. In line with GOI initiative of promoting cashless society, trainings were organized to educate and sensitize various employee groups to use digital modes of payments. RITES has adopted online PMS system and extensive trainings were organized across offices to align employees with the new system.

Knowledge forum was revived to facilitate knowledge exchange in subject domain of Technology and Management. Sessions were organized under the aegis of knowledge forum to broaden the knowledge horizon of RITES employees. The scheme for membership of National and International Institutions has been introduced, for all regular employees in order to keep the knowledge updated and abreast with latest development across the globe.

In order to ensure data and information security as well, fostering the idea of business continuity, the HR function has taken a leap forward to keep the records in digitized format. The personnel files along with other important files have been scanned and

kept in digitized format. Transparency in the process along with the ease of operation is one of the key objectives. Electronic Performance Management System has been successfully executed, enabling paperless and transparent system of filling the Annual performance Appraisal reports online with quality and in a defined time period.

RITES has adopted best practices to ensure equal opportunity and provide harmonious environment for advancement and growth of women employees by conducting several programmes on gender issues, sexual harassment and conducive working conditions. At the same time, opportunities are given to women employees to participate in meetings, project works, and committees etc to foster the need of equal opportunity without any gender bias. RITES women employees are the backbone of the company who not only mark a significant presence in the human capital but also play a significant role in the development of company's image. Crèche facility has also been introduced during the current year to take care of their children.

IMPLEMENTATION OF RIGHT TO INFORMATION (RTI) ACT, 2005

Right to Information (RTI) Act, living up to the expectation of being one of the most progressive and friendly legislation, through 13 years of its existence, has empowered the Indian citizens, who until this time had no way of securing information from the Government, to access information under the control of the public authorities, thereby promoting transparency and accountability to the working of the authorities.



RITES Sports Day

A provision for submission of RTI applications/ First Appeals online coupled with payment of application/additional fees through internet banking, debit/credit cards and RuPay cards, has been provided on RITES website, which enabled the citizens to file their applications/first appeals with ease and receive information faster, cutting on the cost of postal dispatch and time of postal transit.

During the year 2017-18, office of the Public Information Officer (PIO) received 441 new applications seeking information under the RTI Act, 2005, as against 273 during the previous year, an increase of 61.54%, which can be attributed to user friendly resource for submission of RTI applications online, whereas the office of the First Appellate Authority (FAA) received only 78 first appeals as against 70 during the previous year, which illustrates a decrease of approx. 8% in first appeals to application ratio. RITES also complied with the decision of the Hon'ble Central Information Commission in the sole second appeal, as against four second appeals filed during the last financial year, thereby a decrease of 75% in the second appeals as against the previous year.

Every effort is made to provide the information within the stipulated time. Tracking and rigorous follow-up is done for each application for its timely disposal. RTI portal is used effectively for dissemination of information. Categories of information frequently sought, have been identified, catalogued and organized in a retrievable user-friendly database, which is being used effectively for proactive disclosure of information through RITES portal."

EXHIBITIONS AND AWARDS

Exhibitions

RITES participated in specialized domestic and overseas exhibitions to interface with business delegations, policy makers and potential clients. It provided a platform to display RITES multifarious capabilities and to further explore business opportunities. It enhanced a better understanding, strategic cooperation and multilateral relationships with visiting stakeholders.

These various expositions provided an opportunity to share ideas and latest technologies with prospective clients in the new global scenario. This was beneficial for future business development.

The company participated in various expositions such as:

- i. The India Engineering Exhibition (INDEE) Bangladesh from November 2-4, 2017, Dhaka and International Industrial exhibition at Ekaterinburg, Russia (July 10-13, 2017 organised by EEPC, (Ministry of Commerce).
- ii. Middle East Rail Exhibition-2018, Dubai, UAE (March 12-13, 2018).
- iii. Global Exhibition on Services (GES) 2017 - Railway Pavilion organized by The Confederation of Indian Industry (CII) held on 17-20 April 2017 at India Expo Mart, Greater Noida.
- iv. Integrated Transport and Logistics Summit 2017, May 3-5, 2017 at Vigyan Bhawan organized by FICCI / Ministry of Road Transport Highways and the Indian Railways.
- v. 'New India- We Resolve to Make' exhibition cum cultural programmes at Ranikothi, Civil Line, Nagpur from September 6-10, 2017 organised by Ministry of Parliamentary Affairs in association with RITES.
- vi. Exhibition on CSR works at Ghazipur (U.P.) on 27th May, 2017.

- vii. The International Railway Equipment Exhibition (IREE)- (Oct 11-13,2017) at Pragati Maiden organised by The Confederation of Indian Industry (CII).
- viii. Maritime India Summit and Exhibition (November 22-24, 2017 Mumbai) organised by CII.
- ix. Asean-India Investment Meet & Expo 2018, Ashoka Hotel, Delhi (Jan 22-23,2018) organized by Project Exports Promotion Council of India (Ministry of Commerce).

Awards

Company received following awards for its performance during the year 2017-18:

- i. EEPC Top Exporters Silver Award for 2013-14 under the merchandise category for foreign exchange, (EEPC, Ministry of Commerce).
- ii. Dun & Bradstreet PSU Award 2017 for Industrial Development & Technical Consultancy Services.



Exhibition & Cultural events on "Sankalp Se Siddhi: Naya Bharat Hum Kar Ke Rahenge (New India We Resolve to Make)" organised by RITES Ltd at Nagpur from 06-10 Sep 2017. The Exhibition was inaugurated by Hon'ble Mayor of Nagpur Ms Nanda Jichkar in august presence of Hon'ble MP Dr Vikas Mahatme.

- iii. Silver Trophy for Star Performer for Export of Engineering Services (Large Enterprise) for 2014-15 - EEPC India.
- iv. Rajbhasha Gaurav Purushkar- Pratham for 2016-17.
- v. Governance Now PSU Award for Business Diversification (Miniratna I) for 2017.
- vi. Dainik Bhaskar India Pride Award 2017-18.

Auditors

The Comptroller & Auditor General of India appointed the following as Statutory and Branch Auditors for the year 2017-18.



CMD (RITES)) was felicitated by the Indian Chamber of Commerce for his leadership and contribution in the field of transport, infrastructure & related technologies consultancy at the 7th Conclave on India Public Sector in New Delhi.

M/s Agiwal & Associates, Delhi	Statutory Auditors
M/s Pratap B Sheth & Co., Mumbai	Branch Auditors for Western Region
M/s S.K. Bhattachariya & Co., Kolkata	Branch Auditors for Eastern Region
M/s Venkat & Vasan, Chennai	Branch Auditors for Southern Region

The Board would like to place on record their sincere thanks for the valuable services rendered by Statutory Auditors and the Branch Auditors.

SECRETARIAL AUDITOR

The Board has appointed Akhil Rohatgi & Co., Practising Company Secretary to conduct Secretarial Audit for the financial year 2017-18. The Secretarial Audit Report for the financial year ended March 31, 2018 has been placed at **Annexure - IV**.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Details relating to deposits covered under chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under any



Scheme save and except ESOS referred to in this report.

4. Neither the Chairman and Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
5. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013.

APPRECIATION

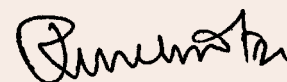
The Directors take this opportunity to express their sincere thanks to the esteemed Clients in India & abroad, Shareholders, Central and State Governments for their consistent support to the Company and look forward to the continuance of the mutually supportive relationship in future. The Directors also wish to place on record their appreciation of the hard work, dedication and commitment of the employees. The enthusiasm and

unstinting efforts of the employees have enabled the Company to touch new heights during the year.

ACKNOWLEDGEMENTS

Your Directors would like to express their appreciation for the assistance and co-operation received from the Ministries of Railways, Road Transport and Highways, External Affairs, Finance, Commerce, Urban Development, and other ministries, departments and agencies, office of Comptroller & Auditor General, Reserve Bank of India, Bankers of the Company, Indian Embassies & Missions abroad and Foreign Missions & Embassies in India, EXIM Bank without whose active support the achievements of the Company during the year under review would not have been possible.

For and on behalf of Board of Directors



(Rajeev Mehrotra)

**Chairman & Managing
Director and**

Place: Gurgaon

Dated: 30th July, 2018

Chief Executive Officer

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

1. Details of contracts or arrangements or transactions not at arm's length basis:

BITES Limited has not entered into any contract or arrangement or transaction with its related parties which is not arm's length during financial year 2017-18.

2. Details of contracts or arrangement or transactions at arm's length basis:**A. Transactions during the year with Subsidiaries, Joint Ventures and Associates:**

Particulars	1 BITES (Afrika) (Pty) Limited	2 BITES Infrastructure Services Limited (RISL)*	3 Railway Energy Management Company Limited (REMCL)	4 SAIL-BITES Bengal Wagon Industry Private Limited (SRBWIPL)	5 BNV Gujarat Rail Private Ltd
(a) Name(s) of the related party and nature of relationship	Wholly Owned Subsidiary.	Wholly Owned Subsidiary.	Subsidiary (BITES shareholding 51% Indian Railway shareholding 49%).	Joint Venture of BITES & SAIL (BITES shareholding 50%).	Joint Venture of BITES (26%), Shapoorji Pallonji Roads Pvt. Ltd. (67.5%) and PCM Cement Concrete Pvt. Ltd (6.5%)
(b) Nature of contracts/ arrangements/ transactions	Supply of technical manpower for the purpose of construction supervision of road & airport projects in Botswana/Rwanda.	Planning, design and construction of bus terminal at Maltipatpur, Puri, Orissa.	Services of experts on man month basis for carrying day to day activities of the subsidiary company.	<ul style="list-style-type: none"> Execution of Civil, electrical and Mechanical works required for setting up wagon manufacturing factory at Kulti with a production capacity of 1200 wagons per annum and rehabilitation of 300 wagons per annum. Short term loans. 	Development and maintenance of the Rail network of 126 km (Bhuj NaliyaVayor) under Western Railways in Gujarat state.
(c) Duration of the contracts / arrangements/ transactions	Ongoing-standing arrangements.	From September, 2013 to be completed by July 2015.	Ongoing till subsidiary does not have its own employees.	<ul style="list-style-type: none"> Completion period of phase -I and Phase -II was 12 months from release of mobilization advance or handing over of encumbrance free land whichever is later. Phase -III all balance works within 18 months from the date of payment of advance or handing over of encumbrance free land, whichever is later. Till the equity portion of SAIL was available and then the short term loan was converted into equity. 	25 years from Effective date after signing of Concession Agreement

Particulars	1 RITES (Afrika) (Pty) Limited	2 RITES Infrastructure Services Limited (RISL)*	3 Railway Energy Management Company Limited (REMCL)	4 SAIL-RITES Bengal Wagon Industry Private Limited (SRBWIPL)	5 BNV Gujarat Rail Private Ltd
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	RITES shall provide manpower at mutually agreed monthly rates. However, salary and related expenses incurred by RAPL on RITES personnel shall be adjusted from the amount payable to RITES.	Built up cost of project plus 7.5% of built up cost.	Expert services are charged on man month rates as being charged to other clients	<ul style="list-style-type: none"> Built up cost of project plus 9% of built up cost. For short term loans interest rate was same as that of Dena Bank, but rate of interest shall not be lower than the prevailing yield of 1 year, 3 year, 5 year or 10 year Govt. Security closest to the tenor of the loan till the equity portion of SAIL is also available and then the short term loan was converted into equity. 	RITES will provide advisory/ consultancy services during project implementation at mutually agreed terms and rates.
Transactions during the year	Consultancy Fee: ₹ 1.57 crore	NIL	Consultancy Fee: ₹ 5.54 crore. Recoverable/ Advances: ₹ 1.26 crore. Interest on advance ₹ 1.06 crore Repayment of advance ₹ 3.70 crore	Interest on loans given: ₹ 0.62 crore. Recoverable/ Advances: ₹ 0.22 crore.	NIL
(e) Date(s) of approval by the Board, if any: -	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
(f) Amount paid as advances, if any:	NIL	NIL	NIL	NIL	NIL

* Under liquidation.

B. Transactions during the year with Directors/Key Managerial Personnel:

Particulars	1 Sh. Rajeev Mehrotra Chairman and Managing Director and Chief Executive Officer	2 Sh. Arbind Kumar Director Projects	3 Sh. Ajay Kumar Gaur Director Finance and Chief Finance Officer	4 Sh. Mukesh Rathore Director Technical	5 Sh. P.T. Mittal Company Secretary & GM (Legal)
Remuneration for the year 2017-18 (₹)	65,42,059	55,65,811	51,38,527	46,67,855	73,91,002*

* Includes payments on superannuation also.

Place: Gurgaon
Date: 30th July, 2018


(Rajeev Mehrotra)
 Chairman & Managing Director
 & Chief Executive Officer
 (DIN: 01583143)

**FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31.03.2018

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014

I. REGISTRATION & OTHER DETAILS:

1.	CIN	U74899DL1974GOI007227
	Registration Date	26 th April, 1974
	Name of the Company	RITES LIMITED
	Category/Sub-category of the Company	Company Limited by Shares/Union Govt Company
	Address of the Registered office & contact details	Registered office: SCOPE Minar, Laxmi Nagar, Delhi-110092 Ph - 011-22024610
	Whether listed company	Yes (w.e.f. 02/07/2018)
	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Private Limited 44, Community Centre, 2nd Floor, Naraina Ind. Area Ph.- I, New Delhi-110028 Ph: +91 11 41410592; Fax: +91 11 41410591 Website: www.linkintime.co.in E-mail: swapann@linkintime.co.in Contact Person: Mr. Swapann Kumar Naskar SEBI Registration No.: INR000004058

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Export Sales		16%
2	Consultancy		50%
3	Quality Assurance		17%
4.	Turnkey Construction Projects		10%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SN	Name and Address of the company	CIN/GLN	Holding / Subsidiary / Associate	% of Shares held	Applicable Section
1.	Railway Energy Management Company Ltd (REMC) Registered office: SCOPE Minar, Laxmi Nagar Delhi-110092	CIN: U93000DL2013GOI256661	Subsidiary	51%	Under Section - 2(87) of the Companies Act, 2013
2.	RITES Infrastructure Services Ltd (Wholly owned subsidiary of RITES Ltd) Registered office: SCOPE Minar, Laxmi Nagar Delhi-110092	CIN: U45200DL2010GOI202067	Wholly Owned Subsidiary (Under Liquidation)	100%	Under Section- 2(87) of the Companies Act, 2013
3.	RITES AFRIKA (PTY) LIMITED, BOTSWANA	-	Wholly Owned Subsidiary-Abroad	100%	Under Section - 2(87) of the Companies Act, 2013

SN	Name and Address of the company	CIN/GLN	Holding / Subsidiary / Associate	% of Shares held	Applicable Section
4.	SAIL- RITES Bengal Wagon Industry Private Ltd, Registered office: SCOPE Minar, Laxmi Nagar Delhi-110092	CIN: U35200DL2010PTC211955	JVC of SAIL & RITES	50%	Under Section - 2(6) of the Companies Act, 2013
5.	BNV Gujarat Rail Private Limited. Registered office: Venus Amadeus, 301-305, 3rd Floor,, Jodhpur Cross Road, Satellite,, Ahmedabad, Ahmedabad, Gujarat, India, 380015	CIN: U60300GJ2016PTC094761	JVC of RITES, Shapoorji Pallonji Road Infra Pvt. Ltd. and PCM Cement Concrete Pvt Ltd	26%	Under Section - 2(6) of the Companies Act, 2013
6.	RICON, India	-	Un incorporated Joint Venture.	51% (Share of interest)	-
7.	Geoconsult ZT GmbH-RITES, India	-	Un incorporated Joint Venture.	39.40% (Share of interest)	-
8.	Geoconsult -RITES (JV)	-	Un incorporated Joint Venture.	37.50% (Share of interest)	-

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

I) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter's									
(1) Indian									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	9.998 Cr	10.002 Cr	20 Cr	100%	20 Cr	-	20 Cr	100%	100
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A)	9.998 Cr	10.002 Cr	20 Cr	100%	20 Cr	-	20 Cr	100%	100
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	9.998 Cr	10.002 Cr	20 Cr	100%	20 Cr	-	20 Cr	100%	100

II) Shareholding of Promoters -

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholder's Name	Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	President of India	19,99,60,000	99.98	0	President of India	19,99,60,000	99.98	0	0
2	Sh. A K Mital Chairman Railway Board , Rly Board	18,000	0.01	0	Sh. Ashwanil Lohani Chairman Railway Board , Rly Board	18,000	0.01	0	0
3	Md. Shahzad Shah Financial Commissioner, Rly Board	18,000	0.01	0	Sh. A.K.Prasad Financial Commissioner, Rly Board	18,000	0.01	0	0
4	Sh. A K Mittal Member Engineering, Rly Board	1,000	0.0005	0	Sh. Mukesh Kumar Gupta Member Engineering, Rly Board	1,000	0.0005	0	0
5	Sh. Ravindra Gupta Member (Rolling Stock), Rly Board	1,000	0.0005	0	Sh. Ravindra Gupta Member (Rolling Stock), Rly Board	1,000	0.0005	0	0
6.	Sh. B.B. Verma Additional Member Planning, Rly Board	1,000	0.0005	0	Sh. Ved Pal, Additional Member Planning, Rly Board	1,000	0.0005	0	0
7.	Sh. A.P. Dwivedi, Executive Director (PSU), Rly Board	1,000	0.0005	0	Sh. A.P. Dwivedi, Executive Director (PSU), Rly Board	1,000	0.0005	0	0
	Total	20,00,00,000	100%	-	Total	20,00,00,000	100%		

*S.No. 2 to 7 are nominee of President of India

III) Change in Promoters' Shareholding (please specify, if there is no change)

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	20 crore	100%	20 crore	100%
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	NA	NA	NA	NA
	At the end of the year	20 crore	100%	20 crore	100%

IV) Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	NA	NA	NA	NA
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-		-	-
	At the end of the year	NA	NA	NA	NA

V) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Shri A.P. Dwivedi, ED (PSU), Rly. Board (As nominee of President of India)	1000	0.0005	1000	0.0005
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): - Bonus Shares				
	At the end of the year				
	Shri A.P. Dwivedi, ED (PSU), Rly. Board	1000	0.0005	1000	0.0005

VI) INDEBTEDNESS: Indebtedness of the Company including interest outstanding/accrued but not due for payment - NA

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)				
Change in Indebtedness during the financial year	-	-	-	
* Addition				
* Reduction				
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)				

VII) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager (Amt. in ₹)				Total Amount (Amt. in ₹)
		Sh. Rajeev Mehrotra CMD & CEO	Sh. Arbind Kumar, DP	Sh. Ajay Kumar Gaur, DF & CFO	Sh. Mukesh Rathore, DT	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4697560	4249290	4067536	3415553	16429939
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	176585	59619	37508	455119	728831
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission - as % of profit - others, specify	-	-	-	-	-
5	Others, please specify - Performance Linked Incentives (PRP)	464615	324980	303705	141422	1234722
	- Post Employment Benefits	761947	705675	658710	655761	2782093
	- Other Employment Benefits	441352	226247	71068	-	738667
	Total (A)	6542059	5565811	5138527	4667855	21914252
	Ceiling as per the Act	-	-	-	-	-

B. Remuneration to other directors

SN.	Particulars of Remuneration	Name of Directors			Total Amount (₹)
		(₹) Dr. Vidya Rajiv Yervadekar	(₹) Shri Anil Kumar Goel	(₹) Shri Satish Sareen	
1	Independent Directors	-	-	-	-
	Fee for attending Board / Committee Meetings	-	-	-	-
	• Board Meeting	120000(4)	300000(10)	300000(10)	720000
	• Audit Committee	60000(3)	120000(6)	120000(6)	300000
	• CSR committee	60000(3)	140000(7)	140000(7)	340000
	• Nomination & Remuneration Committee	20000(1)	40000(2)	40000(2)	100000
	• Risk Management	-	20000(1)	20000(1)	40000
	• Project Investment	20000(1)	40000(2)	40000(2)	100000
	• Independent Director Meeting	-	20000(1)	20000(1)	40000
	• Sub -Committee Meeting	-	40000(2)	40000(2)	80000
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	280000	720000	720000	1720000
2	Other Non-Executive Directors	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	280000	720000	720000	1720000
	Total Managerial Remuneration	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-

SN.	Particulars of Remuneration	Name of Directors			Total Amount (₹)
		(₹) Dr. P.K. Anand (From 19/09/17)	(₹) Dr. R.N. Goyal (From 15/03/18)	(₹) Ms Geetha Kumary (From 15/03/18)	
1	Independent Directors	-	-	-	-
	Fee for attending Board / Committee Meetings	-	-	-	-
	• Board Meeting	150000(5)	30000(1)	30000(1)	210000
	• Audit Committee	60000(3)	-	-	60000
	• CSR committee	-	-	-	-
	• Nomination & Remuneration Committee	-	-	-	-

SN.	Particulars of Remuneration	Name of Directors			Total Amount (₹)
		(₹)	(₹)	(₹)	
		Dr. P.K. Anand (From 19/09/17)	Dr. R.N. Goyal (From 15/03/18)	Ms Geetha Kumary (From 15/03/18)	
	• Risk Management	20000(1)	-	-	20000
	• Project Investment	40000(2)	-	-	40000
	• Independent Director Meeting	20000(1)	20000(1)	20000(1)	60000
	• Sub - Committee Meeting	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	290000	50000	50000	390000
2	Other Non-Executive Directors	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)				
	Total (B)=(1+2)	290000	50000	50000	390000
	Total Managerial Remuneration				
	Overall Ceiling as per the Act	-	-	-	-

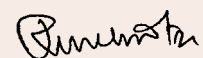
C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

SN	Particulars of Remuneration	Key Managerial Personnel	
		Shri P.T. Mittal, Company Secretary & GM (Legal) (₹)	Total (₹)
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3369281	3369281
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit	-	-
5.	Others, specify	90212	90212
	- Performance Linked Incentives (PRP)		
6.	Others, please specify		
	- Post Employment Benefits	2570936*	2570936
	- Other Employment Benefits	1360573	1360573
	Total	7391002	7391002

* Includes payments on superannuation also.

VIII) PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY - NA					
Penalty					
Punishment					
Compounding					
B. DIRECTORS - NA					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT - NA					
Penalty					
Punishment					
Compounding					



Place: Gurgaon
 Date: 30th July, 2018

(Rajeev Mehrotra)
 Chairman and Managing Director and CEO

CSR PROJECT FOR FY 2017-18

1.0 A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web - link to the CSR policy and projects or programs.

Brief outline of the company's CSR & Sustainability Policy is mentioned below:

- 1.1 Corporate Social Responsibility and sustainability policy is our commitment to operate in economically, socially and environmentally sustainable manner that is transparent and ethical. It encourages engagement with the stake holders in determining their needs and expectations. The stake holders include employees, shareholders, investors, customers, clients, business associates, civil society groups, Center/State/local government, communities, environment and society at large.
- 1.2 RITES shall strive to integrate social and environment concerns in its business processes and work towards providing the best possible solutions for sustainable developmental needs of the society by:
 - 1.2.1 Spreading awareness amongst employees about the company's CSR & Sustainability policy, programmes & initiatives and the need and importance of adopting ethical business practices and implementation of CSR & Sustainability agenda of the company.
 - 1.2.2 Promoting the cause of Sustainable Development and giving due attention to social and environmental aspects and their impacts in all its activities including the feasibility studies, investigations, detailed designs & DPRs for various developmental projects in transportation & infrastructure sector.
 - 1.2.3 Encourage use of renewable energy resources such as solar, wind, biomass & others and reduce its carbon, water and waste foot prints.
 - 1.2.4 Engagement with stakeholders in undertaking CSR & Sustainability projects in and around the areas of companies offices/projects and also other backward region/areas with focus on creating the necessary infrastructure which will promote education, health, sanitation and provide connectivity/mobility, skills and preserve natural habitat, water resources, flora and fauna, greenery, environment, heritage and culture.
 - 1.2.5 Regular reporting of CSR & Sustainability performance of the company.
 - 1.2.6 Creating and enhancing the brand value of the company by adoption of highest standards of Corporate Governance and best management practices and application of its business expertise for the good of the community and society at large.
- 1.3 This policy flows from the Corporate Mission of the company.
- 1.4 CSR Policy relates to the activities to be undertaken as specified in Schedule VII of the sub - section (1) of section 467 of the Companies Act (18 of 2013).

Link to the CSR policy is <http://ritesltd.com/upload/misc/CSR-%20Sustainability-Policy-Issue%204Rev5-18.pdf>.

2. The Composition of the CSR Committee

Board level committee headed by an Independent Director has been constituted to oversee the implementation of CSR & Sustainability policy and to assist the Board of Directors to formulate suitable policies & strategies in this regard. The composition of this committee is as under :

Sh. Satish Sareen	Independent Director	Chairman CSR Committee
Dr. Vidya Rajiv Yeravdekar	Independent Director	Member
Sh. Anil Kumar Goel	Independent Director	Member
Smt. Geethakumary	Independent Director	Member
Sh. A. P. Dwivedi	Govt. Nominee Director	Member
Sh. Ajay Kumar Gaur	Director Finance / RITES	Member

3. Average net profit of the company for last three financial years. **(Refer Annexure - A)**
4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above). **(Refer Annexure - A)**
5. **Details of CSR spent for the financial year:**

- a) Total amount to be spent for the financial year:

₹ 990.00 Lakh

- b) Amount unspent, if any:

Nil

(c) Manner in which the amount spent during the financial year is detailed below :

S. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local Area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (₹ Lakh)	Amount spent on the projects or programs Sub: -Head (1) Direct expenditure on the projects or programs (2) Overheads (₹ Lakh)	Cumulative expenditures upto the reporting period (₹ Lakh)	Amount spent: Direct or through implementing agency
	Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.						
1	Toilets and 100 seats for Basti Railway Station.	..do-	Basti, Uttar Pradesh	19.92	19.92	19.92	Through implementing agency
2	Construction of One 5 seated Community Toilet in Kanpur Nagar, U.P.	..do-	Kanpur, Uttar Pradesh	20.00	20.00	39.92	Through implementing agency
3	Supply and Installation of 100 Number Hand pumps for Drinking Water in villages of District Hathras, U.P.	..do-	Hathras, Uttar Pradesh	60.00	60.00	99.92	Through implementing agency
4	Distribution of assistive devices to Persons with disabilities (PwDs) in Ghazipur, U.P.	..do-	Ghazipur, U.P.	12.07	12.07	111.99	Through implementing agency
5	Provision of Health Care facilities for women during pregnancy in Dr. B.R. Ambedkar Foundation Campus, Jaipur, Rajasthan.	..do-	Village - Mundala, Teh. - Jamwaramgarh, Jaipur, Rajasthan	22.86	17.13	129.12	Through implementing agency
6	Provision of Amenities like Providing, Laying & jointing of Bisalpur pipe line for water supply for Patients in S.R. Goel Government Hospital Sethi Colony Jaipur, Rajasthan.	..do-	Jaipur, Rajasthan	9.62	9.63	138.75	Through implementing agency
7	Funds for Saving precious life of Children suffering from Congenital Heart Disease for children.	..do-	Mumbai, Maharashtra	24.00	24.00	162.75	Through implementing agency
8	Supply and Installation of 100 Number of Hand pumps for Drinking Water in District Ghazipur, U.P.	..do-	Ghazipur, Uttar Pradesh	42.00	8.40	171.15	Through implementing agency
9	Construction of 5 Toilet Blocks in 5 schools of Distt. Kathua, Distt. Doda, Distt. Jammu and Distt. Pather of Jammu & Kashmir.	..do-	Jammu & Kashmir	89.40	17.88	189.03	Through implementing agency
10	Passenger Amenity at certain Railway stations in Danapur Division of Indian Railway.	..do-	Danapur, Bihar & Varanasi, Uttar Pradesh.	25.00	18.50	207.53	Direct
11	Passenger amenities at Lumding Division of NF Railway.	..do-	Nagaon Railway station, Lumding, Assam	15.00	10.00	217.53	Through implementing agency
12	Swach Bharat Kosh	..do-	PAN India	10.00	10.00	227.53	Govt. of India
	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects						
13	Empowerment through Computer Courses for Disadvantaged Girls in Gurgaon, Haryana.	..do-	Gurgaon, Haryana	1.50	1.50	229.03	Through implementing agency
14	Skill Development training Programme like Sewing Machine Operator & Self Employed Tailor by Apparel, Made ups & Home furnishing Sectors Skill Council (AMHSSC) under National Skill Development Corporation (NSDC) under Ministry of Skill Development & Entrepreneurship, Govt of India.	..do-	Faridabad, Haryana & Delhi	26.11	26.11	255.14	Through implementing agency

S. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local Area or other (2) Specify the state and district where projects or programs were undertaken	Amount outlay (budget) project or programs wise (₹ Lakh)	Amount spent on the projects or programs Sub: -Head (1) Direct expenditure on the projects or programs (2) Overheads (₹ Lakh)	Cumulative expenditures upto the reporting period (₹ Lakh)	Amount spent: Direct or through implementing agency
15	Construction of Vocational training / skill development institute for under privileged children of rural areas Vrindavan / Mathura, UP.	..do-	Vrindavan/ Mathura, Uttar Pradesh	26.00	26.00	281.14	Through implementing agency
16	Development of center for excellence for welding at Jagadhri workshop of Northern Railway and Providing Laptops/ computer, furniture, projector, printer, digitizer etc for Setting up one skill development center in Railway workshops/ Production Units for the Youth in Jhansi, U.P.	..do-	Jagadhri, Haryana & Jhansi, U.P	62.22	62.22	343.36	Through implementing agency
17	Setting up of infrastructure facilities like Computers, Furnitures, Sewing Machines etc. for running Skill development training Programmes at Skill Development Center in Dr. B.R. Ambedkar Foundation Campus, Jaipur, Rajasthan.	..do-	Village - Mundala, Teh. - Jamwaramgarh, Jaipur, Rajasthan	11.70	11.69	355.05	Through implementing agency
18	Construction of Mewat Model School Girl's Hostel at Khanpur Ghati, Nuh, Mewat.	..do-	Mewat, Haryana	36.44	36.44	391.49	Through implementing agency
19	Setting up of infrastructure facilities like Machinery, equipments for Extending outreach and securing livelihood for Skill Development Training Programme for disadvantaged rural women through established CDO Training cum Production centers, in District Mewat & Gurgaon, Haryana.	..do-	Mewat & Gurgaon, Haryana	9.75	9.75	401.24	Through implementing agency
	Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups; and Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects.						
20	SOS children's villages of India: sponsoring 4 children's homes and 30 youth for employment linked higher education and distribution of clothing etc.	..do-	Bhubaneswar (Orissa), Kolkata (West Bengal), Faridabad (Haryana)	45.26	45.21	446.45	Through implementing agency
	Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.						
21	Empowering children/ women through Self-Defense Training programs in Urban Slums of New Delhi / NCR.	..do-	Delhi/NCR	5.00	5.00	451.45	Through implementing agency
	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.						
22	Maintenance of horticulture in 3 locations in Sector 29, Gurgaon, Haryana.	-do-	Gurgaon, Haryana	11.47	8.90	460.35	Direct
23	Green Belt at Gurgaon Railway Station and provision of Dust Bins.	-do-	Gurgaon, Haryana	1.67	1.63	461.98	Direct

S. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local Area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (₹ Lakh)	Amount spent on the projects or programs Sub: -Head (1) Direct expenditure on the projects or programs (2) Overheads (₹ Lakh)	Cumulative expenditures upto the reporting period (₹ Lakh)	Amount spent: Direct or through implementing agency
24	Solar street lighting (77 number) in Bhadohi district of U.P.	-do-	Bhadohi, Uttar Pradesh	7.32	7.32	469.30	Through implementing agency
25	Solar street lighting 750 number in Ghazipur district of U.P.	-do-	Ghazipur, Uttar Pradesh	133.77	133.77	603.07	Through implementing agency
26	Solar street lighting (85 number) in Phoolpur district of U.P.	-do-	Phoolpur, Uttar Pradesh	8.08	8.08	611.15	Through implementing agency
27	Solar street lighting (90 number) in Shrawasti district of U.P.	-do-	Shrawasti, Uttar Pradesh	22.62	22.62	633.77	Through implementing agency
28	Solar street lighting (90 number) in Bhadohi district of U.P.	..do-	Bhadohi, Uttar Pradesh	22.62	22.62	656.39	Through implementing agency
29	Solar street lighting (100 number) in Mirzapur district of U.P.	..do-	Mirzapur, Uttar Pradesh	25.13	25.13	681.52	Through implementing agency
30	Solar street lighting (50 number) in Shahjahanpur district of U.P.	..do-	Shahjahanpur, Uttar Pradesh	12.57	12.57	694.09	Through implementing agency
31	Additional Solar street lighting (500 number) in Ghazipur district of U.P.	..do-	Ghazipur, Uttar Pradesh	61.35	24.54	718.63	Through implementing agency
32	Solar Street lighting (100 number) in Pali district of Rajasthan.	..do-	Pali, Rajasthan	25.00	24.62	743.25	Through implementing agency
33	Solar street lighting (100 number) in Tehsil Lambhua, District Sultanpur, U.P.	..do-	Sultanpur, Uttar Pradesh	24.54	4.91	748.16	Through implementing agency
34	Improving Environmental sustainability through Green Cover by Plantation drive on Vijayawada division of South Central Railway.	..do-	Vijayawada, Andhra Pradesh	5.00	5.00	753.16	Through implementing agency
35	Solar street lighting (40 number) in Kishunpur, Palamu district of Jharkhand.	..do-	Palamu, Jharkhand	3.80	3.80	756.96	Through implementing agency
36	Providing plant saplings to South East Central Railway at Bilaspur.	..do-	Bilaspur, Chhatisgarh	20.00	20.00	776.96	Through implementing agency
37	Improving Accessibility (Barrier free) for elderly and differently abled / physically challenged persons at Gurgaon Railway Station.(Installation of 02 Nos. of Escalators)	..do-	Gurgaon, Haryana	125.00	110.00	886.96	Through implementing agency
38	Jal Swavlamban Yojana, Setting up Rain Water Harvesting System at Government schools in Jaipur, Rajasthan.	..do-	Jaipur, Rajasthan	16.38	16.38	903.34	Through implementing agency
39	Procurement of Composting Machine for execution of Biomass Gas at National Academy of Indian Railways (NAIR) at Vadodra, Gujrat.	..do-	Vadodra, Gujrat	3.40	3.40	906.74	Through implementing agency
40	Construction of wall and one Room for Gaushala in village Rohidawali Sudharan, District Sriganganagar, Rajasthan.	..do-	Sriganganagar, Rajasthan	9.93	9.93	916.67	Through implementing agency
Contribution or funds provided to technology incubators located within academic institutions which are approved by the Central Government.							

S. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local Area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (₹ Lakh)	Amount spent on the projects or programs Sub: -Head (1) Direct expenditure on the projects or programs (2) Overheads (₹ Lakh)	Cumulative expenditures upto the reporting period (₹ Lakh)	Amount spent: Direct or through implementing agency
41	Funds for awareness to promote cashless transaction through various digital payment modes in Chakia (Motihari), Bihar.	-do-	Motihari, Bihar	5.00	2.50	919.17	Through implementing agency
	Rural development projects.						
42	Farmer & Agriculture Awareness Program in villages of Kishangarh Tehsil, Rajasthan.	-do-	Kishangarh Tehsil, Rajasthan	21.85	21.85	941.02 = (A)	Through implementing agency

Other CSR Expenditures in FY 2017-18

S. No	Description	Amount ₹ Lakh
1	5% of CSR Expenditure as salary	49.50
	Total (B)	49.50
	Grand Total = A + B	990.52

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board Report.

Not Applicable since target achieved.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

Sd/-
(Chairman and Managing Director
& Chief Executive Officer)

Sd/-
(Chairman CSR Committee)

Annexure - A

Average net profit of the company of the last three financial years.

(₹ in Crore)

PARTICULARS	2017-18	2016-17	2015-16	2014-15	2013-14
PROFIT BEFORE TAX	493.49	487.99	514.57	456.10	386.09
CSR	9.90	9.20	8.28	7.90	5.32
PBT BEFORE CSR(A)	503.39	497.19	522.85	464.00	391.41
TOTAL OF THREE YEARS (B)	1523.43	1484.04	1378.26		
AVERAGE (C) i.e (B/3)	507.81	494.68	459.42		
2% OF (C)	10.16	9.89	9.19		
ROUND OFF FIGURES	10.20	9.90	9.20		
FOR	2018-19	2017-18	2016-17		

**Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2018**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
RITES Limited,
Scope Minar, Laxmi Nagar
Delhi-110092

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by RITES Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by RITES Limited for the financial year ended on 31st March, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Overseas Direct Investment.
- (iii) The Securities Contracts (Regulations) Act, 1999 and the rules made there under are *not applicable* as the shares of Company are not listed with any of the Stock Exchanges.
- (iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under.
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are *not applicable* as the shares of Company are not listed with any of the Stock Exchanges.
- (vi) Other applicable Laws, rules and Guidelines as mentioned here-in-below:
 - a. DPE guidelines on Corporate Governance for Central Public Sector Enterprises issued by the 'Department of Public Enterprises', Ministry of Heavy Industries and Public Enterprises, Government of India.
 - b. Building & Other Construction Workers (Regulation of Employment & Conditions of Service) Act, 1996
 - c. Right to Information Act, 2005
 - d. Micro, Small & Medium Enterprises Development (MSMED) Act, 2006
 - e. Sexual Harassment of Women at Workplace Act, 2013
 - f. Labour Laws as applicable

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India from time to time.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. except that the Company has not been registered under Shop and Establishment Act.

We further report that the Board is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

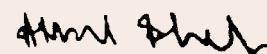
Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision has been carried through in the meetings. It was informed by the management that there was no dissenting member on any of the agenda item put up before the Board for discussion.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

It may be mentioned that Ministry of Railways vide its letter no. 2018/PL/45/1 dated 09/01/2018 has conveyed its decision of disinvestment of its shareholding in the Company through Initial Public Offering. Accordingly, Company has disinvested 12.60% (2,52,00,000 equity shares) of its shareholding by way of Initial Public Offering in June 2018 and the same was listed with BSE Ltd and National Stock Exchange of India Ltd. on 02/07/2018.

For Akhil Rohatgi & Co.



Akhil Rohatgi

Practicing Company Secretary

FCS No.: 1600

CP No.: 2317

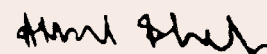
Place : New Delhi
Date : 30th July, 2018

To,
The Members,
RITES Limited.
Scope Minar, Laxmi Nagar
Delhi-110092

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the secretarial records. We believe that the processes and practices, we follow provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of the events etc.
5. The compliance of the provisions of Corporate and other applicable law, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For Akhil Rohatgi & Company



Akhil Rohatgi

Practicing Company Secretary

FCS No.: 1600

CP No.: 2317

Place : New Delhi
Date : 30th July, 2018

REPORT ON CORPORATE GOVERNANCE

RITES is a Mini-ratna Company and has established a sound framework of Corporate Governance. Its commitment to following the good Corporate Governance practices is based upon transparency, fairness, conscience, team work, professionalism and accountability paving the way for following the best standards and building confidence among all the stakeholders which is necessary to achieve its objectives.

The company got recently listed and is adhering to the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; it is also following Guidelines on Corporate Governance issued by Department of Public Enterprises (DPE), Ministry of Heavy Industries and Public Enterprises, Government of India. The particulars of Company's report on Corporate Governance are as under:

1. Company's Philosophy on the code of Governance

The philosophy of the Company in relation to Corporate Governance is to ensure transparency in all its operations, make disclosures and reporting that conforms fully with laws, rules, regulations and guidelines and to promote ethical conduct throughout the organization with the primary objective of enhancing shareholders value.

Corporate Governance is critical for enhancing and retaining investor trust. Corporate Governance facilitates efficient and effective management and is all about maintaining a valuable relationship with stakeholders. Corporate Governance is a journey incorporating sustainable value creation and maximizing stakeholder value. Corporate Governance also provides competitive edge in the dynamic environment and establishes a climate of trust and creativity among its various constituents by making all necessary disclosures, complying with all the laws of land and creation of wealth legally and ethically.

RITES believes in promoting the principles of sound Corporate Governance and its essential character is shaped by high standard of transparency, trust and integrity, performance orientation, responsibility, accountability,

professionalism, social responsiveness and ethical business practices. RITES lay special emphasis in conducting its affairs within the framework of policies, internal and external regulations in a transparent manner. Corporate Governance has indeed been an integral part of the way we have done business for several years. This emanates from our strong belief that strong governance is integral to creating value on a sustainable basis.

2. Board of Directors:

The Board of Directors is the highest governance body of RITES. The Board of Directors consists of professionals drawn from diverse fields having rich knowledge and experience in the industry and related sectors for providing strategic guidance and directions to the Company.

The Board of Directors of the Company comprises of 12 Directors viz 4 functional Directors including Chairman & Managing Director, 2 Government Nominee Directors and 6 Independent Non-Official Directors. The composition of the Board is in consonance with the Guidelines issued by DPE.

As on 31st March, 2018, Company has Twelve (12) Directors including four (4) Whole Time Directors, two (2) Government Nominee Directors and six (6) Independent Directors.

Whole Time Directors:

S.No	Name	Designation
1.	Shri Rajeev Mehrotra (DIN:01583143)	Chairman & Managing Director
2.	Shri Arbind Kumar (DIN:05343323)	Director Projects
3.	Shri Ajay Kumar Gaur (DIN:05333257)	Director Finance
4.	Shri Mukesh Rathore (DIN:07669150)	Director Technical

Government Nominees Directors:

1.	Shri R.N. Misra (DIN:07647530)	Director (up to 31/08/2017)
2.	Shri A.P. Dwivedi (DIN:07122333)	Director
3.	Shri B.K. Agarwal (DIN:07956187)	Director (From 26/09/2017)

Independent Directors:

1.	Dr. Vidya Rajiv Yeravdekar (DIN:02183179)	Director
2.	Shri Anil Kumar Goel (DIN:00672755)	Director
3.	Shri Satish Sareen (DIN:01874068)	Director
4.	Dr. Pramod Kumar Anand (DIN:00298962)	Director (From 19/09/2017)
5.	Smt. Geethakumary (DIN:08087165)	Director (From 15/03/2018)
6.	Dr. R.N.Goyal (DIN:08087148)	Director (From 15/03/2018)

The quantum and quality of information supplied by the Management to the Board goes well beyond the requirement stipulated in the SEBI (LODR) Regulations.

The information being provided to the Board *inter-alia* includes the following:

- Quarterly results for the company.
 - Minutes of meetings of audit committee and other committees of the board.
 - Capital and Revenue budgets and any updates.
 - Status of on-going Arbitration cases.
 - Status of risk management and mitigation plans.
 - Status of major statutory and commercial claims on the Company.
 - Particulars of Related Party transactions.
 - Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order involving substantial amounts and which may have passed strictures on the conduct of the company.
 - Half yearly statements of write off of outstanding payments of ₹ 2 lakhs & above from clients
 - Sale of material nature of investments, subsidiaries, assets, which is not in normal course of business.
 - Major investments, formation of subsidiaries and Joint Ventures, Strategic Alliances, etc.
- Quarterly Report on Investment of Funds.
 - Compliance of various laws by the company.
 - Action taken report on matters desired by the Board.
 - Changes in significant accounting policies and practices and reasons for the same.
 - Disclosure of interests made by directors to the Company.
 - major orders secured and bids lost on quarterly basis.
 - All other information required to be presented to the Board for information or approval.

No Director of the Company holds office at the same time as director in more than twenty (20) Companies. No Director of the company is a member in more than ten (10) committees or is a Chairman of more than five (5) committees across all Companies in which he/she is a director. During the year, company held 10 Board meetings as below:

Board Meeting No.	Board Meeting Dates
228	25.05.2017
229	04.07.2017
230	19.07.2017
231	28.08.2017
232	04.10.2017
233	03.11.2017
234	20.11.2017
235	11.12.2017
236	12.01.2018
237	21.03.2018

2.1 Composition of the Board of Directors

During the year under review, due to induction / cessation, the composition of the Board has undergone changes. The names and categories of Directors on the Board, number of Directorships and Committee Chairmanship/ Membership held by them in other companies are as under:

S. No.	Name and Designation	Category of Directors	No. of other Directorship *	No. of Committee Membership**	
				As Chairman	As Member
1.	Shri Rajeev Mehrotra Chairman & Managing Director	Whole Time	1 (Chairman, REMCL)	Nil	Nil
2.	Shri Arbind Kumar Director Projects	Whole Time	1 Nominee Director, REMCL	Nil	Nil
3.	Shri Ajay Kumar Gaur Director Finance	Whole Time	Nil	Nil	Nil
4.	Shri Mukesh Rathore Director Technical	Whole Time	Nil	Nil	Nil
5.	Shri AP Dwivedi Director	Govt. Nominee	1	Nil	1
6.	Shri B.K. Agarwal Director (from 26/09/2017)	Govt. Nominee	Nil	Nil	Nil
7.	Shri R.N. Misra Director (up to 31/08/2017)	Govt. Nominee	Nil	Nil	Nil
8.	Dr. Vidya Rajiv Yeravdekar Director	Independent Director	Nil	Nil	Nil
9.	Shri Anil Kumar Goel Director	Independent Director	Nil	Nil	Nil
10.	Shri Satish Sareen Director	Independent Director	Nil	Nil	Nil
11.	Dr. P.K. Anand Director (from 19/09/2017)	Independent Director	Nil	Nil	Nil
12.	Ms Geetha-kumary Director (from 15/03/2018)	Independent Director	Nil	Nil	Nil
13.	Dr. R.N.Goyal Director (from 15/03/2018)	Independent Director	Nil	Nil	Nil

* Does not include Directorship in Private Companies, Section 8 Companies and Foreign Companies.

** Does not include Chairmanship/ Membership in Committees other than Audit Committee and Stakeholder Relationship Committee.

The above number of directorship and membership in committees is as per the companies Act, 2013 and SEBI (LODR) Regulations, 2015.

2.2 Brief Resume of Directors who joined the Board as Whole - time / Part - time Directors during the year 2017-18:

Mr. Bhupendra Kumar Agarwal, is a Govt. nominee director on the Board of our Company. He holds a certificate in metallurgical and electrical engineering from the Institute of Engineers (India) and is presently working as Additional Member (Production Unit), Railway Board. He has over 36 years of experience. He joined Board of RITES on September 26, 2017.

Dr. Pramod Kumar Anand is an Independent Director of our Company. He is a retired IAS officer of the Rajasthan cadre and holds a doctorate degree in Social Science from University of Rajasthan. He has in the past held positions as Joint Secretary, Ministry of Rural Development and as Senior Adviser, Planning Commission. He has been associated with our Company since September 19, 2017 and has over 30 years of experience.

Dr. Rajendra N. Goyal is an Independent Director of our Company. He is an Emeritus Professor at I.I.T Roorkee and holds a doctorate of science degree from Agra University and a doctorate of philosophy from Roorkee University. He has in the past held positions as faculty member, head of department in chemistry department and Dean Research at I.I.T Roorkee. He has been associated with our Company since March 15, 2018 and has over 42 years of experience.

Ms. Geethakumary is an Independent Director of our Company. She is a practicing lawyer registered with the Bar Council of Kerala and holds a bachelors' degree in law from Mahatma Gandhi University, Kottayam. She has been the government pleader for Kerala State Insurance Department in Motor Accidents Claim Tribunal, Ernakulum. She has been associated with our Company since March 15, 2018 and has over 20 years of experience.

2.3 Number of Board Meetings: The Board met ten (10) times during the year 2017-18 to review the working of the Company and discuss the future plans etc.

S No.	Name and Designation	Board Meetings During the Year 2017-18		Attendance at the last AGM held on 28 th August, 2017
		Held During tenure	Attended	
1.	Shri Rajeev Mehrotra Chairman & Managing Director	10	10	Present
2.	Shri Arbind Kumar Director Projects	10	10	Present
3.	Shri Ajay Kumar Gaur Director Finance	10	10	Present
4.	Shri Mukesh Rathore Director Technical	10	10	Present
5.	Shri A.P. Dwivedi, Director	10	10	Present
6.	Shri B.K. Agrawal, Director (from 26/09/2017)	05	04	NA
7.	Shri R.N. Misra, Director (up to 31/08/2017)	04	04	Absent
8.	Dr. Vidya Rajiv Yeravdekar Director	10	04	Not Present
9.	Shri Anil Kumar Goel, Director	10	10	Present
10.	Shri Satish Sareen, Director	10	10	Present
11.	Dr. P.K. Anand, Director (from 19/09/2017)	05	05	NA
12.	Ms Geethakumary, Director (from 15/03/2018)	01	01	NA
13.	Dr. R.N.Goyal, Director (from 15/03/2018)	01	01	NA

Note: - Dates of the meeting and attendance of the Directors in the meeting are placed as **Annexure- 1** to this report

3. Code of Conduct:

rites Code of Conduct for Board Members and Senior Management Personnel as recommended by Corporate Governance is a comprehensive code that applies to all Directors and Senior Management Personnel. The Code of Conduct is available on the website of the Company i.e www.rites.com.

All Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended 31st March, 2018 and a declaration to this effect signed by

the Chairman and Managing Director is placed as **Annexure - 2** to this report.

3.1 Code of Insider Trading

Board has laid down "The Code of internal procedures and conduct for prohibition of insider trading in dealing with the securities" in pursuance of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, with an aim that 'Designated Persons' shall not derive any benefit or assist others to derive any benefit from the access to and possession of Unpublished Price Sensitive Information about the Company which is not in the public domain and thus constitutes insider information. Company Secretary has been designated as Compliance Officer for this Code.

4. Committees of the Board of Directors:

4.1 Audit Committee:

The company has constituted the audit committee in line with the section 177 of Companies Act, 2013 and the SEBI (LODR) Regulations, 2015. The committee was re-constituted by the Board of Directors in its 234th meeting held on November 20, 2017 which comprised of Shri Anil Kumar Goel, Independent Director as Chairman, Dr. Vidya Rajiv Yeravdekar, Independent Director, Shri Satish Sareen, Independent Director, Shri Pramod Kumar Anand, Independent Director and Shri Arbind Kumar, Director Projects as members in order to align the terms of reference of the audit committee with the provisions of the SEBI Listing Regulations and the Guidelines on Corporate Governance for Central Public Sector Enterprises issued by the Department of Public Enterprises.

Further, the Board in its 237th meeting held on March 21, 2018 re-constituted the Audit Committee. As on 31st March, 2018, the Audit Committee comprised of the following Directors:

Name	Position in the Committee	Designation
Shri Anil Kumar Goel	Chairman	Independent Director
Shri Satish Sareen	Member	Independent Director
Dr. Vidya Rajiv Yeravdekar	Member	Independent Director

Name	Position in the Committee	Designation
Shri Arbind Kumar	Member	Director (Projects)
Ms Geethakumary (from 15/03/2018)	Member	Independent Director
Shri Rajendra Nath Goyal (from 15/03/2018)	Member	Independent Director
Shri Pramod Kumar Anand	Member	Independent Director

Terms of Reference:

The terms of reference of the Audit Committee is in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (LODR) Regulations, 2015 except to the extent that the statutory auditors are appointed by CAG as RITES, being a Government Company. Terms of Reference are as under:

- a) oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- b) recommendation to the Board for fixation of remuneration to the auditors;
- c) approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- d) reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval, with particular reference to:
 - i. matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - ii. changes, if any, in accounting policies and practices and reasons for the same;
 - iii. major accounting entries involving estimates based on the exercise of judgement by management;
 - iv. significant adjustments made in the financial statements arising out of audit findings;
 - v. compliance with listing and other legal requirements relating to financial statements;
 - vi. disclosure of any related party transactions;
 - vii. modified opinion(s) in the draft audit report.

- e) reviewing, with the management, the quarterly/half yearly financial statements before submission to the Board for approval;
- f) reviewing with the management, the statement of uses/application of funds raised through an issue (i.e. public issue, rights issue, preferential issue etc.) the statement of funds utilised for purposes other than those stated in the offer document/prospectus, notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in these matters;
- g) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- h) approval or any subsequently modification of transactions of the Company with related parties;
- i) scrutiny of inter-corporate loans and investments;
- j) valuation of undertakings or assets of the Company wherever it is necessary;
- k) evaluation of internal financial controls and risk management systems;
- l) reviewing with the management, performance of Internal Auditors, adequacy of the internal control systems;
- m) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- n) discussion with internal auditors of any significant findings and follow up there on;
- o) review the findings of any internal investigations by the internal auditors into matters where there is a suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- p) review observations of statutory, internal and government auditors and provide recommendations based on the same;
- q) to review the follow up action on the audit observations of the C&AG audit;

- r) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- s) to look into the reasons for substantial defaults in the payment of the depositors, debenture holders, shareholders (in case of non-payment of declared dividend and creditors);
- t) to review the functioning of the whistle blower mechanism;
- u) approval of appointment of chief financial officer after assessing the qualifications, experience and background etc. of the candidate;
- v) review and monitor the auditor's independence and performance and effectiveness of audit process;
- w) examination of the financial statements and auditor's report thereon;
- x) Carrying out any other function or matter that may be referred to the Audit Committee by the Board from time to time.

Meetings of Audit Committee:

The Audit Committee met six (6) times during the financial year 2017-18 on 21st March, 2018, 12th January, 2018, 11th December, 2017, 4th October, 2017, 4th July, 2017 and 25th May, 2017. The attendance of each member at Audit Committee meetings is as under:

Member	Position in the Committee	Audit Committee meeting held during the year 2017-18	
		Meetings held (during their respective tenures)	Meetings attended
Shri Anil Kumar Goel	Chairman	06	06
Shri Satish Sareen	Member	06	06
Dr. Vidya Rajiv Yeravdekar	Member	06	03
Dr. P.K. Anand (from 19/09/2017)	Member	03	03
Ms Geethakumary (from 15/03/2018)	Member	NA	NA
Dr. R.N. Goyal (from 15/03/2018)	Member	NA	NA
Shri Arbind Kumar	Member	06	06

Powers of Audit Committee:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.
5. To mitigate conflicts of interest by strengthening auditor independence.

4.2 Nomination and Remuneration Committee:

ITES, being a Government Company, its Directors are appointed by the President of India through Ministry of Railways, draw remuneration as determined by the Government and as per the terms and conditions of their appointment and as amended from time to time.

The Company has constituted Nomination and Remuneration Committee in line with the requirements of Section 178 of the Companies Act, 2013. In order to align the terms of reference of the nomination and remuneration committee with the provisions of the SEBI Listing Regulations and the Guidelines on Corporate Governance for Central Public Sector Enterprises issued by the Department of Public Enterprises, the Board of Directors in its meeting held on November 20, 2017 reconstituted nomination and remuneration committee comprising of Shri Satish Sareen, Chairman, Dr. Vidya Rajiv Yeravdekar and Shri Anil Kumar Goel, Members. Further, committee has been reconstituted by the Board of Directors in their meeting held on March 21, 2018, comprising of Shri Satish Sareen, Chairman, Dr. Vidya Rajiv Yeravdekar, Shri Anil Kumar Goel, and Shri Rajendra Nath Goyal as Members.

Performance Evaluation of Directors:

The requirement of performance evaluation of Directors under Section 178(2) of the Companies Act, 2013 has been done away with for Government Companies vide Ministry of Corporate Affairs' (MCA) Notification dt. 5th June 2015. Further, MCA vide its notification dated 05th July, 2017 has made an amendment in the Schedule IV of the Act, whereby it has exempted Government Companies

from complying with the requirement of performance evaluation by the Independent Director of Non-Independent Directors and Chairman and performance evaluation of the independent Directors by the Board, if the concerned departments or ministries have specified these requirements.

Composition of Nomination and Remuneration Committee:

As on 31st March, 2018, the Nomination and Remuneration Committee comprised the following Directors:

Name	Position in the Committee	Designation
Shri Satish Sareen	Chairman	Independent Director
Dr. Vidya Rajiv Yeravdekar	Member	Independent Director
Shri Anil Kumar Goel	Member	Independent Director
Shri Rajendra Nath Goyal (from 15/03/2018)	Member	Independent Director

Terms of reference:

The terms of reference of Nomination and Remuneration Committee are as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, Section 178 of the Companies Act, 2013 and in accordance with applicable regulations prescribed by the Securities and Exchange Board of India. Terms of reference of the Nomination and Remuneration Committee are as under:

1. To identify persons who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal;
2. To recommend to the Board a policy, relating to the remuneration for the key managerial personnel and other employees;
3. Decide on the annual bonus/ performance pay/variable pay pool and policy for its distribution across the executives;
4. Formulation and modification of schemes for providing perks and allowances for executives;

5. Any new scheme of compensation to executives and non-executives as the case may be;
6. Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
 - a. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as and when the same come into force; or
 - b. The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003; and
7. Perform such other activities as may be delegated by the Board and/or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration committee.

Meetings of Nomination and Remuneration Committee:

During the year 2017-18 two meetings of Nomination and Remuneration Committee were held on August 28, 2017 and January 12, 2018 respectively.

The attendance of the each member of Nomination and Remuneration Committee is as under:

Name	Status	Held during their tenure	Attended
Shri Satish Sareen	Chairman	2	2
Dr. Vidya Rajiv Yeravdekar	Member	2	1
Shri Anil Kumar Goel	Member	2	2
Shri R.N. Misra (up to 31/08/2017)	Member	1	1
Shri Rajendra Nath Goyal (from 15/03/2018)	Member	NA	NA

Details of Remuneration of Functional Directors of the Company during the year 2017-18 are as under:

Name of Director	Salary (₹)	Benefits (₹)	Bonus/ Commission/ Ex-gratia (₹)	Performance linked incentives (₹)	Stock option during the year (₹)	Total (₹)
Shri Rajeev Mehrotra Chairman & Managing Director	4697560	1379884	-	464615	-	6542059
Shri Arbind Kumar Director Projects	4249290	991541	-	324980	-	5565811
Shri Ajay Kumar Gaur Director Finance	4067536	767286	-	303705	-	5138527
Shri Mukesh Rathore Director Technical	3415553	1110880	-	141422	-	4667855

During the year 2017-18 the Independent Directors were paid sitting fee of ₹ 20,000/- for attending Committee meetings and ₹ 30,000 for attending Board meeting.

Total sitting fees paid to Independent Directors during the Year 2017-18.

S. No.	Name	Amount (₹)
1.	Dr. Vidya Rajiv Yeravdekar	2,80,000
2.	Shri Anil Kumar Goel	7,20,000
3.	Shri Satish Sareen	7,20,000
4.	Dr. Pramod Kumar Anand (From 19/09/2017)	2,90,000
5.	Smt. Geethakumary (From 15/03/2018)	50,000
6.	Dr. R.N.Goyal (From 15/03/2018)	50,000

4.3 Risk Management Committee:

The company has constituted Risk Management Committee in line with requirement of SEBI (LODR) Regulations, 2015. The committee was re-constituted by the Board of Directors in its meeting held on November 20, 2017 in compliance with Regulation 21 of the SEBI Listing Regulations.

Composition of Risk Management Committee:

As on 31st March, 2018, the Risk Management Committee comprised the following Directors:

Name	Position in the Committee	Designation
Shri. Anil Kumar Goel	Chairman	Independent Director
Shri. Satish Sareen	Member	Independent Director
Shri. Ajay Kumar Gaur	Member	Director (Finance)
Dr. Pramod Kumar Anand (From 19/09/2017)	Member	Independent Director
Shri. A.P. Dwivedi	Member	Government Nominee Director

Terms of Reference:

The terms of reference of the Risk Management Committee are to overcome the problem associated with currency fluctuations, the Company designed a policy on Currency Risk Management covering aspects namely risk identification, currency risk management approach, bench marking, hedging and risk appetite, permissible instruments, hedging policy, structure of risk management committee and treasury group and the reporting procedures.

In this respect Company has also constituted Treasury Risk Management Committee and assistance is also taken from an external consultant/economist as and when required.

Meetings of Risk Management Committee:

Risk Management Committee met once during the year on March 21 2018. The attendance of the each member of Risk Management Committee is as under:

Name	Position in the Committee	Held during their tenure	Attended
Shri Anil Kumar Goel	Chairman	1	1
Shri Satish Sareen	Member	1	1
Dr. Pramod Kumar Anand	Member	1	1
Shri A.P. Dwivedi	Member	1	1
Shri. Ajay Kumar Gaur	Member	1	1

4.4 Project Investment Committee:

The board has constituted this committee of directorsto consider investmentsanction for new projects and to revise cost estimate proposals of ongoing projects as may be required from the board. The Project Investment Committee was re-constituted as and when there has been a change in independent directors.

Composition of Project Investment Committee: As on 31st March, 2018, the Project Investment Committee comprised the following Directors:

Name	Position in the Committee	Designation
Dr. Vidya Rajiv Yeravdekar,	Chairperson	Independent Director
Dr. P.K. Anand	Member	Independent Director

Name	Position in the Committee	Designation
Shri Anil Kumar Goel	Member	Independent Director
Shri Satish Sareen	Member	Independent Director
Shri A.P Dwivedi	Member	Government Nominee Director
Shri Arbind Kumar	Member	Director (Projects)
Shri Ajay Kumar Gaur	Member	Director (Finance)

Meetings of Project Investment Committee:

Project Investment Committee met two times during the year on January 12, 2018 and March 21, 2018.

The attendance of the each member of Project Investment Committee is as under:

Name	Position in the Committee	Held during their tenure	Attended
Dr. Vidya Rajiv Yeravdekar,	Chairperson	2	1
Dr. P.K. Anand	Member	2	2
Shri Anil Kumar Goel	Member	2	2
Shri Satish Sareen	Member	2	2
Shri A.P Dwivedi	Member	2	2
Shri Arbind Kumar	Member	2	2
Shri. Ajay Kumar Gaur	Member	2	2

4.5 Corporate Social Responsibility Committee:

The company has constituted a CSR Committee in line with the requirement of Companies Act, 2013 and Department of Public Enterprises. The Corporate Social Responsibility committee of the Board of Directors was re-constituted by the Board of Directors in their meeting held on March 21, 2018, in compliance with Section 135 of the Companies Act, 2013 comprising of Shri Satish Sareen, Chairman, Dr. Vidya Rajiv Yeravdekar, Shri Anil Kumar Goel, Shri Amar Prakash Dwivedi, Ms. Geethakumary and Shri Ajay Kumar Gaur as Members.

Composition of Corporate Social Responsibility Committee:

As on 31st March, 2018, the Corporate Social Responsibility Committee comprised the following Directors:

Name	Position in the Committee	Designation
Shri Satish Sareen	Chairman	Independent Director
Shri Anil Kumar Goel	Member	Independent Director
Dr. Vidya Rajiv Yeravdekar	Member	Independent Director
Shri A. P. Dwivedi	Member	Government Nominee Director
Ms. Geethakumary	Member	Independent Director
Shri. Ajay Kumar Gaur	Member	Director (Finance)

The terms of reference, powers, quorum, and other matters in relation to the Corporate Social Responsibility Committee are as per Section 135 of the Companies Act, 2013 and the applicable rules there under.

Meetings of Corporate Social Responsibility Committee:

During the year 2017-18 seven meetings of CSR Committee were held on, April 21, 2017, May 25, 2017, August 28, 2017, October 4, 2017, November 20, 2017, January 12, 2018 and March 21, 2018 respectively. The attendance of each member of CSR Committee is as under:

Name	Position in the Committee	Held during their tenure	Attended
Shri Satish Sareen	Chairman	7	7
Dr. Vidya Rajiv Yeravdekar	Member	7	3
Shri Anil Kumar Goel	Member	7	7
Shri A.P. Dwivedi	Member	7	7
Shri Ajay Kumar Gaur	Member	7	7
Ms. Geethakumary	Member	NA	NA

4.6 Stakeholders' Relationship Committee:

The Company has constituted Stakeholders' Relationship Committee in line with the provisions of Section 178(5) of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on November 20, 2017. The scope and function of the Stakeholders' Relationship Committee is in line with the provisions of Section 178 (5) of the Companies Act, 2013 and Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. During the year no meeting was required to be held.

Composition of Stakeholders' Relationship Committee:

As on 31st March, 2018, the Stakeholders' Relationship Committee comprised the following Directors:

S. No	Directors	Position in the Committee	Designation
1.	Dr. Pramod Kumar Anand	Chairman	Independent Director
2.	Shri. Satish Sareen	Member	Independent Director
3.	Shri. Anil Kumar Goel	Member	Independent Director
4.	Shri Amar Prakash Dwivedi	Member	Government Nominee Director
5.	Shri Ajay Kumar Gaur	Member	Director (Finance)

Terms of reference:

Redressal of shareholders'/investors' grievances related to:

Allotment or transfer of shares, approval of transfer or transmission of shares, debentures or any other securities including non-receipt of share certificates and review of cases for refusal of transfer/transmission of shares and debentures and assisting with quarterly reporting of such complaints;

Non-receipt of declared dividends, annual reports balance sheets of the Company, etc. of the Company or any other documents or information to be sent by the Company to its shareholders.

Carrying out any other function as prescribed under applicable law.

5. Separate Meeting of Independent Directors:

The separate meeting of independent directors was held on March 21, 2018 to inter alia assess the quality, quantity and timelines of flow of information between the management of the company and the board of directors that is necessary for the board to effectively and reasonably perform their duties.

The attendance of each member of Separate Committee is as under:

S. No.	Name	Attended the meeting
1.	Shri Anil Kumar Goel, Chairman	Present
2.	Shri Satish Sareen, Member	Present
3.	Dr. Vidya Rajiv Yeravdekar, Member	Absent
4.	Dr. P.K.Anand, Member	Present
5.	Ms Geethakumary, Member	Present
6.	Shri R.N.Goyal, Member	Present

6. Familiarization programme for Independent Directors:

The Company familiarizes the independent Directors with the activities and functioning of the company and their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc., through various programmes and presentations. The details of such familiarization programmes are disclosed on the company's website.

7. Name and designation of Compliance Officer:

Shri Ashish Kumar Srivastava, Company Secretary is the Compliance Officer in terms of SEBI (Listing Obligations and Disclosure requirements') Regulations, 2015.

8. General Body Meeting:

The Annual General Meetings and Extra Ordinary General Meeting of the company are held at New Delhi where the registered office of the company is situated. The details of the last three Annual General Meetings and Extra Ordinary General Meeting of the Company are as under:

AGM/ EGM	Year	Date of holding Meeting	Time	Venue	Special Resolution
EGM	2017-18	9 th November, 2017	17:00 HRS	Railway Board, Rail Bhawan, New Delhi	Yes
43 rd AGM	2016-17	28 th August, 2017	12:00 HRS	Railway Board, Rail Bhawan, New Delhi	Nil
EGM	2016-17	21 st March, 2017	16:00 HRS	Railway Board, Rail Bhawan, New Delhi	Nil
42 nd AGM	2015-16	16 th September, 2016	12:00 HRS	Railway Board, Rail Bhawan, New Delhi	Nil
41 st AGM	2014-15	10 th September, 2015	11:45 HRS	Railway Board, Rail Bhawan, New Delhi	Nil

8.1 Resolutions passed E-voting/Postal ballot:

Since the company was not listed as on 31.03.2018 the requirement regarding E-voting/Postal ballot was not applicable

9. Subsidiary Companies:

The Company has two Indian Subsidiaries i.e (i) Railway Energy Management Company Limited incorporated on 16th August, 2013 in Joint Venture with Ministry of Railways for taking up various assignments/tasks to develop potential business avenues in the field of power sector including Green Energy, power trading etc. and (ii) RITES Infrastructure Services Limited incorporated on 27.04.2010 with the main object of construction, operation and maintenance of Multi-functional Complexes in the vicinity of Railway land. *(The Board of Directors of RISL has decided to initiate the process of winding up during the year 2016-17 and the same has also been approved by the Holding Company)* - The Company is under liquidation.

Further, the Company has two subsidiary companies abroad namely (i) RITES AFRIKA (PTY) Limited, Botswana and (ii) RITES Mohwarean Arabia Company Limited (RMAC), Saudi Arabia. RMAC, a local JV Company was formed for carrying out the O&M work of North South Railway network of Saudi Railway Company, but due to insurmountable differences with the client, the operation contract has been foreclosed in June, 2011. The Company is under liquidation.

Under the Guidelines on Corporate Governance for Central Public Sector Enterprises 2010, issued by Department of Public Enterprises in May, 2010, Subsidiary Company means only those subsidiaries, whose turnover or net worth is not less than 20% of the turnover or net worth of the holding company. No subsidiary of RITES comes under the ambit of above mentioned definition of Subsidiary Company. Hence, the corporate governance requirement as per Reg.24 of SEBI (LODR), 2015 with respect to subsidiary companies is not applicable on the company.

10. General Shareholders' Information:

i) Annual General Meeting Date :

19th September, 2018

Time: 10:00 AM

Venue: Air Force Auditorium, Subroto Park, New Delhi-110010

ii) Financial Year

The Company's Financial Year is from 1st April to 31st March.

iii) Book Closure

The Register of Members and Share Transfer Books of the Company will remain closed from 13th September, 2018 to 19th September, 2018 (both days inclusive).

iv) Payment of dividend

Your Directors have recommended a final dividend of ₹ 40 crore in addition to interim dividend of ₹ 70 crore paid during the year 2017- 18. The total dividend for financial year 2017-18 is ₹ 110 crore (i.e. ₹ 5.5 per share) which is 55% of paid up share capital of the company. The total dividend payout for the year works out to be ₹ 148 crore which includes ₹ 78 crore final dividend for financial year 2016-17 and ₹ 70 crore interim dividend for the financial year 2017-18.

v) The record date for the payment of Dividend is 12th September, 2018.

Dividend History

Financial Year	Total paid-up Capital (₹ in crore)	Total Amount of Dividend (₹ in crore) excluding DDT
2012-13	100	50
2013-14	100	53
2014-15	100	62
2015-16	100	77
2016-17	200	146
2017-18	200	148

vi) Listing on Stock Exchange:

Company equity shares are listed on the following Stock Exchanges w.e.f. 02.07.2018.

1. National Stock Exchange of India Limited.

Exchange Plaza, plot No. C/1,G Block, Bandra-Kurla Complex, Bandra E), Mumbai - 400 051
Scrip code: RITES
Stock Code: ISIN-INE320J01015

2. BSE Limited

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001
Scrip Code: 541556

vii) RITES's Shares Market Price

As the shares of the Company were listed on July 2nd, 2018, the share market price information is not applicable.

viii) Registrar and Transfer Agents:

Link Intime India Private Limited
44, Community Centre, 2nd Floor,
Naraina Ind. Area Ph.- I, New Delhi-110028
Ph: +91 1141410592; Fax: +91 11 41410591
Website: www.linkintime.co.in
E-mail: swapann@linkintime.co.in
Contact Person: Mr. Swapan Kumar Naskar
SEBI Registration No.: INR000004058

ix) Share Transfer System:

The share transfer system consists of activities like receipt of shares along with transfer deed from transferee's, its verification, preparation of memorandum of transfer etc. Since all the shares of the company were in holding of President of India and nominees, there was no requirement of share transfer system.

x) a) Distribution of shareholding according to size % of holding as on 31st March, 2018

As entire shareholding of Company was held by President of India and his nominees as on date therefore the requirement of distribution of shareholding does not apply.

b) Shareholding as on 31st March, 2018

S. No.	Category	Total shares*	% to equity
1.	President of India and nominees	20,00,00,000	100
2.	FII's/FCB/FPI	-	-
3.	Mutual Funds	-	-
4.	Indian public	-	-
5.	Bodies corporate	-	-
6.	Insurance Companies	-	-
7.	Banks & FIs	-	-
8.	NRI's/OCBs	-	-
9.	Others	-	-

*as on today, entire promoters holding is under lock-in in terms of SEBI (ICDR) Regulations, 2009.

xi) Dematerialization of Shares

The shares of the Company are in compulsory dematerialized mode and are available for trading on of both National Securities Depository

Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Number of shares held in dematerialization and physical mode (as on 31.03.2018):

S. No.	Physical/demat	Number of holders	Number of Shares	% of total issued capital
1.	Physical	-	-	-
2.	Held in dematerialized form in NSDL	7	20,00,00,000	100
	Total	7	20,00,00,000	100

xii) Address for correspondence:

	Registered Office	Corporate Office
Address	RITES Limited, Scope Minar, Laxmi Nagar, Delhi - 110 092, India	RITES Bhavan, No. 1, Sector 29, Gurugram- 122001, India
Telephone	+91 11 22024610	+91 124 2571665
Fax	+91 11 22024660	+91 124 2571187
Contact Person	Mr. Ashish Kumar Srivastava, Company Secretary and Compliance Officer;	
E-mail	cs@rites.com;	
Website	www.rites.com	
Corporate Identification Number:	U74899DL1974GOI007227	

xiii) Location of Plants:

Company has no plants as it is in the business of Consultancy, leasing & trading.

xiv) Disclosures with respect to demat suspense/unclaimed suspense account: None**xv) Foreign Exchange Risk and Hedging Activities:**

The company regularly monitors exchange fluctuations to mitigate this risk, policy covers various aspects of currency risk management, benchmarking, hedging and risk appetite, permissible instruments, hedging policy, structure of the risk management committee and treasury group, reporting procedures etc.

11. Disclosures:

- During the year, there has been no materially significant related party transaction with the Directors, Management or their relatives that have a potential conflict with the interest of the company. The policy relating to related party transaction is uploaded on website of

company.

- Details of related party transactions are included in the Notes to Accounts as Indian Accounting Standards -Ind AS-24 notified by Central Government (Note 2.46).
- The company has followed the IND AS in the preparation of financial Statements.
- No penalties imposed or strictures passed against the company by any statutory authorities on any matters related to any guidelines issued by the Government during the last three years.
- There were no instances of non-compliance by the Company.
- We have a corporate policy on materiality for disclosure of events to the stock Exchanges. The web link of which is as follows:
- The compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 have been made.

12. Means of Communication:

All important information pertaining to the Company is mentioned in the Annual Report of the Company containing inter-alia Audited Accounts, Directors' Report, Report on Corporate Governance which is circulated to the members and others entitled thereto for each financial year. The annual accounts of the Company are made available on the website of the Company i.e www.rites.com. Compliance report of Corporate Governance is also being sent to Ministry of Railways on quarterly basis/ yearly basis for onward submission to DPE.

13. Training of Board Members:

New Directors appointed by the President of India are given formal induction and orientation

with respect to Company's vision, strategic directions, core values including ethics, financial matters and business operations and risk profile of the business of the Company. The normal practice is to furnish a set of documents / booklets to a director on his/her joining the Board. This includes data about the company including its Brochure, Annual Report, MOU Targets & achievements, Memorandum and Articles of Association, Board Charter, CPSE guidelines on Corporate Governance etc.

14. CEO/CFO Certification:

The certification by Chairman and Managing Director (Chief Executive Officer) and Director Finance (Chief Financial Officer) was placed before the Board of Directors at the meeting held on 30th July, 2018 (placed as **Annexure-3** to this report).

15. Whistle Blower Policy

The Company has separate Vigilance Department which deals with fraud or suspected fraud involving employees/representatives of suppliers, contractors, consultants, service provider or any other party doing business with RITES. Whistle Blower and Fraud Prevention Policy have been approved by the Board of Directors and the same has been uploaded on the website of RITES.

16. Compliance

The Company complies with the requirements of the Guidelines on Corporate Governance for CPSEs 2010.

Certificate obtained from a Practicing Company Secretary regarding compliance of the conditions of Corporate Governance as stipulated in the Guidelines is placed as **Annexure - 4** to this report.

ANNEXURE-1

ATTENDANCE OF BOARD OF DIRECTORS MEETING DURING THE YEAR 2017-18

Name of Directors	228 TH BOD Meeting 25 th May, 2017	229 BOD Meeting 4 th July, 2017	230 BOD Meeting 19 th July, 2017	231 BOD Meeting 28 th August, 2017	232 BOD Meeting 4 th Oct, 2017	233 BOD Meeting 3 rd Nov, 2017	234 BOD Meeting 20 th Nov, 2017	235 BOD Meeting 11 th Dec, 2017	236 BOD Meeting 12 th Jan, 2018	237 BOD Meeting 21 st March, 2018	Total BOD Meeting 10 (Ten)
Shri Rajeev Mehrotra Chairman & Managing Director	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	All
Shri Arbind Kumar Director Projects	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	All
Shri Ajay Kumar Gaur Director Finance	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	All
Shri Mukesh Rathore Director Technical	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	All
Shri R.N. Misra Director (up to 31/08/2017)	✓	✓	✓	✓	NA	NA	NA	NA	NA	NA	4(All)
Shri B.K. Agarwal Director (from 26/09/2017)	NA	NA	NA	NA	NA	•	✓	✓	✓	✓	4 out of 5
Shri A.P Dwivedi Director	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	All
Dr. Vidya Rajiv Yeravdekar Director	✓	✓	•	•	•	•	✓ (VC)	•	✓	•	4 out of 10
Shri Anil Kumar Goel Director	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	All
Shri Satish Sareen Director	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	All
Shri Vidyadhar Achut Vaishampayan (w.e.f 26/09/2017)	NA	NA	NA	NA	✓	NA	NA	NA	NA	NA	1(All)
Dr. P.K. Anand Director (from 19/09/2017)	NA	NA	NA	NA	NA	✓	✓	✓	✓	✓	5 (All)
Smt. Geethakumary Director (from 15/03/2018)	NA	NA	NA	NA	NA	NA	NA	NA	NA	✓	1 (All)
Shri R.N. Goyal Director (from 15/03/2018)	NA	NA	NA	NA	NA	NA	NA	NA	NA	✓	1 (All)

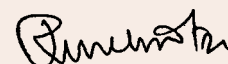
Note:

- ✓ - Meeting attended
 NA - Not applicable (not in position)
 • - Meeting not attended
 VC - Video Conferencing

ANNEXURE-2

DECLARATION BY CHAIRMAN & MANAGING DIRECTOR REGARDING COMPLIANCE WITH THE CODE OF CONDUCT BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL DURING THE YEAR 2017-18

I Rajeev Mehrotra, Chairman & Managing Director, RITES 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 during the year 2017-18.



Rajeev Mehrotra


Chairman & Managing Director
& Chief Executive Officer

Place: Gurgaon
Date: 31st May, 2018

ANNEXURE -3

CHAIRMAN AND MANAGING DIRECTOR (CHIEF EXECUTIVE OFFICER) AND DIRECTOR FINANCE (CHIEF FINANCIAL OFFICER) CERTIFICATION

- (a) We have reviewed financial statements and the cash flow statements for the financial year 2017-18 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
- (b) 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.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
- (d) We have indicated to the Auditors and the Audit Committee:
- i) That there are no significant changes in internal control system during the year,
 - ii) That there are no significant changes in accounting policies during the year; and that the same have been disclosed in the notes to the financial results.
 - iii) That there are no instances of significant fraud of which we have become aware.



Rajeev Mehrotra

Chairman & Managing Director
(Chief Executive Officer)
DIN: 01583143



Ajay Kumar Gaur

Director Finance
(Chief Financial Officer)
DIN: 05333257

Place: Gurgaon
Date: 30th July, 2018

ANNEXURE -4

CERTIFICATE

To
The Members
RITES LIMITED

We have examined the compliance of conditions of Corporate Governance by RITES LIMITED for the year ended on 31st March, 2018 as stipulated in the DPE guidelines on Corporate Governance for Central Public Sector Enterprises issued by the 'Department of Public Enterprises', Ministry of Heavy Industries and Public Enterprises, Government of India.

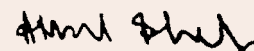
The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression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

We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of certification and have been provided with such records, documents, certification, etc. as had been required by us.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the guidelines on corporate governance issued by the 'Department of Public Enterprises'.

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

For Akhil Rohatgi & Co.



(Akhil Rohatgi)

Company Secretary in Practice
F.C.S: 1600
C.P. No. 2317

Place: New Delhi
Date: 30th July, 2018

MANAGEMENT DISCUSSION AND ANALYSIS



Shri Rajen Gohain, Honourable Minister of State for Railways addressing the railway officials at the formal handing ceremony of 18th brand new AC-DC 1350 HP diesel electric locomotives to Myanmar Railways,



This analysis report briefly describes about the company, industry, present business environment and ability to avail opportunities, leverage strengths, handling of threats/ weaknesses, financial performance, internal controls and other related issues.

I. ABOUT THE COMPANY AND THE INDUSTRY

RITES Limited is a wholly owned Government Company, a Miniratna (Category-I), Schedule 'A' Public Sector Enterprise and a key player in consultancy and engineering in the transport infrastructure sector in India having diversified services under one roof with geographical reach.

RITES has an experience spanning 44 years and has undertaken projects in over 55 countries including Asia, Africa, Latin America, South America and Middle East regions. The company is the only export arm of Indian Railways for providing rolling stock overseas (other than Thailand, Malaysia and Indonesia).

The major business engagements as consultants, engineers and project managers are in railways, highways, airports, ports, ropeways, urban transport and inland waterways in India and abroad. The company also provides services of third party inspection, quality assurance, construction supervision & project management, operation & maintenance, leasing and export of rolling stock. Company has undertaken projects relating to construction of railway infrastructure, electrification works and modernization of railway workshop on turnkey basis. The company has diversified into the

field of renewable energy such as solar and wind energy and implementation of power procurement contracts for Indian Railways under 'Open Access Policy' and rail concession in India on PPP/JV basis.

Company is placed very well to utilize opportunities for business resulting from massive expansion of railways, road network, ports, airports and multi-modal connectivity projects, e.g. as per 2018-19 budget of Union of India, ₹ 5.97 lakh crores are to be invested in the infrastructure sector. Indian Railways are planning to spend ₹ 1.48 lakh crores for expansion of railway line capacity, electrification and redevelopment of major railway stations in 2018-19.

The company is led by an experienced and well qualified management team and has technical personnel capable of providing innovative solutions to the clients' requirements. With the track record of successfully handling of a number of projects in infrastructure in India and abroad, RITES has earned a brand name as "The Infrastructure People".

Government of India (GOI) recognizes the importance of investment in infrastructure and towards job creation and pushing GDP growth. Massive investment has been planned, for creating and upgradation of infrastructure. Diverse plans are proposed to develop roads, railways, connectivity infrastructure in border areas, DFC's, airports, seaports, ropeways, logistic parks and implement smart cities project. Under the development agenda "New India 2022" - Specific goals/targets for 75th year of Independence have been set for a modern and efficient transportation system with



Ship Lift Facilities for National Coast Guard, Mauritius for Project Trident

key emphasis on modernization of Railways by introduction of separate corridors for freight and high speed passenger trains and reinforcing the safety measures by modern signaling system and removal of level crossings.

As per the World Bank Report of 31st October, 2017, India has jumped up 30 notches into the top 100 rankings on the World Bank's 'ease of doing business' index, due to major reforms like introduction of GST, increase in limits of FDI upto 100% in certain sectors and other measures of such as resolving insolvency, payment of taxes, protecting minority investors and getting credit which in turn augments well for investments in infrastructure sector and development of the same.

II. STRENGTH AND WEAKNESS

RITES provides a comprehensive range of consultancy service offerings, primarily in the transport infrastructure space such as railways, urban transport, roads and highways, ports, inland waterways, airports and ropeways besides export of rolling stock, locomotive leasing services and turnkey construction services which enables access to additional business opportunities from our existing clients as well as potential new clients in India as well as abroad.

The company is led by an experienced and well qualified management team and has in house team of highly qualified and experienced technical personnel and also has access to pool of technical experts and infrastructure facilities of Indian Railways to handle the projects requiring additional / specific expertise.

RITES ability to collaborate and work jointly through alliances, joint ventures, subsidiaries and consortium arrangements enables it to enhance the range of its services and allows it to focus its attention on large scale projects.

RITES is highly dependent on skilled manpower/ professionals and with the increased government initiative to attain accelerated economic growth, more and more organizations are making inroads in the market.

III. OPPORTUNITIES AND THREATS

Over the years, we have expanded our service offerings to address new market opportunities and macroeconomic trends arising in the infrastructure sectors. RITES plans to expand its international operations by expanding business of rehabilitation of locomotives and wagons overseas and the exporting of railway locomotives, rolling stock, railway equipment and other spares. RITES is also planning to expand existing range of products for export to various international customers by developing different types of locomotives for export and leasing.

RITES recently has been appointed by the Government of Mauritius as a consultant for implementing light rail project in Mauritius and also to prepare a detailed project report on Trident port project. RITES is working in Nepal on two integrated check-posts at Birgunj and Biratnagar and are conducting construction supervision services of a road project in Botswana through our Subsidiary, RITES (AFRIKA). RITES is in the process of executing a major export order for Sri Lanka comprising of 10 diesel locomotives and 6 DMU train sets. RITES has



Construction of Railway Tunnel in Manipur



Export of modern coaches for intercity train to Bangladesh

successfully exported 18 meter gauge locomotives in Myanmar and 120 broad gauge passenger services coaches to Bangladesh and have also recently completed detailed project report for airport at Rwanda and ports project in Sri Lanka. RITES is also undertaking detailed project report preparation consultancy for East Bank-East Coast road linkage project in Guyana (South America).

The company had leased out 16 cape gauge locomotives to Mozambique for use by CFM, Mozambique in 2007, which has recently been sold to them, along with our obligation to maintain the same initially for a period of 6 months. RITES has completed three maintenance workshops for Sri Lankan railways. In the past, company has exported rolling stock to Benin, Senegal, Mali, Myanmar, Sudan and Vietnam and also operated railway systems in Tanzania, Iraq, Ghana, Mozambique, Zambia and various other countries.

RITES has in the past carried out feasibility studies for rail transport infrastructure in countries such as Ethiopia and U.A.E and road infrastructure in countries such as Afghanistan, Bangladesh, Ethiopia, Ghana, Malaysia, Mozambique, Myanmar, Nepal, Tanzania, Uganda, U.A.E. and Zambia.

In Africa, South Asia, Middle East and other developing nations, there has been an increase in demand for rehabilitation and up gradation of roads and railway systems, leasing of railway locomotives and other rolling stock by way of import of such goods and services from India due to similarities of technical standards and specifications and this offers good business opportunities for the company

to increase our international operations.

Specific goals set in development agenda "New India 2022" include commissioning of complete operationalization of Eastern and Western dedicated freight corridors, capacity augmentation on the saturated trunk routes, gauge conversion, rail network in north eastern states, completion of Udhampur-Srinagar-Baramula section of Jammu-Baramula project and Bilaspur-Mandi-Manali-Leh all weather broad gauge railway track.

The dedicated freight corridor project, targeted to increase the freight transportation capacity of Indian Railways and also achieving cost efficiency in operations, offers opportunities for RITES as both consultants and project managers. Another key priority of Indian Railways over the last few years has been towards developing high speed railway corridors for facilitating the operation of trains at higher speeds. Over the recent years,



Mr.P.K. Gupta RITES Executive Director signing an agreement with Metro Express Ltd, a SPV of Mauritius Government for construction supervision of 26 km metro project from Port Luis to Curepipe in Mauritius.



Recently completed 4.56 km long rail cum road Bogibeel Bridge

redevelopment of existing railway stations by leveraging the commercial value of the location of these stations has emerged as another business segment. These developments shall provide ample business opportunities.

GOI aims to boost public and private investment in roads sector through various schemes such as NHDP, PMGSSY, Bharat Mala scheme with introducing business-friendly strategies that will balance profitability with effective project execution. The government's 40 km per day road construction target and a huge project pipeline are expected to ensure that NHAI's project award remains robust.

The Ministry of New and Renewable Energy, Government of India has set specific targets for installation of generation capacity and procurement of renewable energy for all public sector undertakings and governmental instrumentalities which for the Indian Railways is set as 20% of the total consumption to be through renewable energy. In order to assist the Indian Railways meet its stipulated target for procurement of renewable energy, the Indian Railways and RITES have set up a company, namely Railway Energy Management Company Limited ("REMCL").

Aggressive approach adopted in pricing the bids by some new entrants can pose a threat of reducing business opportunities as there is a constraint in reduction of manpower cost by RITES.

IV. RISKS AND CONCERNS

RITES faces certain competitive pressures from the existing competitors and new entrants in both

public and private sector. Increased competition and aggressive bidding by such competitors can make its ability to procure business in future more uncertain which may adversely affect its business, financial condition and results of operations. Business is gaining sophistication and clients demand high reliability and quality of service.

Clients prefer to engage a single agency who will do the design; engineering, construction and commissioning of projects, especially for projects with proven/standard design such as ROBs/RUBs, railway sidings, city/municipal roads, etc. Thus, there will be a need to revise approach towards business openings by offering services on turnkey basis, i.e., from concept to commissioning including consultancy. However, turnkey projects fetch lower margins than consultancy, while having higher risks, and some of these may require capital deployment from the company's resources.

Company enters into joint ventures and consortium arrangements for completion of its projects which may expose it to additional liabilities on account of its partners' failure or under performance and any premature termination of which, may adversely affect its business, reputation, financial condition and results of operations.

The business of export of rolling stock is cyclical in nature and largely dependent on lines of credit offered by GOI to various countries in Asia and Africa. RITES global operations are exposed to international legal, tax and economic risks.

RITES is subject to risks arising from currency



Major renovation of Varanasi station under implementation by RITES

exchange rate fluctuations, which could adversely affect its business, financial condition, results of operations and future prospects. These risks are managed through measures as in currency risk management policy.

V. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

RITES maintains internal control systems and audit systems for enhancement of efficiency in operations and to ensure compliance with applicable laws, rules and regulations. Company has structured policies and guidelines in place for the optimal delegation of authority for facilitation of business including its 'Detailed Finance & Accounts Manual' and 'Guidelines on Construction Project management' which strengthens its internal checks and controls. RITES internal audit is conducted by experienced professionals and external audit firms. The internal control and audit systems which are in place are also reviewed periodically. Corrective and preventive measures, whenever necessary are taken up from time to time for continuous improvement.

Risk Management System

A Risk Management system is there in the company which takes care of areas of risk, identification and ways to mitigate the effect of risks.

Treasury Risk and Liquidity Management

Execution of foreign projects gives rise to currency variation risk. For this purpose, the company regularly monitors exchange fluctuations to mitigate this risk. The company has a sound currency risk management policy in place. Policy covers various aspects of currency risk management, benchmarking, hedging and risk appetite, permissible instruments, structure

of the risk management committee and treasury group, reporting procedures etc.

For control and directions of operations pertaining to currency risk management, the company has a committee and an external consultant. Actions taken are informed to the management periodically.

The company has continued to optimize its surplus funds by adhering to efficient decision process of investing its surplus funds in deposits with banks, mutual funds and corporate bonds within the framework and guidelines of government bodies, Department of Public Enterprises (DPE), Companies Act 2013 and those approved by BOD. There is an investment committee of the Board of Directors, which approves investments and reports to the Board periodically.

The company has been affirmed 'IND A1+', the highest short term rating for its non fund based working capital limits by India Ratings & Research (erstwhile Fitch Ratings). This rating helps the company to get non fund based facilities at more attractive terms.

VI. FINANCIAL PERFORMANCE

RITES has achieved all time highest turnover during the year 2017-18. The company recorded total income of ₹ 1603 crore compared to ₹ 1507 crore in the previous year. Profit after tax for the year 2017-18 is ₹ 337 crore against ₹ 331 crore in the previous year. Continuous satisfactory performance to win confidence of clients and efforts on business development has contributed in closing the year with a record order book of ₹ 4818 Crore, which is also the highest so far. During the financial year, the company has earned an operating turnover of



*Inauguration of the new campus of Central University at Kasargod, Kerala (PMC of RITES) by
Hon'ble Vice President of India, Shri M. Venkaiah Naidu*

₹ 1439 crore as against ₹ 1299 crore of previous year with addition of ₹ 140 crore. The net-worth has also grown from ₹ 2035 crore to ₹ 2192 crore. During the year the company has spent ₹ 9.90 crore as against ₹ 9.20 crore in the previous year towards corporate social responsibilities.

VII. SEGMENT-WISE PERFORMANCE

During the year, consultancy services including quality assurance services contributed 67% of the total operating income, export sales contributed 16 %, leasing income contributed 7 % and balance 10 % was contributed by turnkey construction projects. A segment-wise comparison is given below:

(₹ in crore)

Particulars	2016-17		2017-18	
	Operating Income	%	Operating Income	%
Consultancy Services				
- Domestic	770	59.28	906	62.96
- Abroad	28	2.15	62	4.31
Turnkey Construction Projects	31	2.39	147	10.22
Export	377	29.02	232	16.12
Leasing (Domestic & Abroad)	93	7.16	92	6.39
Total	1299	100	1439	100

OPERATIONAL PERFORMANCE

VIII. BUSINESS OUTLOOK

Diversified sector portfolio of RITES in consultancy services in the transport infrastructure sector uniquely positions it to expand operations in the sectors in which company already has significant

presence and also empowers it to access sectors with growth potential according to changing macroeconomic trends.

RITES comprehensive range of services help its clients, to achieve their business objectives and enables it to obtain additional business from existing clients as well as address a larger base of potential new clients in the areas of building world class infrastructure. Further, RITES competence in providing a comprehensive range of services has resulted in developing long-term relationships with a large number of clients in India as well as abroad.

Railways' Capex for the year 2018-19 has been pegged at ₹ 1.48 trillion. A large part of proposed capex is towards capacity creation - 18000 kilometers of doubling, third and fourth line works and 5000 kilometers of gauge conversion. Railways, in order to reduce its energy bill, is moving towards optimal electrification of rail network. RITES may have business opportunities arising on implementation of these projects.

RITES, is also currently evaluating the opportunity to diversify its services into station development by acquiring a 25 per cent stake in Indian Railway Stations Development Corporation (IRSDC), which has a more than ₹ 1 trillion uplift plan for 600 stations. RITES is also playing an active role in achieving the Indian Railways ambitious export target of ₹ 4,000 crore during 2017-2020.

RITES continued to leverage its strengths in core infrastructure sectors i.e. transport and urban infrastructure, while simultaneously diversifying into a wider range of services viz. turnkey works of construction & upgrading / modernization of railway workshops and wet leasing of locomotives in domestic markets. RITES continued to attract



Honorable Minister for State for Railways unveiled the foundation stone at Ayodhya Railway station in a public meeting.



Redevelopment of Ayodhya Railway station

sizeable business both from the Indian Railways (IR) and the Non-IR clients.

Asian and African regions, are the key overseas markets of RITES, and are also likely to witness significant investments in the infrastructure sector in coming period. Given the growth of economies in Asia, rise in wealth and urbanization, significant investment in public transport infrastructure to relieve congestion in urban areas is expected.

OVERSEAS BUSINESS

Over the years, RITES has expanded its service offerings to address new market opportunities and macroeconomic trends arising in the infrastructure sectors. RITES expands its international operations by developing and offering/exporting various types of locomotives, rolling stock, railway equipment, spares etc.

In exports, RITES received the largest export order from Sri Lanka for supply of 6 DMUs & 10 Diesel Electric Locomotives while export of 18 MG locomotives to Myanmar was completed and locos

were successfully commissioned.

RITES has been appointed by the Government of Mauritius as a consultant for implementing light rail project in Mauritius and also to prepare a detailed project report on Trident port project.

RITES also undertook feasibility study for a new standard gauge railway line in Ghana and Project Management Consultancy for East Bank - East Coast road linkage project in Guyana (South America).



Administration Building at Integrated Check Post, Birgunj, Nepal

DOMESTIC BUSINESS

On domestic front, RITES is committed to development of transport and urban infrastructure and provide consultancy services to various clients from Ministries/Departments of Central Government, State Government and Private Corporate Houses etc.

RITES offerings in transport infrastructure consultancy and engineering services consist of conducting techno-economic feasibility studies and preparation of detailed project reports, design engineering activities, procurement assistance, project management activities, quality assurance, inspection, training, construction supervision, materials system management, transaction advisory and commissioning support including operation and maintenance.

RITES is executing projects on turnkey construction basis for Indian Railways e.g. construction of doubling of track between Gooty and Dharmavaram section, Annupur-Pendra Road third line, railway electrification of Sawaimadhopur-Jaipur-Ringas, Railway electrification of Vijaypur-Maksi section. Considering the extent of new investments in electrification and railway infrastructure, RITES expect to secure more such work.

During the year, work on Two High Speed Railway projects was carried out. First being feasibility study for Mumbai-Chennai route (1300km), which is part of proposed Diamond Quadrilateral network of HSR Corridors. Second project is Final Location Survey

and GT Investigations for Mumbai-Ahmedabad High Speed Railway Line for NHRCL.

In transport planning field, RITES is associated with "Techno-Economic Feasibility Study for Development of Integrated Multimodal Logistic Hub (IMLH) at Nangal Chaudhary, "Audit of train operations of Allahabad Division of N.C. Railway", DPR for Bangalore suburban rail project. IR has also awarded project on preparation of National Railway Plan. RITES through its state-of-the-art machinery, equipment's and valuable softwares provides total consultancy for complete Geotechnical/ Geological/ Geophysical investigations.

RITES continued to undertake PMC work for Railway Electrification & S&T system of various clients e.g. NTPC, SCCL, SECL, MUNCL & RINL apart from main line electrification of IR.

RITES has successfully carried out corridor optimization project at very high altitude (5,370m) in Bilaspur-Manali-Leh sector.

RITES continued to adapt itself to new technologies by participating in technologically complex projects through Joint ventures, for example, RITES is carrying out the PMC for Western DFC by participating as a member of consortium led by Japanese firms.

In civil design area, consultancy services for several prestigious projects of national importance pertaining to tunnel and river engineering such as Jiribam-Tupul section in Manipur, river bridges across the rivers Gowthami, Vyantheya and Vasishtha were undertaken by RITES.



Aerial LiDAR data collection for High Speed Rail (Mumbai-Ahmedabad)



Engineering the design and construction of Six Lane Cable Stayed Bridge along with Approaches near Santra Market, Nagpur

In metro rail sector, RITES key engagements and achievements during the year were, providing General engineering consultancy services for the Nagpur, Pune, Ahmedabad, Delhi Metro Projects; and provided consultancy services for Preparation of Pre-feasibility reports for the Metro Projects in Kochi, Kanpur, Agra, Meerut, Varanasi, Thane, Gurugram, Gorakhpur and Chennai.

In quality assurance, over the years RITES has been making steady progress and there has been an upward trend in revenue from the division. There has been significant digital application in Quality Assurance works like integration with Indian Railway's procurement and material management portals, system generated inspection certificates and digitization of invoicing of RITES fees.

RITES also operates and maintains railway system of domestic clients from the sectors of power, steel, cement, coal and port. RITES provides locomotives to the clients on lease basis. Presently, 45 locomotives have been leased to domestic non railway customers. Demand of shunting locomotives on lease by non-railway customers is growing day by day.

During the year, RITES airports business continued to maintain its momentum in growth by securing several esteemed projects and by acquiring projects of new clients, notably the consultancy project for

international airports at Bangalore and Hyderabad for Airports Economic and Regulatory Authority of India (AERA). RITES has successfully completed and handed over the Integrated Check Posts (ICPs) at Birgunj and Jogbani at Indo-Nepal Border and Petrapole at Bangladesh Border in West Bengal.

RITES also continued to provide consultancy services for projects in areas such as highways/ road transport/bridge survey; ports and water resources; passenger/ material ropeways as also for funicular railway projects; project management and design consultancy for development/expansion/ Upgradation of apex educational/institutional buildings; procurement for various government departments for international/national government funded projects; information technology services for software development, implementation support, etc.; financial/transaction advisory for various PPP projects, project appraisal for investment projects;

During the year, SAIL RITES joint venture on 50:50 basis (SRBWIPL) has shown significant improvement in its second year of operation. It has successfully completed the first order of rehabilitation of 400 wagons within the delivery period, duly adhering to cycle time & quality standards. In all, it completed manufacture of 303 new wagons and rehabilitation of 441 wagons. The JV has crossed the learning curve and is poised to take a quantum jump in physical/ financial performance in the year 2018-2019.



Trial Run for western dedicated freight corridor at Ateli-Phulera section

Customer Loyalty is evident at RITES as it secured several new projects from its existing clientele such as two new Independent Engineer works from Paradip Port Trust, Consultancy for several works in Bharatmala Pariyojana scheme from NHAI, construction & supervision management works for Khargone Thermal power plant from NTPC etc.

RITES has expanded its operations in emerging sectors and are currently undertaking projects in renewable energy, power procurement, railway electrification and modernization works as well as turnkey projects in up gradation and modernization of railway workshops through its subsidiary Railway Energy Management Company Limited (REMCL). REMCL, Joint Venture Company of RITES and Indian Railways has successfully implemented open access supply for Railways in 10 States, covering 55% of energy requirement resulting in the annual saving of over ₹ 2,000 crore to Indian Railways.

REVIEW OF BUSINESS UNITS/DIVISIONS

Major projects secured and executed during the year in foreign and domestic segments by various business units are covered below:

RAIL INFRASTRUCTURE DIVISION

Railway infrastructure division provides consultancy in transportation & economics, electrical engineering, signal & telecommunications, Project Management

consultancy for Dedicated Freight Corridor, track & survey, geo-technology, civil engineering design through conceptualization, design and project management of rail based transportation system. This division operates through a number of Strategic Business Units (SBU) at Corporate Office.

TRANSPORT & ECONOMICS UNIT

The unit provides services to carry out studies for integrated transportation systems, logistics management, inter-modal planning and containerized multimodal transport for all modes of transportation viz. Railways, Highways, Ports & Waterways etc. The unit has undertaken projects both in India and abroad for various government / multilateral funding agencies and other organizations.

Unit is presently carrying out "Techno-Economic Feasibility Study for Development of Integrated Multimodal Logistic Hub (IMLH) at Nangal Chaudhary in Haryana" by Delhi Mumbai Industrial Corridor Development Corporation, "Audit of train operations of Allahabad Division of N.C. Railway" by the Ministry of Railways, "Development of rail infrastructure facilities for handling 22 MTPA of traffic at JSW integrated steel plant at Vijaynagar" by JSW Steel Ltd., "Techno-Economic pre-feasibility study for improvement of Rail connectivity to Gopalpur Port (Odisha) and "Pre-Feasibility Study for steel freight corridor by Mecon Ltd.



Rail Infrastructure development work in Central Coal Field Limited Piparwar

During the year, the unit successfully completed the projects pertaining to detailed project report for Bangalore suburban rail project, Feasibility Study & DPR of Railway siding for 2x660 MW Chhabra Thermal Power Project, Distt. Baran and Feasibility Study & DPR of Railway siding at Suratgarh. The unit has been awarded various other important projects like "Consultancy services for Techno-Economic Feasibility Study for High Speed Rail Connectivity from Yesvantpur to Kempegowda International Airport, Bengaluru by Directorate of Urban Land Transport (DULT), Govt. of Karnataka, Consultancy Services for carrying out the work related to connectivity of coal transportation corridor for Odisha UMPP with Indian Railway System and other works related to coal transportation corridor by PFC Consultancy Ltd.

ELECTRICAL ENGINEERING UNIT

This unit provides Project Management Consultancy services, Quality Assurance and Surveillance Inspections in the field of Railway Electrification, Electric Substations, Building Electrification, Air Conditioning, Illumination systems, Installation of lifts; standby Power supply arrangement / DG sets, Rural Electrification etc.

Presently Electrical Engineering-SBU is executing PMC work of Railway Electrification of sidings for various clients e.g. TISCO, SAIL, NTPC, SCCL, BCCL, SECL, MUNCL & RINL. Electrical SBU in the current financial year shall carry out work of Railway Electrification of sidings at Nabinagar, Meza Road, Lara, Singreni, Kusmunda, Patherdih, and Main line electrification on SECR and SCR which shall be more 800Tkm, simultaneously this shall be the largest Railway Electrification work undertaken by the Electrical SBU so far.

Unit is presently doing Railway Electrification work of around 1200 Tkm. During the year, unit



Work in progress in SAIL Rourkela Steel Plant Railway Siding

has provided consultancy services to: DFCCIL for carrying PETS Survey for future corridors: North-South Corridor (Delhi-Chennai), East-West Corridor (Kolkata-Mumbai), East Corridor (Kharagpur-Vijaywada), Southern Corridor (Chennai-Goa) MRVC, Mumbai for Overhead Equipment (OHE), Detailed Design Engineering for MUTP phase-II works on Western & Central Railways Project Management Consultancy Services to SAIL, RINL, TISCO and NTPC for electrification of Rail Sidings. Grid connected rooftop solar energy work is being undertaken for Assam Rifles.

SIGNALLING & TELECOMMUNICATIONS UNIT

This unit provides Consultancy and Construction Management Services for Railways, Power Plants, Cement Plants, Steel Plants, Refineries, Port Trust, Coal Sectors etc. The scope of work range from concept to commissioning of the modern Signal & Telecommunication projects including post commissioning operation and maintenance

services. The service spectrum includes Planning, preparation of feasibility report, Detailed Project Report, Detailed Engineering, Project Management & Construction Supervision in the domain of Modern Railway Signalling System, Security Surveillance & Access Control Systems, Intelligent Highway Traffic Management Systems, Optical Fibre Communication Networks, Digital Radio Communication, Satellite Communication based networks. SCADA, Mobile Radio Communication etc.

During the year, the unit has completed PMC works of Tippler Yard at NTPC, Simhadri and two In-yards at MPPGCL, Khandwa. Project management consultancy works under execution include provision of Signalling & Telecommunication system in in-plant yards at NTPC (Mauda & Khargone), Tata Steel (Kalinganagar), Steel Plant (Rourkela & Koradi), CCL (Piparwar), RINL (Visakhapatnam), SECL (Junadih & Kusunda), MUNPL (Meja) and SCCL (Singareni). This unit has also taken up signalling & telecommunication part of works of various railway projects for Third Line and Doubling works between Anuppur-Pendra Road Section & Gooty-Dharamavaram Section of SEC Railway undertaken by RITES respectively, including on EPC basis.

Works recently secured by this unit include PMC work for implementation of EACS system at ONGC, Annual Operation & Maintenance work at MPPGCL, Khandwa and PMC work for In-Plant yard at SECL, Junadih.

TRACK & SURVEY UNIT

Over the period of time this unit has gained vast experience on planning -Feasibility study, Preliminary Engineering-cum-Traffic Studies, Final Location Surveys, Detailed Project Reports and Detailed Engineering-of Railway infrastructure projects using latest state-of-the-art surveying and optimization technologies.

During the year, work on Two High Speed Railway projects was carried out. First being feasibility study for Mumbai-Chennai route (1300km), which is part of proposed Diamond Quadrilateral network of HSR Corridors, is nearing completion. Second project is Final Location Survey and GT Investigations for Mumbai-Ahmedabad High Speed Railway Line for NHSRCL. In order to expedite field work for topographic data collection Airborne LiDAR surveying technology was used to facilitate the survey of the 508km corridor.



Validation of ground features for Bilaspur-Manali-Leh Broad Gauge Railway Line, at Debring

First phase (Corridor Optimization) of strategically important proposed Bilaspur-Manali-Leh Broad Gauge Railway Line, passing through huge hillocks and deep gorges of young Himalayas which encounters adverse climatic conditions for half of the year, was completed during the year. This 500 km long line will cross the Himalayan range at a height of 5,370m to cross Taglangla Pass, which is one of the highest point for a railway in the history of the world. This is a unique project due to poor geology, large number of tunnels and deep viaducts, land slide and avalanche prone terrain, under severe, sub-zero weather conditions.

Detailed Design Consultancy project for a standard gauge railway line has also been taken up for Afcons between Tema and Akosombo, in Ghana. Scope includes planning and design of alignment, yards, admin building, station buildings and circulating area on topographic maps developed using LiDAR Data collected through Drone; General Arrangement Drawings for bridges, culverts, ROBs, RUBs and cross drainage works; Detailed design of all structures; Planning and design of loco and wagon maintenance facilities; Planning and design of transport interchange terminals.

GEO TECHNOLOGY UNIT

The Unit imparts Consultancy services in Engineering Geology, Soil/Rock Mechanics, Foundation Engineering, Geophysical Survey, Ground Water and allied fields including diamond core drilling of exploratory bore holes, in-situ and laboratory tests etc. GT SBU has already carried out Geo-technical investigations for a number of prestigious projects in the country and has attained the singular status of being the only organization that provides total



Drilling work for inclined borehole in progress for the proposed tunnel of Pendlimarri-Rayachoti section (Phase-II)

consultancy for complete Geotechnical/Geological/Geophysical investigations.

The unit is also well equipped with latest state-of-the-art machinery, exploratory drilling equipment (capable of drilling through all type of geological formation up to a depth of 400 m. below natural ground level) and related software.

The Unit has completed GT investigation for the proposed two tunnels of Pendlimarri-Rayachoti section (Phase-II) for Kadapa-Bangalore new BG line of SC Rly. Geotechnical Investigation for DPR study for proposed Metro rail link project at Thane & works for Nagpur metro, Gurugram metro are in progress and GT investigations for the prestigious project of proposed dedicated freight eastern corridor for detailed design of 9 ROBs in between Mugalsarai & Sone Nagar section.

During the year the Unit secured a contract pertaining to 9 ROBs from Khurja to Bhaupur section by Eastern DFCCIL is in progress.

DEDICATED FREIGHT CORRIDOR - SPECIAL PROJECT UNIT

This Unit is providing Project Management Consultancy Services for the Construction of Double Line Electrified Railway track with Signalling and Telecommunication System and related infrastructure for Western Dedicated Freight Corridor (1477 KM) from Dadri to JNPT Mumbai as a member of consortiums led by Japanese companies.

CIVIL ENGINEERING DESIGN UNIT

Unit provides engineering design services involving planning, design, bidding documents and designer support for Railway Bridges, Rail cum Road Bridges, Road Over/Under Bridges, Approach structures like Rail/Road viaducts, Suspension bridges, Cable Stayed & Extra Dose Bridges on various modes of operation including PPP, EPC etc. It also provides detailed design and construction supervision services for Rail/road tunnels. The services also include river engineering studies and design of river training works involving hydraulic model study.

Design and designer's association services during construction are being provided for "Rail cum Road Bridge over river Brahmaputra at Bogibeel near Dibrugarh, Assam" for NF Rly. This state of art bridge 4.94 Km long (1x33.4 m + 39x125 m + 33.4 m), declared as National Project, comprises of 125 m long fully welded composite steel truss spans being launched by innovative push launching technique. The bridge is at advance stage of completion.





Permanent way work-NTPC, LARA

Rail / Road Bridges comprising of PSC, specialized steel, steel-concrete composite with single/continuous spans catering to forces due to LWR / CWR have been planned, designed & detailed to Euro norms for USBRL project in fragile and highly seismically sensitive Himalayan Region in J&K.

Recently undertaken projects by the Unit includes "Consultancy services for "GADs development for bridges on Mumbai-Ahmadabad High Speed Railway Line for JIC Consortium", "Detailed engineering including designer's support during construction of 35 ROB's on GZB-MGS section of Eastern Dedicated Freight Corridor for DFCCIL" and "Design/Drawing & Proof Checking of major bridges, Feasibility Study for rehabilitation of existing arch/slab bridges along with GAD for construction /extension of bridges for doubling of track for EC Rly.

Prestigious project of National Importance pertaining to Tunnel and River Engineering "Consultancy services for Jiribam - Tupul section of new railway line project in Manipur for NF Railway includes tunnel works such as "Detailed design consultancy and construction supervision for tunnels T-10 (3.3km), T-11(0.8km), T-11B(0.4km), T-11C(0.5km) and Tunnel T- 6K (0.60km) on" is in progress. DPR for construction of 3 important river bridges across rivers Gowthami (3.5 km long), Vyantheya (1.55 km long) and Vasishtha (1.3 km long) on proposed railway line from Kotipalli to Narsapur in Andhra Pradesh for SC Railway" and "Detailed Engineering for viaducts at 4 important locations for Maharashtra Metro Rail Corporation" are also under progress.

Another project: "River morphological analysis and

design of river training and bank protection works for UDRP for Govt. for Uttarakhand", "Instrumentation, monitoring and design of remedial works as per requirement for vulnerable locations for two monsoon seasons in Lumding -Silchar BG Rail Line for NF Railway" and "DPR for two tunnels on Kadappa- Rayachoti Section (Phase-II) for South Central Railway etc. are also under execution.

Recently completed Tunnel consultancy project by the Unit includes "Detailed engineering for 1.5km long Marugutti Tunnel on Bidar-Gulbarga New BG Line Project for SC Railway"; "Proof checking services for 8 ROB's on Hyderabad Metro for L&T Hyderabad Metro", "Hanging bridge (suspension type) near Rajrappa Mandir across river Bhairavi in Ramgarh District for Jharkhand Government, "New road rail link between Sagar Island and Kakdwip in West Bengal through an over bridge for NHIDCL" etc.

REGIONAL PROJECT OFFICES (RPOs)

North

This Regional Project Office provides consultancy services mainly in Haryana, Punjab, Rajasthan and other northern states of India. It provides consultancy services for preparation of detailed project reports (DPR), detailed engineering & project management services including planning and design for projects of flyovers, roads, railway sidings, inland containers depots, buildings etc. One important Railway project of construction of 3rd railway line in South East Central Railway has also been assigned to this SBU.

This unit has expertise, resources and technical competence to undertake projects from conceptual

stage to its completion & commissioning which includes preparation of DPR, Estimates, tendering, execution, budgetary management and quality assurance etc.

Major ongoing projects of this unit consists of construction of "Third line of Pendra Road - Anuppur section (50.10 km) of Bilaspur Division of South East Central Railway", Railway sidings to thermal power plants at Tanda for NTPC, Ghatampur for NUPPL & Khurja for THDC, RTRS Track Alignment and Maintenance at TBRL Ramgarh range Chandigarh etc.

Lucknow

This Regional Project Office is having projects in Uttar Pradesh, Madhya Pradesh and Bihar. The unit provides services from concept to commissioning viz, feasibility and detailed study, design & drawing and project management consultancy for projects in the field of rail infrastructure.

The RPO is involved in augmentation of rail infrastructure in almost all the NTPC Power Plants in Uttar Pradesh & Vindhyanagar, Rail connectivity for Nabinagar and Meja Thermal Power plant and feasibility studies & detailed project reports for various power plants of UPRVUNL/NTPC including a major project of Jawaharpur plant costing around ₹ 600 crore with a total RITES fee of around ₹ 70 crore. RPO is also providing their services for the connectivity of almost all the mines of Northern Coalfields Limited to Indian Railway.

Nagpur

This RPO covers Maharashtra, a part of Chhattisgarh and Madhya Pradesh and has executed major Project Management Consultancy assignments in the area of construction of Railway siding for MSRDC Nagpur, NTPC Mouda, CSPGCL Marwa and MSPGCL Chandrapur/ Koradi, SAIL Bhilai, SECR Bilaspur, CONCOR at Mihan Nagpur, PWD, WRD, CONCOR Naya Raipur and NTPC Inplant, Khargone.

Unit was awarded a major project by NTPC at Khargone in MP in the name of "Khargone Thermal Power Plant Project". Length of railway siding is approximately 37 Km. The value of the project ₹ 797.76 crore. The major ongoing project which is on completion stage is MSRDC's six lane cable stayed bridge. Another major project commissioned is CONCOR MIHAN and further additional work at same location has been awarded by CONCOR.

RPO SOUTH

This Unit covers southern part of India viz. Tamil Nadu, Karnataka, Andhra Pradesh, Telangana and Kerala and provides rail infrastructure related consultancy services, maintenance and project management services for building works.

During the year, this Unit developed 30000 sq. m. built up area in 28 acres for CDFD (Centre for DNA, Finger printing & Diagnostics) which include Admin building, Lab, Animal House, Internal Roads, Hostels, Residential blocks etc.



Flyover construction at Benz Circle on Vijaywada-Machilipatnam Section of NH-9 in Andhra Pradesh



Indian Institute of Management Rohtak inaugurated on 25th March, 2018 by Hon'ble Vice President of India



Project Management services- IIM Rohtak

Kolkata

This unit covers eastern part of India viz. West Bengal, Jharkhand, part of Bihar and the North East. It provides consultancy services for development of rail infrastructure of different industries, steel, power and mining sectors belonging to various clients in central/ state government departments and PSUs. This unit has diversified and developed expertise in infrastructure projects like water work projects of civil authorities, namely KMC, KEIP, KMDA.

The unit carried out a very difficult project pertaining to Piparwar Railway Siding of Central Coalfields Limited from Mc. Cluskiganj station of East Central Railway to Piparwar loading point for a length of 30.5 Km. The alignment passes through deep cutting along the jungles & undulated terrain. The siding is now operational & fully commissioned.

Apart from the conventional Railway Infrastructure work, SBU undertaken various diversified project like construction of intake jetty, raw water pump house, laying of pipeline under busy road through trench less technology, river front beautification work etc.

Housing directorate Govt. of West Bengal entrusted RITES Ltd to construction of seven nos Super/Multi speciality hospital in different districts of West Bengal under BRGF grand from GOI with a project cost of ₹ 460 crore on Turnkey Basis.

Bhubaneswar

This RPO covers South-Eastern part of India viz. Odisha and also part of Andhra Pradesh. The unit is generally involved in developing Rail Infrastructure for different industries, like Steel, Aluminum, Ports, Power and Mining Sectors and serves major Clients like NALCO, MCL, RINL, SAIL, CONCOR, Visakhapatnam Port Trust (VPT), Paradip Port Trust (PPT) and Tata Steel etc. It has diversified and

developed expertise in execution of transportation infrastructure like Rail and Road infrastructures. It has also got total in-house expertise in preparation of FSR & DPR for Rail Transportation Infrastructure Projects.

Raigarh

This RPO caters to the needs of Chhattisgarh and Odisha region. During the last two years after inception, this RPO has completed DPR works and tendering activities involved in two mega projects (i) Preparation of DPR & Construction Management services for NTPC-Lara, near Raigarh for double line MGR of 67km costing ₹ 1800 crore. (ii) Provide services as owner Engineers for OPGC MGR at Banharpalli for single line MGR of 45km costing ₹ 1100 crore within schedule & construction is in full swing.

BUILDING AND AIRPORT DIVISION

This division has two strategic business units namely construction project management unit, airport unit and architecture and planning unit.

CONSTRUCTION PROJECT MANAGEMENT UNIT

The Unit renders Project Management Consultancy and Third Party Quality Inspection, Assurance & Audit Services to various Clients and has been successfully executing various prestigious Institutional, Commercial and Residential Buildings and Infrastructure projects for Central / State Govt. Organization, PSU's, Universities, Institutions of National Importance, Autonomous Bodies, Private Sector etc. at various locations in India and abroad.

The Unit has expertise, Resources and Technical Competence to undertake Projects from Conceptual stage to its completion & commissioning which includes preparation of Estimates, tendering,



New campus constructed by RITES Ltd for Central University of Kerala at Kasargod, Kerala.

execution, budgetary management, quality assurance etc. Besides Project Management Consultancy services, CP division also carries out Third Party Inspection, Technical Audit, Quality Surveillance of Building Works.

The major works under execution for Project Management consultancy services are yard re-modelling work at Varanasi & Ayodhya, establishment of academic complex for Universities such as J.N.U. at Delhi, Delhi University (North & South Campus), Central University at Pondicherry, Central University of south Bihar at Gaya, Central University of Kerala, Central University of Karnataka at Gulbarga, University of Allahabad, NIT Meghalaya Campus at Sohra / Shillong. The unit is also providing Project Management consultancy services for Construction of Marketing Development cum Business park (MDBP) for NSIC at New Delhi, Construction of 1200 seated Auditorium / convention centre at National Agriculture science centre (Indian Council of Agriculture Research) at New Delhi, Construction of Unified Academic Campus of Bose Institute Kolkata, Construction of National Agri Food Bio Technology Institute at Mohali. The unit is also providing Project Management consultancy services for Police stations & residential quarters for Delhi Police, Setting up of School buildings, hostels & other infra Structures of Navodaya Vidyalaya Samiti (NVS) at various locations in India. The unit is also providing construction supervision for multi modal

logistic parks at Kathuwas (Rajasthan) and Pant Nagar (Uttarakhand) in addition to various container depots of CONCOR in India.

Besides, the Unit also provides third party Inspection for Building and Infrastructure works related to Greater NOIDA, GDA, YIEDA, HPDA, USIDC, SAPMB, HUDA, DDA, Delhi Jal Board, Border Fencing and Roads to Ministry of Home Affairs.

AIRPORT UNIT

This unit offers specialized consultancy services in the area of planning, design and construction management of Airports infrastructure and Integrated Check Posts along borders.

During the year 2017-18, Airports Division continued to maintain the growth by securing project management consultancy for prestigious projects for development of airport infrastructure. Airports Division found a new clientele in Airports Economic Regulatory Authority of India (AERA) by securing the important assignments of analysis of capital expenditure for expansion of international airports at Bangalore and Hyderabad. The division also secured consultancy services for expansion/modification of existing Land Customs Station into Integrated Check Post at Sutrakandi, Assam.

During the year, the studies for development of airports at Bhogapuram, Dagadharti, Oravakallu,

Kothagudem, Shimoga, Malda and Balurghat, project management for development of runway at Kanpur were completed successfully. Evaluation of PCN for runway at Balurghat Airport was also completed.

Consultancy services for development of greenfield international airport at Bhiwadi, Project Management consultancy for development of airports at Chitrakoot and Kushinagar in the State of Uttar Pradesh are in progress. Other ongoing assignments also include PMC for development of Integrated Check Posts at Birgunj, Jogbani, Biratnagar along Indo-Nepal border, Dawki along Indo-Bangladesh border and Moreh along Indo-Myanmar border. Detailed Engineering for construction of ICP at Sonauli and Rupediah are also in progress.

TRANSPORT INFRASTRUCTURE DIVISION

This division has two strategic business units namely Port & Water Resource (PWR) & Highways.

PORTS AND WATER RESOURCES UNIT

This unit provides consultancy services for Ports and Harbours, Water Resources Engineering and Inland Water Transport (IWT). Presently, this unit is providing two Independent Engineer services for development of deep draft Iron ore berth and clean cargo berth to Paradip Port Trust. On the basis of the services rendered by this unit to Paradip Port Trust,

they have awarded two more Independent Engineer Services works – development of deep draft coal berth on BOT basis & mechanization of three berths and revision of DPR for capital dredging to this unit. This unit is also handling the prestigious consultancy project of Preparation of Detailed Project Report for Project Trident for Government of Mauritius. Apart from these projects this unit is also preparing the Detailed Project Report for the work of Development of IWT Terminals within AP State in NW-4 along the banks of River Krishna and Navigational studies in River Khawthlangtuipui - Tuichawng in Lunglei District of Mizoram.

HIGHWAYS UNIT

This unit provides comprehensive road transport consultancy as well as project management services covering all aspects of highways viz. expressways, national highways, state highways and rural roads including bridges/viaducts and tunnels in relation to conceptual and detailed design, construction supervision, operation and maintenance, planning/management of networks, improvement/up-gradation, safety audits etc. It is well equipped to carry out a variety of services viz. survey, investigation, traffic studies, feasibility studies and preliminary project reports, detailed project reports, construction supervision, independent engineer, project advisory, external technical



Operational Hill Section of National Highway No. 37 in Assam



Development of Trident Port, Mauritius

audits and authority's engineer etc. The unit is pioneer in conducting safety audit of expressways and highways during design, construction and maintenance stages. The unit has been providing services since mid-eighties in India and abroad namely Afghanistan, Bangladesh, Botswana, Bhutan, Cameroon, Ethiopia, Ghana, Guyana, Malaysia, Mozambique, Myanmar, Nepal, Tanzania, Uganda, United Arab Emirates and Zambia.

During the year, the unit provided overseas consultancy services for pre-contract services and construction supervision of Tshesebe to Masungaroad in Botswana and DPR of East Bank-East Coast road linkage project, Georgetown in Guyana. In India, the unit undertook NHAI funded consultancy services for feasibility study and DPR of selected roads for NH connectivity to Backward, Religious & Tourist (BRT) places under Bharat Mala scheme in West Bengal; project management including feasibility study and DPR of selected roads for up-gradation to 2/4 lane NH configuration under Bharat Mala scheme in Gujarat, West Bengal, Punjab & Haryana; DPR of state roads in Himachal Pradesh; DPR of Mogra-Kampa-Barojaguli Highway in the Hooghly and Nadia districts of West Bengal including a State-of-Art Extra-dosed cable stayed bridge over river Ganga; DPR for construction of traffic dispersal system along Kona Expressway; collection and

analysis of bridges on NHs in Rajasthan and Andhra Pradesh; external technical audit of civil works of Agra- Lucknow expressway; authority's engineer for supervision of four Laning of Vijaywada to Machlipatnam section (NH-9) in Andhra Pradesh and four laning of Baharagora to Singhara section (NH-6) in Odisha; Construction Supervision for two ROB's including Service Road on Bandel - Katwa broad gauge rail line and Khejuria in West Bengal etc.

URBAN INFRASTRUCTURE DIVISION

This Division has five strategic business units namely: Urban Transport, Urban Transport (General Consultancy), Urban Engineering, Regional Project Office, Ahmedabad and Urban Infrastructure, Mumbai. Brief about these strategic business units is given below:

URBAN TRANSPORT UNIT

This unit provides Comprehensive Consultancy services in planning of urban and regional transport studies and development of transport sector master plans, traffic engineering/ management, transport demand modeling, traffic & transportation plans, bus system planning/ operation, planning & design of rail- based mass rapid transit system, Station & Inter-modal Integration Planning, Transit Oriented Development Studies etc.



Independent Quality Monitor Jaipur-Metro

The unit is presently working on DPRs of Rail Based Mass Transit Systems for Gorakhpur, Allahabad, Chennai, Vijayawada, Jammu, Thane, Srinagar, Kolkata, Nagpur & Mumbai. Comprehensive Mobility Plans for Gorakhpur and Varanasi; Public Transport Master Plan for Kolkata; Station and Multi-modal Integration Planning for High Speed Rail (Ahmadabad - Mumbai) Corridor, CSTM-Panvel & Panvel Virar Rail Corridors; Transit Oriented Development Planning for Panvel-Virar Rail Corridor; Standing Consultancy for Patna Metro.

The unit has recently completed DPR for Rail Based Mass Rapid Transit System in the cities of Kanpur, Agra, Meerut, Kochi, Kolkata, Mumbai and Ahmedabad - Dholera, Traffic Demand Estimates for Bhiwadi Airport, Road Safety Audit of Barapullah Elevated Road Ph II.

URBAN TRANSPORT (GENERAL CONSULTANCY)

This unit provides comprehensive consultancy services in all aspects of urban transport: i.e Planning of Integrated Multi-Modal Public Transit Network; Design, Engineering and Project Management of infrastructure; O&M management of Public Transit Systems. The systems include high, medium and light capacity mass rapid rail transit (RRT) and bus rapid transit (BRT) systems. Regional transport

studies are undertaken for optimal use of available infrastructure and phased augmentation of facilities for medium and long term.

This Unit has made major inroads into international Metro Consultancy with the award of assignment for Supervision of Metro Express line at Mauritius. Interim Consultancy for NMRCL in priority section for preparation of GAD & DDC services for redesign of composite girders, Proof Checking for Consultancy for N-S Viaduct Alignment Crossing over Sabarmati Railway Yard for MEGA .

In addition to above, the unit has been involved in following works during the year: General Consultancy for Delhi Metro Phase-III, General Engineering Consultancy of Ahmedabad Metro, General Consultancy for Nagpur Metro Rail Project for NMRCL, Detailed design of Power supply & distribution system, 750 V d.c; Consultancy for Independent Quality Monitoring agency for the work of Metro for NOIDA-Greater Noida Corridor.

URBAN ENGINEERING UNIT

The Environmental Engineering unit has in its core staff highly qualified and experienced personnel having specialization in the fields of Environmental Impact Assessment, Environmental Management Plan, Social Impact Assessment, design of water

supply, sewerage and drainage systems, solid waste management, ecology and biodiversity.

The unit is NABET accredited for EIA study of Airport, Ropeway, Water Resources, Building Construction, Area Development (Township etc), transportation (Highways, Railways, Metro etc) and Solid Waste management.

Ongoing projects of the SBU are EIA and SIA study for Gurugram Metro (Huda City Centre to Rly Station), Interim Consultancy of CSTM-Panvel Railway Line, River Morphology, Thane Metro, Nagpur Metro Phase II, 5 Nos of Ropeways in Bihar.

The projects completed during the year include EIA and SIA Study of Greater Noida Heliport, Jammu Metro, Sri Nagar Metro, Pune Metro, Allahabad Metro, Extension to East West Corridor of Calcutta Metro, Agra Metro, Meerut Metro, Tehri Ropeway and Rohtang Ropeway.

REGIONAL PROJECT OFFICE - AHMEDABAD

This RPO covers Gujarat and neighboring states such as Rajasthan, Madhya Pradesh and parts of Maharashtra for providing services to Central Government departments, PSUs and Private Sector. This RPO deals in sectors of Railway Sidings, PFT's, Building Works and Third Party Inspection of Railway Crossing works (ROBs/RUBs/Box pushing/Pipe pushing) and other Engineering projects. Services provided by RPO Ahmedabad includes Feasibility study, DPR, Project Management consultancy, Design and Estimation of Rail siding works, building works, bridge works etc.

The Unit has recently been awarded a very prestigious project for shifting of Railway infrastructure and utilities in connection with High Speed Rail Project from Ahmedabad to Mumbai by NHSRCL on Turnkey basis. Total Project cost is more than ₹ 500 crore. Major utilities includes shifting of CONCOR depot, WR Engineering workshop, Stores Depot, CPOH, Staff quarters and other misc. buildings and structures to new locations. Other major projects are PFT Varnama, MMLP at ICD Khodiyar, RTH Swarupganj, Rajasthan for M/s CONCOR, EACS for ONGC and many projects of Third party inspection works for ROBs/RUBs/Box pushing/Pipe pushing and other non-railway client works in Gujarat region.

URBAN INFRASTRUCTURE - MUMBAI

This unit is executing consultancy projects in and around Mumbai area and is providing project management consultancy services to prestigious client like CONCOR, IPRCL, MRVC, CIDCO, MIDC, MMRDA and BPCL. The unit is also providing detail engineering for line capacity works in Central and Western railway viz. 5th and 6th line of BCT - BVI in Western Railway, 5th and 6th line of CST-KURLA in central Railway, 3rd line between Nagpur-Sewagram and Kalyan-Kasara section of Central railway.

This unit provided PMC services to CONCOR for construction of Multi Modal Logistic Park at Balli, Goa, which has been commissioned during the year. A major work of Subway under busy Suburban Railway tracks was completed under supervision of RITES near Bhayander, in Thane Maharashtra. The unit is also providing project management consultancy services for railway crossing works for construction of metro lines, ROB/RUB, subway to local civic bodies like CIDCO, MMRDA, MBMC and MIDC.

EXPOTECH DIVISION

The division offers integrated export packages for rolling stock including leasing, rehabilitation, maintenance and spare part support. It also renders technical consultancy services for establishment of new and modernization of Workshop, facility planning for rolling stock maintenance, training and technology transfer.

During the year, the division has successfully executed projects of supply of 18 nos. new YDM 4 Meter Gauge Locomotives fitted with microprocessor to Myanmar. These Locomotives



M-10 Class Loco for Sri Lanka Railways

have several modern features built in as prevalent in contemporary Locomotives of other countries.

The project of Locomotives leasing and maintenance of locomotives in Mozambique has successfully completed in August, 2017. These locomotives have provided excellent service to the clients for the last nine years. After completion of locomotives leasing project in Mozambique, RITES has concluded an agreement with CFM/ Mozambique and these in-services Locomotives were sold to them in-situ. RITES has entered into a separate contract and under which it is currently providing expert service for maintenance of these Locomotives to CFM/ Mozambique.

During the year, RITES has successfully provided warranty services for state of art LHB BG passenger coaches supplied to Bangladesh. It also provided warranty services to Locomotives supplied to Senegal.

After successful completion of milestone project of supply of twenty six BG diesel electric locomotives to Bangladesh Railway, warranty for remaining 10 nos. locomotives was completed in June, 2017.

RITES has secured two major contracts from Sri Lanka Railway for supply 10 Broad Gauge diesel electric locomotives and 6 Broad Gauge diesel multiple unit train (DMU) sets. Each diesel multiple unit (DMU) train set is consisting of thirteen passenger carrying coaches. Manufacturing of Diesel electric locomotives and Diesel multiple unit train (DMU) have started at Diesel Locomotive works Varanasi and ICF, Chennai respectively.

QUALITY ASSURANCE DIVISION

The division renders third party inspection and vendor assessment services in India and abroad to various clients in the Government, Public and Private sectors. In India, the laboratory testing services are also provided by the division. This division has regional offices at Delhi, Chennai, Kolkata, Mumbai & Bhilai with 47 sub-regional offices spread over prominent locations across India.

The division is providing third party inspection services at conversion and wet leasing agents to Steel Authority of India Ltd. for inspection of long products, slabs and coils. In addition, the division has been undertaking inspection of machinery & plant, wheels, axles, wheel sets, pistons and piston rings and other components of railway rolling



Inspection of DEMU/DPC Coaches at ICF Chennai

stock in various countries namely USA, Switzerland, China, Denmark, Finland, Germany, Sweden, Italy, Russia, Ukraine etc. on behalf of Indian Railways, Container Corporation of India and a number of wagon manufacturers.

As a part of Digital India Initiative, Mobile application has been developed for getting real time information on inspection status of the assignment and System generated Inspection Certificates are also being issued. E-office is being progressively adopted in the Regional Inspection offices. Further, e-learning modules with online assessment have been developed and implemented in the division for standardizing the training of the Engineers and rationalizing the training period.

RITES has been awarded ISO/IEC 17020:2012 accreditation for various NABCB Scope Sectors including fabricated metal products, railway transport equipments (rolling stock-wagons, coaches, wheels & axles) and pulp, paper & paper products. The laboratories at Eastern & Western regions are accredited to ISO/IEC 17025:2005.

The division has extensive consultancy experience for achieving certification as per QMS (ISO 9001), FSMS (ISO 22000), OHSAS 18001, service quality management system (IS 15700) for various prestigious PSUs/ state government organizations.

RITES, through its experts, is represented in various Standard Formulation Committees of Bureau of Indian Standards as well as holds Board Membership of Quality Council of India (QCI)/ NABCB to enhance its contribution to quality movement at the national level.

TECHNICAL SERVICES DIVISION

This division has three strategic business units namely rolling stock design unit, material system



Frameless Tank Wagon for Indian Railways

management unit and workshop & ropeway unit.

ROLLING STOCK DESIGN UNIT

This unit specializes in design and development of railway rolling stocks using the state-of-the-art hardware and specialized design software for 3D solid modeling, finite element modeling, static and dynamic structural analysis, non-linear crash analysis and vehicle dynamics simulation. It also markets rolling stock designs and offers technical support to rolling stock manufacturers. It has also diversified to offer expert technical services in setting of the state-of-the-art R&D facilities, test centers and modern coaching/freight car depots on turnkey basis. As part of diversification, bid process management and project management for setting up of Waste to energy plants have also been added to service spectrum.

Some of the major achievements of this unit include design of crashworthy coaches for the Indian Railways (IR); highly successful container flat wagon with speed potential of 100 kmph freight operation; Clinker wagon; BFAT wagon for the MoD; Food grain wagon and Frameless tank wagon for petroleum products.

Some of the major projects in hand include: Design and Development of special van for carrying milk at higher speed, Consultancy study consisting of preparation of technical specification for induction of high speed broad gauge Self Propelled Accident Relief Train (SPART) on IR system, Setting up of Design, Development and testing centre at RWF, Bangalore, Setting up of Waste to energy plants for IR, Fatigue Testing of Metro bogies at BEML.



BITES is doing M24 schedule of client locomotive at NTPC Sipat

MATERIALS SYSTEM MANAGEMENT UNIT

The Unit has been providing comprehensive Procurement & Logistics Management Consultancy Services in compliance with the Guidelines & Procedures of International Funding Organisations (IFOs) and GFR of Govt. of India. The Core Competence of the Unit to perform a range of services include: In-depth knowledge of procurement policies & procedures of Government of India, bilateral/multilateral funding agencies, Railways & DGS&D, expertise in various fields of Material Management and use of state-of-art technology and resources to ensure customer satisfaction and best value for money duly adopting ISO based Quality Management Systems. Major Procurement Consultancy contracts include NACO under Ministry of Health and Family Welfare, Government of India and the MPRNL project of the Ministry of Agriculture.

Procurements have been processed by the Unit for National AIDS Control Organisation (NACO), Ministry of Health & Family Welfare (MOHF&W), Government of India and MPRNL Project, Ministry of Agriculture, Govt. of India. The Contract Management of on-going contracts have been undertaken during this year which includes inspection & testing of Drugs/ Equipments, Monitoring of Supplies, Co-ordination with consignees spread all over the country, Processing of Suppliers Bills for payment & legal issues and reconciliation of funds with MOH&FW.

WORKSHOP & ROPEWAY UNIT

The Ropeway unit provides a wide spectrum of consultancy services ranging from techno-economic feasibility studies, detailed project reports and



Funicular railway system at Nashik, Maharashtra

project management services for passenger / material ropeways as also for funicular railway projects. During the year, the Unit provided project management services for passenger ropeways at Namchi, Sikkim; Jammu, J&K; Rajgir & Banka, Bihar; Sholingur & Ayyarmalai, Tamilnadu; Guwahati, Assam; Bhongir, Telengana and Shri Mata Vaishno Devi (SMVD) shrine, J&K besides a material ropeway for Shri Mata Vaishno Devi (SMVD) shrine, J&K. The Ropeways unit also prepared Techno-economic Feasibility Report for passenger ropeway at Pelling, Sikkim and Kudargarh, Chhatisgarh. During the year, funicular railway system was commissioned successfully at Nashik, Maharashtra.

The Workshop unit provides consultancy services for setting up / upgradation of railway / non-railway industrial units including workshops / production units including preparation of techno-economic feasibility reports, detailed project reports and providing project management consultancy services. During the year, the unit provided technical consultancy services for upgradation of facilities at Loco and Wagon workshop, Ajmer, NWR; C&W workshop, Jodhpur, NWR and Lower Parel workshop, WR, Undertaken setting up of Wagon POH facilities at Bikaner workshop, NWR; augmentation of Wagon POH facilities at Kurduwadi workshop, CR; setting up of Wagon POH factory at Dalmianagar, ECR and setting up of facilities for refurbishment of LHB coaches at New Bongaigaon, NFR and completed Phase-1 & Phase-2 of Improvement works at National Rail Museum, Chanakyapuri, New Delhi and at Rewari Steam Centre, Rewari, NR. The unit also successfully undertook renovation, transportation and installation of old steam locomotives for Safari parks at Lucknow & Etawah, U.P.

RAILWAY EQUIPMENT SERVICES UNIT

The division is leading service provider for complete one stop solution in respect of operations and maintenance of Railway siding for non-railway customers in power, steel, mining, cement & port sector. The division has secured new and repeat



Loco leasing to SAIL mines Bolani (Odisha)

work orders from a number of clients in the recent past, some of the prominent being NTPCs, L&T, Visakhapatnam Port Trust, Dhamra Port Trust, Paradip Port Trust, Tata steel, DVC, etc. for loco leasing, operation of their railway systems, maintenance of rolling stock & track etc.

There is growing demand towards of shunting locomotives on wet lease including operation and maintenance from domestic Non-Railway customers. So far 40 locomotives have been leased out in the span last 8 years.

In addition to above, the Unit is also engaged in maintenance of over 120 diesel locomotives & 1200 wagons owned by customers like NTPC, NSPCL, WBPCL, SAIL & APCPL, besides, operating and maintenance of track of some of the clients. RITES is also providing service of conducting higher schedule - M24 of client locos to NTPC Sipat etc.

FINANCIAL SERVICES DIVISION

Privatization and Concessions Unit and Information Technology Unit are covered under this division.

PRIVATISATION AND CONCESSIONS UNIT

This unit provides transaction advisory services for various public private partnership projects in infrastructure sector, project appraisal for the investment project, legal advisory for institutional framework and procurement contracts.

In railway sector, unit continued to provide financial advisory services for development of Bhuj Naliya Vayor rail connectivity project. Unit also provided legal consultancy services during setting up an electric locomotive manufacturing unit at Madhepura (Bihar) and setting up Electric Train Factory at Kancharapara for IR.

Beside the above, unit is currently undertaking assignment for providing of Advisory Services through management consultant for setting up National Rail Transport university. Unit is also undertaking assignment for providing of Strategic Advisory Services through management consultant for Transformation Initiatives of IR. During the year unit also provided advisory services to DFCCIL for its project of Dankuni Gomoh project of 282 km to be developed on PPP format.

Unit continued to provide consultancy services to various clients/ in house for infrastructure sectors



Passenger Ropeway systems - Mata Vaishno Devi

such as ports, urban infra, urban transport, etc.

During the year unit secured an assignment of advisory services for selection of Service Provider to Manufacture, Supply and Maintain Top Loading and Bottom Discharge Wagons for transportation of bulk food grains for FCI.

INFORMATION TECHNOLOGY UNIT

Information technology unit offers consultancy services to Railway, Non-Railway Government and Public Sector organizations in the field of web based technologies, Feasibility study, System Analysis, System Design, Software Development, Implementation support, Identification of Hardware & System Software requirements, user training and software conversion/porting of Computerised Commercial Applications particularly in the areas of Company accounting, payroll, materials management, workshop management etc. the major on-going projects include; centralized apportionment of Indian Railway earnings for passenger from various zones of Indian Railways; development of budget module for preparation of fund management system, Govt. of Tripura; etc. unit also provides annual maintenance support for various application software for clients like Ministry of Railways, IRCON, Govt. of Tripura etc.



Trainees from Sri Lanka Railways at Golden Rock Diesel Loco Shed Ponmalai

This unit is actively involved in implementation of SAP ERP in the organization to support its business operations, enhance its core capabilities to gain competitive advantage in market. IT unit has its own state of art data centre equipped with high end blade servers, network equipments, modern surveillance system, fire detection, fire suppression etc. in order to secure the data a Disaster Recovery facility for its state of art SAP data centre has been established. The unit also supports the in-house needs of RITES by providing services for hardware procurement, access to internet and corporate e-mail services, etc. E-procurement has been successfully implemented in RITES. RITES is also in the process of migrating to Government e-Procurement System of Nic (GePNIC) under Central Public Procurement Portal (CPPP). Information security management System (ISMS) 27001 has been documented and implemented in few identified activities of the organization.

This unit is empanelled with national e-Governance division to undertake integration of different application with e-Governance system (under Digital India).

HRD AND TRAINING UNIT

RITES being a knowledge based company, puts lot of emphasis on talent acquisition, talent engagement, welfare schemes, learning and development of its human resources. RITES has a mixed bag of experienced professionals and fresh GETs/MTs. Commensurate with the emerging needs of growing business, Intake of experienced professionals on deputation from Railways, other Govt. departments and PSU is also strategic requirement of the company. RITES puts

lot of emphasis on the development and career progression of employees. During the financial year 2017-18, in-house training programmes across levels of employees were organized. Professional programmes, workshops and seminars organized by reputed and prestigious institutes/agencies were carefully identified in line with business needs of RITES and suitable officers were nominated for such programmes. Employees wellness programmes like yoga, meditation and mind control were the other trainings organized during the year.

Transparency in the process and ease of operations is one of the objectives of the HRD function. This year Electronic Performance Management System has been introduced, which enables paperless and transparent on-line process to fill the APARs. The system has been developed with an objective to complete the APAR filing process with quality and defined time limits. This process is already linked to variable payments i.e. Performance Related Pay.

RITES is focused on the improvement of policies and procedures so as to enable its employees for better coordination for their welfare as well as to empower them for more accountability and responsibility to function in their roles. Endorsing the need of digitization of records in the country and to ensure business continuity, RITES has implemented Digitization of Records in the HR wing. Personnel records of employees, policy files etc have been kept in digital format. The internal systems are being revised in accordance with ISO requirements. For keeping healthy employee-employer relationship, online grievance portal system has been developed and timelines for settlement of grievances along with accountability of officers has been fixed.

RITES has adequate and robust schemes in place for welfare of the employees. Subsidized canteen facility, health cover, medical scheme, Post Retirement Medical Scheme, Post Retirement Pension Scheme, periodic health checkups at regular intervals, allowances, provision of company and self-lease for residential accommodation etc are in place for betterment of the staff.

To recognize the outstanding contribution of employees in their working, a "Reward & Recognition" scheme to choose from "Employee of the Quarter" is in place and given to 2-employees for each quarterly period: one in executive & one in non-executive cadre.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF RITES LIMITED

REPORT ON STANDALONE IND AS FINANCIAL STATEMENTS

We have audited the accompanying standalone Ind AS financial statements of **RITES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of Changes in Equity for the year ended 31st March, 2018, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "standalone Ind AS financial statements"), in which are incorporated accounts of two Branch/ Regional Office (consisting of Project and Inspection offices) audited by us and three Branch / Regional Offices (consisting of Project and Inspection Offices) audited by Branch Auditors appointed by the Comptroller and Auditor General of India, New Delhi and we have relied on the same. The Head Office accounts include transactions relating to overseas assignments, which have been incorporated on the basis of periodical statement of expenditure supported by bills received from there. In respect of joint operations in India, the company has incorporated their proportionate shares of income and expenditure in the said joint operations. The gross income and gross expenditure so incorporated amounts to ₹ 2.63 crore and ₹ 2.46 crore respectively, which have resulted into a net profit before tax of ₹ 0.39 crore and a net profit after tax of ₹ 0.17 crore, related to joint operations. We cannot comment on such figures as the same are audited by other auditors.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Standalone Ind AS financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Standalone Ind AS 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 the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS 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 (Including the Ind AS), of the financial position of the company as at 31st March 2018, and its financial performance including other comprehensive income its cash flows and the changes in the equity for the year ended on that date.

EMPHASIS OF MATTER

Refer Note No. 2.50 of notes to accounts of standalone financial statement, consequent upon the decision of Government of India to disinvest 2.52 Crores Shares of the Company, Shares of the Company were listed on NSE and BSE on 2nd July, 2018 and the proceeds have been realized by Government of India.

Our opinion is not modified in respect of this matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, (hereinafter referred to as the "the Order"), we give in the Annexure 'I' a statement on the matters specified in paragraphs 3 and 4 of the order to the extent applicable.
2. In terms of sub section (5) of section 143 of the Act, we give in the Annexure 'II' a statement on the directions issued under the aforesaid section by the Comptroller and Auditor General of India.
3. As required by Section 143 (3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The balance Sheet, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of changes in equity dealt with by this report are in agreement with the books of account;
 - d. In our opinion, aforesaid standalone Ind AS financial statements comply with the accounting standards referred to in section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014;
 - e. In view of exemption given vide notification no. G.S.R. 463(E) dated 5th June, 2015, issued by Ministry of Corporate Affairs, provisions of Section 164(2) of the Act regarding disqualifications of Directors, are not applicable to the Company;
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in the Annexure 'III'; and
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to best of our information and according to the explanation given to us:
 - i. The company has disclosed the impact of pending litigation as at 31st March, 2018 on its financial position in its standalone Ind AS financial statements, Refer para no. 2.44.2 of notes to accounts of standalone Ind AS financial statements.

- ii. The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.

For Agiwal & Associates

Chartered Accountants

Firm's registration number: 000181N


P. C. Agiwal

Partner

Place: New Delhi

Date: 30 July, 2018

Membership number: 080475

ANNEXURES TO INDEPENDENT AUDITOR'S REPORTS

Annexure: I

Referred to in paragraph 1 of report on other legal and regulatory requirement's paragraph of our report on even date on the standalone Ind AS financial statement as of and for the year ended 31st March, 2018, we report that:

- i. In respect of fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
 - (b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the company and nature of its assets.
 - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds/ lease deeds of immovable properties are held in the name of the Company except 4 nos. of leasehold buildings where lease deeds are pending for execution (Refer para no. 2.59 of Notes to Accounts of the standalone Ind AS financial statements). Gross block and net block of above said properties are as under:

S. No.	Particulars	Gross Block as on 31.03.2018 (₹ in crore)	Net Block as on 31.03.2018 (₹ in crore)
1	Office building at Central Metro Railway Building, 56, C.R. Avenue, Kolkata	3.46	1.43
2	Physical testing laboratory at 52 A&B, C.R. Avenue, Kolkata	1.24	0.50
3	Office building at DLF Cybercity, Bhubaneshwar	5.64	5.54
4	Wazirpur Northern Railway Colony, Delhi *	5.91	Nil

* The lease period was expired in the month of March-2015. The extension of lease has been sought from Northern Railway and the same is under consideration.

ii. In respect of inventory:

- (a) The inventory has been physically verified by the Management during the year. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. No discrepancy has been noticed on physical verification of inventory as compared to records.

iii. In respect of loans :-

The Company had granted unsecured loan to SAIL-RITES Bengal Wagon Industry Pvt. Ltd. (SRBW IPL), a joint venture company during 2016-17. Such loan is listed in the register maintained under Section 189 of the Act.

- (a) In the opinion of Management the terms and conditions of such loans are not prejudicial to the company's interest.
- (b) The Company has granted a moratorium period of 30 Months, with respect to Principal and Interest, for loan granted to SAIL-RITES Bengal Wagon Industry Pvt. Ltd. (SRBW IPL).
- (c) Since the Company has granted a moratorium period of 30 Months, with respect to Principal and Interest, for loan granted to SAIL-RITES Bengal Wagon Industry Pvt. Ltd. (SRBW IPL), no amount was overdue for more than 90 days.

iv. In our opinion and according to the information and explanations given to us, Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans, investment, guarantees and security, and a loan of ₹ 4.75 crores (including interest of ₹ 1.06 crores) was given to REMCL a subsidiary company which has been squared off during the year, the said loan is exempted as company is engaged in providing services related to infrastructural activities as covered in Schedule-VI of Companies Act, 2013 and the same is confirmed by the management.

- v. According to the information and explanations given to us, Company has not accepted any deposits in terms of directives issued by Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.
- vi. Cost Records under section 148(1) of the Companies Act, 2013 are not required to be maintained by the Company.
- vii. According to information and explanations given to us and on the basis of the examination of the records of the company:

- (a) The Company has generally been regular in depositing the amount deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Value Added Tax, duty of customs, Service Tax, GST, cess and other material statutory dues, wherever applicable, during the year with the appropriate authorities. As explained to us, the company did not have any dues on account of employees' state insurance and duty of excise.
- (b) The company has no undisputed arrears of statutory dues outstanding as at 31st March 2018 for a period of more than six months from the date they become payable.
- (c) The company has no statutory dues in respect of Income tax/Sales Tax/Service Tax/Custom Duty/Excise Duty/Value Added Tax/GST outstanding as on 31st March, 2018, which have not been deposited with the appropriate authorities on account of any dispute except the followings:

Name of the statute	Nature of dues	Amount (in ₹)	Period to which the amount relates	Forum where dispute is pending
APVAT	Arrears of Sales Tax	47,59,839	01.04.2014 to 30.11.2015	Commissioner of Commercial Tax, Hyderabad
West Bengal VAT	Demand of VAT	1,32,00,000	01.04.2015 to 30.06.2016	Jt. Commissioner of Commercial Tax, CAU-1, Beliaghata
Service Tax	Service Tax on Railway Siding undertaken for DVC/NTPC under deposit work	82,27,850	01.09.2012 to 31.12.2016	CGST (A)
Income Tax	Departmental Default in 27Q of Q4 for FY 2016-17	1,52,060	01.01.2017 to 31.03.2018	ACIT(TDS), Laxmi Nagar
Income Tax	Departmental Default in 27Q of Q4 for FY 2017-18	57,700	01.04.2018 to 30.06.2018	ACIT(TDS), Laxmi Nagar
Income Tax	Interest on Late Deposit of TDS in Chennai	23,610	2008-09 to 2016-17	TDS CPC, Ghaziabad
ESIC Act	ESI Contribution	2,69,035*	2012-13 & 2013-14	ESIC-Appellate Authority

* Amount paid on 12th July, 2018 in compliance with the directions given by appellate authority.

- viii. The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year.
- ix. The Company did not raise any money by way of initial offer or further public offer (including debt instruments) and term loans during the year. *However consequent upon the decision of Government of India to disinvest 2.52 Crores Shares of the Company, Shares of the Company were listed on NSE and BSE on 2nd July, 2018 and the proceeds have been realized by Government of India.*

- x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. In view of exemption given vide notification no. G.S.R. 463(E) dated 5th June, 2015, issued by Ministry of Corporate Affairs, provisions of Section 197 read with Schedule V of the Act regarding managerial remuneration are not applicable to the Company.
- xii. In our opinion and according to the information and explanations given to us, Company is not a Nidhi company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, Company has not entered into non-cash transactions with directors or persons connected with him.
- xvi. Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Agiwal & Associates

Chartered Accountants

Firm's registration number: 000181N



P. C. Agiwal

Partner

Place: New Delhi
Date: 30 July, 2018

Membership number: 080475

ANNEXURES TO INDEPENDENT AUDITOR'S REPORTS

Annexure: II

Report on the Directions issued by the Comptroller and Auditor General of India under Sub-section 5 of Section 143 of the Companies Act, 2013 ("the Act")

Referred to in our Independent Auditors' Report on the Standalone Ind AS financial statements for the year ended 31st March, 2018, we report that:

Based on the verification of Records of the Company and information and explanations given to us, we report that:

- a) The title deeds/lease deeds of immovable properties are held in the name of the Company except 4 nos. of leasehold building where lease deeds are pending for execution (Refer para no. 2.59 of notes to accounts of the standalone Ind AS financial statements). Location

and Area of above said properties are as under:

S. No.	Location	Area
1	Office building at Central Metro Railway Building, 56, C.R. Avenue, Kolkata	1200 sqm
2	Physical testing laboratory at 52 A&B, C.R. Avenue, Kolkata	314 sqm
3	Office building at DLF Cybercity, Bhubaneswar	1290.48 sqm
4	Wazirpur Northern Railway Colony, Delhi*	12075.84 sqm

* The lease period was expired in the month of March-2015. The extension of lease has been sought from Northern Railway and the same is under consideration.

- b) There are no cases of waiver/write off of debts, loans/ interest etc. other than Bad Debts of ₹ 1.77 crore written off during the year, which have arisen on account of normal business practice.
- c) Company has maintained adequate records in respect of inventories lying with third parties. No assets have been received by the Company as gift from Government or other authorities.

For Agiwal & Associates

Chartered Accountants

Firm's registration number: 000181N



P. C. Agiwal

Partner

Place: New Delhi
Date: 30 July, 2018

Membership number: 080475

ANNEXURES TO INDEPENDENT AUDITOR'S REPORTS

Annexure: III

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

Referred to in our Independent Auditors' Report on the Standalone Ind AS financial statements for the year ended 31st March, 2018, we report that:

We have audited the internal financial controls over financial reporting of RITES Limited ("the Company") as of 31 March 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities

include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting

and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Agiwal & Associates

Chartered Accountants

Firm's registration number: 000181N


P. C. Agiwal
Partner

Place: New Delhi
Date: 30 July, 2018

Membership number: 080475

BALANCE SHEET AS AT 31ST MARCH, 2018

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
ASSETS				
NON CURRENT ASSETS				
PROPERTY, PLANT AND EQUIPMENT	2.1	261.77	259.11	259.22
CAPITAL WORK IN PROGRESS	2.2	0.38	3.28	6.73
INVESTMENT PROPERTY	2.3	1.22	1.25	1.29
INTANGIBLE ASSETS	2.4	0.91	1.73	3.10
INTANGIBLE ASSETS UNDER DEVELOPMENT	2.5	1.58	1.58	1.58
FINANCIAL ASSETS				
INVESTMENTS	2.6.1	179.76	179.76	217.82
LOANS	2.7	15.19	9.65	10.32
OTHER FINANCIAL ASSETS	2.8	126.21	239.57	195.97
DEFERRED TAX ASSETS (NET)	2.9	62.38	40.13	41.88
OTHER NON CURRENT ASSETS	2.10	116.28	130.19	98.59
		765.68	866.25	836.50
CURRENT ASSETS				
INVENTORIES	2.11	9.38	50.42	13.07
FINANCIAL ASSETS				
INVESTMENTS	2.6.2	-	193.04	56.01
TRADE RECEIVABLES	2.12	458.70	453.85	530.16
CASH AND CASH EQUIVALENTS-OWNED FUND	2.13.1	142.08	251.04	240.14
CASH AND CASH EQUIVALENTS-CLIENTS FUND	2.14.1	592.26	333.37	190.35
OTHER BANK BALANCES-OWNED FUND	2.13.2	1,250.67	609.42	457.61
OTHER BANK BALANCES-CLIENTS FUND	2.14.2	1,584.48	1,659.09	1,627.98
LOANS	2.15	3.97	11.42	7.17
OTHER FINANCIAL ASSETS	2.16	112.45	172.46	185.29
CURRENT TAX ASSETS (NET)	2.17	36.82	10.35	38.66
OTHER CURRENT ASSETS	2.18	75.58	49.81	82.35
		4,266.39	3,794.27	3,428.79
TOTAL ASSETS		5,032.07	4,660.52	4,265.29
EQUITY AND LIABILITIES				
EQUITY				
EQUITY SHARE CAPITAL	2.19	200.00	200.00	100.00
OTHER EQUITY	2.20	1,991.66	1,835.33	1,779.53
		2,191.66	2,035.33	1,879.53
LIABILITIES				
NON CURRENT LIABILITIES				
FINANCIAL LIABILITIES				
TRADE PAYABLES	2.21	-	-	0.66
OTHER FINANCIAL LIABILITIES	2.22	122.26	108.46	99.62
PROVISIONS	2.23	11.89	112.68	99.86
OTHER NON CURRENT LIABILITIES	2.24	92.47	7.27	2.07
		226.62	228.41	202.21
CURRENT LIABILITIES				
FINANCIAL LIABILITIES				
TRADE PAYABLES	2.25	76.80	72.28	63.09
OTHER FINANCIAL LIABILITIES	2.26	2,074.31	1,928.36	1,910.54
PROVISIONS	2.27	105.64	150.50	104.61
OTHER CURRENT LIABILITIES	2.28	357.04	245.64	105.31
		2,613.79	2,396.78	2,183.55
TOTAL EQUITY AND LIABILITIES		5,032.07	4,660.52	4,265.29
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FORM AN INTEGRAL PART OF STANDALONE FINANCIAL STATEMENTS	1&2			

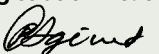

Ajay Kumar Gaur
 Director Finance and
 Chief Finance Officer
 DIN:05333257

 For and on behalf of the Board

Rajeev Mehrotra
 Chairman & Managing Director
 and Chief Executive Officer
 DIN: 01583143


Ashish Srivastava
 Company Secretary
 M. No: FCS 5325

 As per our report of even date attached
 For AGI WAL & ASSOCIATES, Chartered Accountants
 Firm Registration No. 000181N


 (P.C. AGI WAL) Partner
 Membership No. 080475

 Place : Delhi
 Date : 30th July, 2018

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2018	YEAR ENDED 31.03.2017
REVENUE			
REVENUE FROM OPERATIONS	2.29	1,439.24	1,299.35
OTHER INCOME	2.30	163.34	207.45
TOTAL REVENUE		1,602.58	1,506.80
EXPENDITURE			
EMPLOYEE BENEFIT EXPENSES	2.31	457.17	416.24
TRAVEL		40.82	39.13
SUPPLIES & SERVICES		115.98	104.96
COST OF EXPORT SALES	2.32	172.07	296.10
COST OF TURNKEY CONSTRUCTION PROJECTS	2.33	130.77	27.85
DEPRECIATION & AMORTISATION EXPENSES	2.1-2.4	30.18	32.11
OTHER EXPENSES	2.34	162.10	102.31
TOTAL EXPENDITURE		1,109.09	1,018.70
PROFIT BEFORE TAX		493.49	488.10
TAX EXPENSES			
- CURRENT TAX	2.48	(178.93)	(155.42)
- DEFERRED TAX (NET)	2.35	22.25	(1.75)
PROFIT AFTER TAX		336.81	330.93
OTHER COMPREHENSIVE INCOME			
ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO PROFIT & LOSS			
- REMEASUREMENTS OF THE DEFINED BENEFIT LIABILITY/ASSET		(4.18)	0.90
- INCOME TAX		1.45	(0.31)
TOTAL OTHER COMPREHENSIVE INCOME (NET OF TAX)		(2.73)	0.59
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		334.08	331.52
EARNING PER SHARE (EQUITY SHARE OF ₹ 10/- EACH) - BASIC & DILUTED	2.41	₹ 16.84	₹ 16.55
WEIGHTED AVERAGE NUMBER OF EQUITY SHARES USED IN COMPUTING EARNING PER SHARE		20,00,00,000	20,00,00,000


Ajay Kumar Gaur
 Director Finance and
 Chief Finance Officer
 DIN:05333257


For and on behalf of the Board


Rajeev Mehrotra
 Chairman & Managing Director
 and Chief Executive Officer
 DIN: 01583143


Ashish Srivastava
 Company Secretary
 M. No: FCS 5325

As per our report of even date attached
 For AGIWAL & ASSOCIATES, Chartered Accountants
 Firm Registration No. 000181N

Place : Delhi
 Date : 30th July, 2018


 (P.C. AGIWAL) Partner
 Membership No. 080475

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2018

A. EQUITY SHARE CAPITAL

(₹ in crore)

BALANCE AS AT 01.04.2017	CHANGES IN EQUITY SHARE CAPITAL DURING THE PERIOD	BALANCE AS AT 31.03.2018
200.00	-	200.00

(₹ in crore)

BALANCE AS AT 01.04.2016	CHANGES IN EQUITY SHARE CAPITAL DURING THE PERIOD*	BALANCE AS AT 31.03.2017
100.00	100.00	200.00

*CHANGE IN EQUITY IS ON ACCOUNT OF ISSUANCE OF BONUS SHARES ONLY.

B. OTHER EQUITY

(₹ in crore)

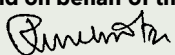
PARTICULARS	RESERVE AND SURPLUS		OTHER COMPRE-HENSIVE INCOME REMEASUREMENT OF DEFINED BENEFITS	TOTAL
	GENERAL RESERVE*	RETAINED EARNINGS		
BALANCE AS AT 01.04.2017	1833.71	-	1.62	1,835.33
PROFIT FOR THE PERIOD	-	336.81	-	336.81
REMEASUREMENT OF THE NET DEFINED BENEFIT LIABILITY/ASSET, NET OF TAX EFFECT	-	-	(2.73)	(2.73)
INTERIM DIVIDEND (2017-18)	-	(70.00)	-	(70.00)
FINAL DIVIDEND (2016-17)	-	(78.00)	-	(78.00)
CORPORATE DIVIDEND TAX	-	(29.75)	-	(29.75)
TRANSFER TO GENERAL RESERVE FROM RETAINED EARNINGS	159.06	(159.06)	-	-
BALANCE AT 31.03.2018	1,992.77	-	(1.11)	1,991.66
INTERIM DIVIDEND PER SHARE FOR 2017-18 (₹)	3.50	NUMBER OF SHARES USED IN COMPUTING DIVIDEND PER SHARE		20,00,00,000
FINAL DIVIDEND PER SHARE FOR 2016-17 (₹)	3.90	NUMBER OF SHARES USED IN COMPUTING DIVIDEND PER SHARE		20,00,00,000

(₹ in crore)

PARTICULARS	RESERVE AND SURPLUS		OTHER COMPRE-HENSIVE INCOME REMEASUREMENT OF DEFINED BENEFITS	TOTAL
	GENERAL RESERVE*	RETAINED EARNINGS		
RESTATED BALANCE AT 01.04.2016	1,778.50	-	1.03	1,779.53
PROFIT FOR THE PERIOD	-	330.93	-	330.93
REMEASUREMENT OF THE NET DEFINED BENEFIT LIABILITY/ASSET, NET OF TAX EFFECT	-	-	0.59	0.59
CAPITALISATION OF GENERAL RESERVE (ISSUE OF BONUS SHARES)	(100.00)	-	-	(100.00)
INTERIM DIVIDEND (2016-17)	-	(55.00)	-	(55.00)
FINAL DIVIDEND (2015-16)	-	(91.00)	-	(91.00)
CORPORATE DIVIDEND TAX	-	(29.72)	-	(29.72)
TRANSFER TO GENERAL RESERVE FROM RETAINED EARNINGS	155.21	(155.21)	-	-
BALANCE AT 31.03.2017	1,833.71	-	1.62	1,835.33
INTERIM DIVIDEND PER SHARE FOR 2016-17 (₹)	3.67	NUMBER OF SHARES USED IN COMPUTING DIVIDEND PER SHARE		15,00,00,000
FINAL DIVIDEND PER SHARE FOR 2015-16 (₹)	9.10	NUMBER OF SHARES USED IN COMPUTING DIVIDEND PER SHARE		10,00,00,000

*GENERAL RESERVES CAN BE UTILISED FOR GENERAL PURPOSE OF BUSINESS INCLUDING DISTRIBUTION OF DIVIDEND TO SHAREHOLDERS.

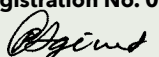

Ajay Kumar Gaur
 Director Finance and
 Chief Finance Officer
 DIN:05333257

 For and on behalf of the Board

Rajeev Mehrotra
 Chairman & Managing Director
 and Chief Executive Officer
 DIN: 01583143


Ashish Srivastava
 Company Secretary
 M. No: FCS 5325

 As per our report of even date attached
 For AGIWAL & ASSOCIATES, Chartered Accountants
 Firm Registration No. 000181N

 Place : Delhi
 Date : 30th July, 2018


 (P.C. AGIWAL) Partner
 Membership No. 080475

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in crore)

PARTICULARS	YEAR ENDED 31.03.2018	YEAR ENDED 31.03.2017
CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX	493.49	488.10
OTHER COMPREHENSIVE INCOME BEFORE TAX	(4.18)	0.90
ADJUSTMENTS FOR:		
- DEPRECIATION AND AMORTIZATION	30.18	32.11
- LOSS/(PROFIT) ON SALE OF ASSETS (NET)	(0.13)	(0.02)
- INTEREST FROM FDs/OTHERS	(98.03)	(95.65)
- INCOME FROM INVESTMENTS	(9.13)	(4.45)
- INCOME FROM INVESTMENT PROPERTIES	(0.99)	(0.99)
- PROFIT FROM SALE OF INVESTMENT	-	(71.47)
- FIXED ASSETS WRITTEN OFF	5.86	0.02
- CONVERSION OF PPE INTO INVENTORIES	6.19	-
- PROVISION AND IMPAIRMENT EXPENSES	63.52	37.49
EFFECT OF EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN CURRENCY	(6.94)	(1.88)
OPERATING PROFIT BEFORE CHANGES IN ASSETS AND LIABILITIES	479.84	384.16
CHANGE IN ASSETS AND LIABILITIES:		
ADJUSTMENTS FOR (INCREASE)/DECREASE IN OPERATING ASSETS:		
- INVENTORIES	41.04	(37.35)
- TRADE RECEIVABLES	(24.20)	54.16
- LOANS, OTHER FINANCIAL ASSETS AND OTHER ASSETS	(0.49)	92.77
ADJUSTMENTS FOR INCREASE/(DECREASE) IN OPERATING LIABILITIES:		
- TRADE PAYABLES	4.52	8.53
- OTHER FINANCIAL LIABILITIES, OTHER LIABILITIES AND PROVISIONS	249.06	192.56
CASH GENERATED FROM OPERATIONS	749.77	694.83
- INCOME TAX PAID	(171.13)	(164.18)
NET CASH FROM OPERATING ACTIVITIES	578.64	530.65
CASH FLOWS FROM INVESTING ACTIVITIES		
- PURCHASE/CONSTRUCTION OF FIXED ASSETS	(62.67)	(21.34)
- PROCEEDS FROM SALE OF FIXED ASSETS	0.16	0.10
- INVESTMENTS IN SHARES, BONDS ETC.	50.00	39.79
- LOANS TO RELATED PARTIES	-	(7.00)
- DEPOSITS AND INTEREST ACCRUED NOT CONSIDERED AS CASH AND CASH EQUIVALENTS	(477.93)	(195.55)
- INTEREST INCOME	98.03	95.65
- INCOME FROM INVESTMENTS	9.13	4.45
- INCOME FROM INVESTMENT PROPERTIES	0.99	0.99
NET CASH FROM INVESTING ACTIVITIES	(382.29)	(82.91)
CASH FLOW FROM FINANCING ACTIVITIES		
- DIVIDEND PAID	(148.00)	(146.00)
- DIVIDEND TAX PAID	(29.75)	(29.72)
NET CASH FROM FINANCING ACTIVITIES	(177.75)	(175.72)

(₹ in crore)

PARTICULARS	YEAR ENDED 31.03.2018	YEAR ENDED 31.03.2017
EFFECT OF EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN CURRENCY CASH & CASH EQUIVALENTS	6.94	1.88
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	25.54	273.90
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	701.16	427.26
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	726.70	701.16

RECONCILIATION OF CASH AND CASH EQUIVALENTS

(₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2018	YEAR ENDED 31.03.2017
CASH AND CASH EQUIVALENTS-OWNED FUND	2.13.1	142.08	251.04
CASH AND CASH EQUIVALENTS-CLIENTS FUND	2.14.1	592.26	333.37
CASH AND CASH EQUIVALENTS AS PER BALANCE SHEET		734.34	584.41
ADD : INTEREST ACCRUED ON BANK DEPOSITS HAVING MATURITY WITHIN 3 MONTHS FROM ACQUISITIONS' DATE	2.16	0.09	0.29
ADD : INVESTMENT IN LIQUID FUND PLAN	2.6.2	-	143.04
LESS : BANK BOOK OVERDRAFT-CLIENTS FUND	2.26	(7.73)	(26.58)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		726.70	701.16

SUPPLEMENTARY INFORMATION:

RESTRICTED CASH BALANCE (REFER NOTE NO. 2.13)	0.56	4.24
COMPONENTS OF CASH AND CASH EQUIVALENTS (REFER NOTE NO. 2.13.1 & 2.14.1)	734.34	584.41

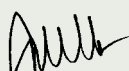
NON CASH TRANSACTIONS - INVESTING ACTIVITIES

(₹ in crore)

PARTICULARS	YEAR ENDED 31.03.2018	YEAR ENDED 31.03.2017
PROFIT FROM SALE OF INVESTMENT IN JOINT VENTURE	-	71.47
CONVERSION OF LOAN TO INVESTMENT IN EQUITY OF JOINT VENTURE	-	1.73
CONVERSION OF PPE INTO INVENTORIES	6.19	-

NOTE:

- CASH AND CASH EQUIVALENTS CONSIST OF CASH AND BANK BALANCES INCLUDING FDs & INTEREST ACCRUED HAVING MATURITY WITHIN 3 MONTHS FROM THE DATE OF ACQUISITION AND LIQUID INVESTMENTS
- THE ABOVE STATEMENT OF CASH FLOWS HAS BEEN PREPARED UNDER THE INDIRECT METHOD AS SET OUT IN IND AS 7 STATEMENT OF CASH FLOWS NOTIFIED U/S133 OF COMPANIES ACT, 2013 ("ACT") READ WITH RULE 4 OF THE COMPANIES (INDIAN ACCOUNTING STANDARDS) RULES 2015 AND THE RELEVANT PROVISION OF THE ACT.
- FIGURES IN BRACKET INDICATE CASH OUTFLOW.



Ajay Kumar Gaur
 Director Finance and
 Chief Finance Officer
 DIN:05333257

For and on behalf of the Board



Rajeev Mehrotra
 Chairman & Managing Director
 and Chief Executive Officer
 DIN: 01583143



Ashish Srivastava
 Company Secretary
 M. No: FCS 5325

As per our report of even date attached
 For AGIWAL & ASSOCIATES, Chartered Accountants
 Firm Registration No. 000181N



(P.C. AGIWAL) Partner
 Membership No. 080475

Place : Delhi
 Date : 30th July, 2018

COMPANY OVERVIEW, SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FORM AN INTEGRAL PART OF THE STANDALONE FINANCIAL STATEMENTS

COMPANY OVERVIEW

RITES Ltd. is a multidisciplinary engineering and consultancy organization providing diversified and comprehensive array of services from concept to commissioning in all facets of transport infrastructure and related technologies. The major business engagements as consultants, engineers and project managers are in railways, highways, airports, ports, ropeways, urban transport and inland waterways in India and abroad. The company also provides services of third party inspection, quality assurance, construction supervision & project management, operations & maintenance, leasing, export of rolling stock and modernization of railways workshop projects on turnkey basis.

The Company is a "Miniratna", Schedule-"A", Category-I CPSE and ISO 9001 certified public limited company incorporated and domiciled in India. The address of its registered office is SCOPE Minar, Laxmi Nagar, Delhi-110092 (India) and address of its corporate office is RITES Bhawan, No. 1, Sector -29, Gurgaon, Haryana-122001 (India). President of India through Ministry of Railways and its nominees are presently holding 100% equity share of the company (Refer Note No. 2.50).

The reporting and functional currency of the company is Indian Rupees (INR). Figures in financial statements are presented in ₹ crore, by rounding off upto two decimals except for per share data and as otherwise stated. Certain figures that are required to be disclosed but do not appear due to rounding off are detailed in note 2.52. Previous periods figures have been regrouped/recasted/rearranged, wherever necessary.

The standalone financial statements are approved for issue by the company's Board of Directors in their meeting held on 30th July, 2018.

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 GENERAL

(a) Statement of Compliance

The financial statements of the Company are being prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act 2013, read together with Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Amendment Rules, 2016.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

(b) Basis of Preparation

The financial statements have been prepared on accrual basis at historical cost, except for the following assets and liabilities which have been measured at fair value/ amortized cost:

- Derivative financial instruments,
- Which are specifically indicated in the concerned accounting policy.

(c) Use of Estimates and Judgements

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities and contingent assets as at the date of the financial statements and reported amounts of revenues and expenses for the year. Actual results could differ from these estimates. Future results could differ due to changes in these estimates and the difference between the actual result and the estimates are recognized in the period in which the results are known/materialize.

1.2 REVENUE RECOGNITION

1.2.1 REVENUE FROM OPERATIONS

Operating revenue is from various streams viz. consultancy fee, inspection fee, lease services, export sales and construction projects.

For recognizing revenue from aforesaid streams in the financial statements, general parameters are stated below which are applicable to all streams of revenue while specific parameters are stated in the accounting policy of the respective stream of revenue.

General Parameters

- (a) Revenue is recognized on satisfaction of following conditions:-
- (i) outcome of the transaction can be estimated or measured reliably.
 - (ii) it is probable that the economic benefits associated with the transaction will flow to the company.

- (iii) the costs incurred and cost to complete the transaction can be measured reliably.
- (b) When outcome of transaction cannot be estimated reliably, revenue is recognized to the extent of cost incurred which is recoverable else cost incurred is charged to the Statement of Profit and Loss.
- (c) When there is uncertainty as to realisability, recognition of revenue is postponed until such uncertainty is removed.
- (d) Revenue is measured at the fair value of the consideration received or receivable.

1.2.1.1 Consultancy Fee

Revenue from rendering of services is recognized on the basis of stage of completion of each transaction using appropriate method.

Physical progress, efforts, cost incurred to date bear to the total estimated cost of the transaction, time spent, service performed or any other method that management considered appropriate are used to measure the stage of completion at the end of the reporting period.

Reimbursable and supplies are accounted for on accrual basis.

In Construction Management/Supervision Contracts, revenue is recognised as a percentage of the value of work done/built-up cost of each contract as determined by the Management, pending customer's approval, if any.

Mobilization fee is considered as advance until recognized as revenue based on the stage of completion of activities/transactions as per the terms of contract/work order.

1.2.1.2 Inspection Fee

Inspection fee is accounted for on the basis of inspection certificates issued.

1.2.1.3 Lease Services

Lease income arising from operating leases is accounted for on a straight-line basis over the lease terms. However, reimbursables under the contract are accounted for on accrual basis. Initial direct costs are added to the carrying amount of the leased assets and recognized as an expense over the lease term.

1.2.1.4 Export Sales

Export sales are accounted for on the basis of bills raised where all significant risks and rewards of ownership have been transferred to the buyer wherein company neither retain continuing managerial involvement to the degree usually associated with the ownership nor effective control over the goods exported.

1.2.1.5 Construction Projects

Revenue and costs associated with the construction contracts/projects are recognized as revenue and expenses respectively based on stage of completion of contract/project activities at the end of the reporting period.

Stage of completion of contract for recognition of revenue is based on the proportion of the costs incurred for work performed up to the reporting date bear to the estimated total contract/project costs.

Any expected loss is recognized as an expense immediately.

1.2.2 Other Income

1.2.2.1 Interest Income

Interest income is recognized using effective interest method.

1.2.2.2 Dividend

Revenue is recognised when the right to receive the payment is established, which is generally when shareholders approve the dividend.

1.2.2.3 Export Incentives

Export incentive is recognized when there is a reasonable assurance that the incentive will be received and all the attached conditions have been complied with.

1.2.2.4 Others

Other income is accounted for on accrual basis except claims/supplementary claims / counter claims/interest on delayed payments / awards in favour of the Company/ sale of tenders/ premium on sale of licenses etc. which are accounted for on final settlement / realization.

1.3 PROPERTY, PLANT AND EQUIPMENT (PPE)

Property, plant and equipment are stated at cost i.e., cost of acquisition or construction inclusive of freight, erection and commissioning charges, non-refundable duties and taxes, expenditure during construction period, borrowing costs, in case of a qualifying asset, upto the date of acquisition/ installation, net of accumulated depreciation and impairment losses, if any.

- (a) Incidental expenditure during construction period including interest charges incurred upto the date of completion, net of interest recovered on mobilisation advance, are capitalized.

- (b) Spare valuing more than ₹ 10 lakh which can be used only in connection with an item of property, plant and equipment and whose use is expected to be irregular are capitalised and depreciated over the useful life of the spares or principal item of the relevant assets, whichever is lower. Other spares are charged off to the Statement of Profit and Loss in the year of purchase.
- (c) Expenditure incurred subsequently relating to property, plant & equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably.
- (d) The initial estimate of the cost of dismantling, removing the item and restoring the site on which PPE is located, the obligation for which is incurred when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during the period, is capitalized as a component of PPE.

1.3.1 Depreciation

- (a) Depreciation on property, plant and equipment are provided on straight line method over their estimated useful life determined by management. Depreciation method, useful lives and residual values are reviewed at the end of each financial year. The useful lives of assets are as prescribed in part C of schedule II of the Companies Act, 2013 except assets indicated in sub paragraphs from (d) to (g) below. In respect of additions to/deductions from the assets during the year, depreciation is charged on pro-rata basis.
- (b) The estimated useful lives of the various assets, are as under:-

Assets	Useful Life (Years)
i) Furniture	10
ii) Fixture	5
iii) Office Equipment	5
iv) Mobile Hand Set	3
v) Coolers & Air Conditioners	7
vi) Air Conditioning Plant	15
vii) Computer Hardware	3
viii) Server & Networks	6
ix) Survey and Equipments	10
x) Vehicles	8
xi) Buildings on Freehold Land	60
xii) Locomotives-New	15
xiii) Locomotives-In-Service	10
xiv) Coaches-New	15
xv) Coaches-In-Service	10

- (c) Any addition or extension, which becomes an integral part of the existing asset and which results in increased economic benefits, is capitalized and depreciated over the remaining useful life of that asset. An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset which is calculated as the difference between the net disposal proceeds and the carrying amount of the asset, is included in the income statement when the asset is de-recognised.
- (d) In respect of BOT assets, depreciation is charged over the period of project or the life stated above whichever is lower.
- (e) In respect of buildings on lease hold land, depreciation is charged over the period of lease of land or the useful life stated above for buildings on freehold land, whichever is lower.
- (f) As per company's technical assessment, Fixtures, Mobile Hand Set, Coolers & Air Conditioners and In-Service Locomotives & Coaches (refurbished) have lower useful lives than prescribed in part C of schedule II of the Companies Act, 2013. Therefore depreciation is charged at higher rate than prescribed under the Companies Act, 2013.
- (g) Individual low cost assets of value less than ₹ 5,000/- are fully depreciated in the year of acquisition.
- (h) A nominal value of ₹ 1/- is assigned to the fully depreciated assets.

1.3.2 Capital Work in Progress

Assets which are not ready for the intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

1.3.3 Capital Advances

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date are classified as capital advances under other non-current assets.

1.4 INTANGIBLE ASSETS

Intangible assets acquired/ developed are measured on recognition at cost less accumulated amortisation and impairment losses, if any.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is de-recognised .

(a) Software of value less than ₹ 100,000/- is fully amortized in the year of acquisition.

(b) A nominal value of ₹1/- is assigned to the fully amortized assets.

1.4.1 Amortization

Estimated useful life of the software is 4 years and amortized on a straight line basis over the period.

1.5 INVESTMENT PROPERTY

Investment properties are measured at cost, including transaction costs less accumulated depreciation and impairment loss, if any.

The Company depreciates building component of investment property over the estimated useful lives of the assets as prescribed in property, plant and equipment.

Investment properties are de-recognised either on disposal or on permanent withdrawal from use. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the Statement of Profit and Loss in the period of de-recognition.

1.6 INVESTMENTS

Equity investments are measured at fair value through profit and loss except investments in subsidiary, participating joint venture with or without joint control and associate.

Investments in subsidiary, participating joint venture with or without joint control and associate are measured at cost.

1.7 JOINT OPERATIONS

(a) In case of participating joint operations with joint control, company recognizes in relation to its interest in a joint operation as under :

- (i) its assets, including its share of any assets held jointly;
- (ii) its liabilities, including its share of any liabilities incurred jointly;
- (iii) its revenue from the sale of its share of the output arising from the joint operation;
- (iv) its share of the revenue from the sale of the output by the joint operation; and
- (v) its expenses, including its share of any expenses incurred jointly.

(b) In case of participating joint operations without having joint control, interest in such arrangements is to be recognized as per aforesaid accounting policy if the company has right to the assets and obligations for the liabilities relating to joint operations otherwise interest in the joint operation is recognized in accordance with applicable Ind AS.

1.8 INVENTORIES

(a) Inventories are valued at cost on First In First Out (FIFO) basis or Net Realizable Value whichever is less.

(b) Cost of inventories comprises of costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

(c) The diminution in the value of obsolete, unserviceable, slow moving and non-moving stores and spares are assessed periodically and accordingly provided for.

(d) Consumables are charged to the Statement of Profit and Loss in the year of purchase irrespective of the value.

1.9 EMPLOYEE BENEFITS

1.9.1 Defined Contribution Plans

Pension Scheme/Post Retiral Medical Schemes

Retirement benefits in the form of pension scheme/post-retirement medical scheme are defined contribution schemes. The Company has no obligation, other than the contribution payable to such funds/ schemes. The Company recognizes contribution payable to such funds/schemes as an expense, when an employee renders the related service. If the contribution payable to the schemes for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Defined contributions towards pension under EPFO, superannuation pension fund and post retiral medical schemes are charged to the Statement of Profit and Loss based on contributions made in terms of applicable schemes on accrual basis.

1.9.2 Defined Benefit Plan

1.9.2.1 Gratuity

Company provides gratuity, a defined benefit plan covering eligible regular and contract employees. The gratuity plan provides a lump-sum payment to vested employees of an amount based on the respective employee's salary and the tenure of employment with the company at retirement, death, incapacitation, or on completion of terms of employment.

The liabilities with regard to the Gratuity plan are determined by actuarial valuation, performed by an independent actuary, at the year end.

- (i) Company has set up a Gratuity Trust Fund which is being administered by Life Insurance Corporation of India (LIC) who invests the contribution in the schemes permitted by laws of India.
- (ii) The company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability.
- (iii) Gain or loss through re-measurements of net defined benefit liability/(asset) is recognized in Other Comprehensive Income.
- (iv) The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized in Other Comprehensive Income.
- (v) Service cost and net interest cost/(income) on the net defined benefit liability/(asset) are recognized in Statement of Profit and Loss.

1.9.2.2 Provident Fund

The Company makes contribution to the recognized provident fund - "RITES CONTRIBUTORY PROVIDENT FUND" for its employees, which is a defined benefit plan to the extent that the Company has an obligation to make good the shortfall, if any, between the returns from the investments of the trust and the notified interest rate. The Company's obligation in this regard is determined by an independent actuary and provided for if the circumstances indicate that the Trust may not be able to generate adequate returns to cover the interest rates notified by the Government.

1.9.3 Other Long Term Benefits

- (a) Leave Travel Concession (CDA employees), Leave Encashment (contract employees) and Long Service Award (regular employees)
 - i. Accounted for on actuarial valuation made at the end of year.
 - ii. The actuarial gains/losses are recognized in the Statement of Profit and Loss for the year.
- (b) Leave Encashment and Medical Leave for regular employees
 - i. Liabilities are funded under plan assets through insurance policies from insurance companies approved by Insurance Regulatory Development Authority (IRDA) and are accounted for on actuarial valuation made at the end of year.
 - ii. The company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability.
 - iii. Service cost and net interest cost/(income) on the net defined benefit liability/(asset) are recognized in Statement of Profit and Loss.
 - iv. Actuarial gains/losses are recognized in the Statement of Profit and Loss.

1.9.4 Other Benefits

Ex-gratia payments on death are recognized on payment basis in the Statement of Profit and Loss.

1.10 RESEARCH & DEVELOPMENT

Revenue expenditure incurred/paid during the year on research is charged to the Statement of Profit and Loss.

Development cost is capitalized if following are demonstrated otherwise it is charged to the Statement of Profit and Loss:

- (a) Technical feasibility of completing the intangible asset so that it will be available for use or sell.
- (b) Intention to complete the intangible asset and use or sell it.
- (c) Ability to use or sell the intangible assets.
- (d) Asset will generate future economic benefits.
- (e) There is availability of resources to complete the asset.

The developed asset is carried at cost less any accumulated amortisation and impairment loss, if any. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

1.11 INCOME TAXES

1.11.1 Current Income Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted in India, at the reporting date.

Management periodically evaluates positions taken in the tax assessments with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets are offset against current tax liabilities if, and only if, a legally enforceable right exists to set off the recognised amounts and there is an intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Additional taxes, interest and/or penalties levied/ imposed by the tax authorities / Appellate authorities on finality are recognized in the Statement of Profit and Loss.

Current tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

1.11.2 Deferred Tax

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

1.12 RATES & TAXES

Overseas taxes on foreign assignments, service tax, value added tax, alike taxes, professional tax, property tax, entry tax, labour cess, octroi etc. paid/accrued in India or abroad for which credit are not available to the company are charged to the Statement of Profit and Loss.

1.13 PREPAYMENTS

Prepayments towards leasehold land and/or buildings, which are in the nature of operating lease, are amortized over the period of the lease agreement.

PREPAID EXPENSES AND PRIOR PERIOD ADJUSTMENTS

Prepaid expenses and prior period adjustments up to ₹ 1,00,000/- in each case are treated as expenditure/ income of the year and accounted for to the natural head of accounts.

1.14 TRANSLATION AND TRANSACTIONS OF FOREIGN CURRENCIES

1.14.1 Functional Currency

Functional Currency of the company is Indian Rupees and the financial statements are presented in Indian Rupees.

1.14.2 Foreign Currencies

Transactions in foreign currencies are initially recorded by the Company at functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses an available average rate if the average approximates the actual rate at the date of the transaction.

1.14.3 Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

1.14.4 Exchange differences arising on settlement or translation of monetary items are recognised in the Statement of Profit and Loss.

1.15 CASH AND CASH EQUIVALENTS

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short term deposits with an original maturity of three months or less from the date of acquisitions which are readily convertible into known amounts of cash and be subject to an insignificant risk of change in value. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

1.16 STATEMENT OF CASH FLOWS

Statement of Cash Flows is made using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, financing and investing activities of the Company are segregated.

1.17 EARNINGS PER SHARE

In determining basic earnings per share, net profit attributable to equity shareholders is divided by weighted average number of equity shares outstanding during the period.

In determining diluted earnings per share, net profit attributable to equity shareholders is divided by weighted average number of equity shares considered for deriving basic earning per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at the later date. Dilutive potential equity share are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus share issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

1.18 IMPAIRMENT OF ASSETS

1.18.1 Financial Assets

(Other than at Fair Value)

The Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on following financial assets – loans, deposits and trade receivables.

Trade/lease receivables outstanding for a period over 3 years are impaired 100% and others which are outstanding for a period of 3 years or less are impaired on a case to case basis, except in cases where amount is considered recoverable as per the management.

For other receivables impairment is made on the basis of expected credit loss model.

1.18.2 Non-Financial Assets

(Tangible and Intangible Assets)

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use). Impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount and such losses either no longer exists or has decreased. Reversal of impaired loss is recognized in the Statement of Profit and Loss to the extent of previously recognized or balanced impairment loss.

1.19 WRITE OFF

1.19.1 Financial Assets

Such assets including trade/lease receivables are written off when, in the opinion of the management, unrealisability has become certain.

1.19.2 Non Financial Assets

Such assets including property, plant, equipment (PPE), intangible assets, investment property and inventory are written off when, in the opinion of the management, such assets have become obsolete, damaged beyond repair, stolen and uneconomical to use.

1.20 PROVISION FOR WARRANTY FOR SALE AND SERVICES RENDERED

Provision for warranties is recognized when products are sold and services are rendered with warranty as per the contract. These provisions are estimated by using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claim will arise or incurred. The initial estimate of warranty-related costs is revised annually.

As per the terms of the contracts, the Company provides post-contract services /warranty support to some of its customers. The Company accounts for the post-contract support / provision for warranty on the basis of the information available with the Management duly taking into account the current and past estimates.

1.21 PROVISION FOR PROFESSIONAL SERVICES (FOR EXPORT SALES)

Provision for professional services for export sales is recognized in the year in which sales are recognized.

1.22 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

- (a) Provisions involving substantial degree of estimation in measurement are recognized when there is a present legal or constructive obligation as a result of past events and it is probable that there will be an outflow of resources.
- (b) Contingent Liabilities are not recognized but are disclosed in the notes in any of the following cases :-
 - (i) a present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation; or
 - (ii) a reliable estimate of the present obligation cannot be made; or
 - (iii) a possible obligation, unless the probability of outflow of resource is remote.
- (c) Contingent Liability is net of estimated provisions considering possible outflow on settlement.
- (d) Contingent Assets are not recognized but are disclosed where an inflow of economic benefits is probable.
- (e) Contingent Assets, Contingent Liabilities and Provisions needed against Contingent Liabilities are reviewed at each balance sheet date.

1.23 LEASE EXPENSES

Lease expenses/payments under operating lease are recognized as expenses on straight line basis over the lease term unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

1.24 NON-CURRENT ASSETS HELD FOR SALE

The Company classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification. Non-current assets classified as held for sale is recognized at lower of its carrying amount and fair value less cost to sell.

1.25 DIVIDENDS

Final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the company's Board of Directors.

1.26 FINANCIAL INSTRUMENTS

1.26.1 Initial Recognition

Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and financial liabilities are recognized at fair value on initial recognition except for trade receivables/ trade payables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit and loss are added or deducted to/from the fair value on initial recognition.

1.26.2 Subsequent Measurement

(a) Financial assets are subsequently measured at amortised cost if these are held within a business model whose objective is to hold the assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding using the Effective Interest Rate (EIR) method. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

(b) Financial assets at fair value through profit or loss

The financial assets are measured at fair value through profit or loss unless it is classified at amortised cost.

(c) Financial liabilities

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using EIR method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are de-recognised as well as through the EIR amortisation process.

1.26.3 De-recognition of Financial Instruments

A financial asset is de-recognised when:

- The rights to receive cash flows from the asset have expired, or
- the Company has transferred substantially all the risks and rewards of the asset, or the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability or a part of financial liability is de-recognised from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

1.26.4 Forward Contracts

Forward contracts are measured at marked to market value at every reporting date.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

2.1 PROPERTY, PLANT AND EQUIPMENT

FOLLOWING ARE THE CHANGES IN THE CARRYING VALUE OF PROPERTY, PLANT AND EQUIPMENT FOR THE YEAR ENDED 31.03.2018

(₹ in crore)

DESCRIPTION	GROSS BLOCK					DEPRECIATION/AMORTISATION						NET BLOCK AS AT 31/03/2018
	AS AT 01/04/2017	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	DELETIONS DURING THE YEAR	TOTAL	AS AT 01/04/2017	FOR THE YEAR	ADJ DURING THE YEAR	ADJ THROUGH RETAINED EARNING	DELETIONS DURING THE YEAR	TOTAL	
LEASED HOLD												
BUILDING	9.58	-	-	-	9.58	0.34	0.19	-	-	-	0.53	9.05
MULTIFUNCTIONAL COMPLEX	5.76	-	-	5.76	-	0.08	0.08	-	-	0.16	-	-
SUB TOTAL	15.34	-	-	5.76	9.58	0.42	0.27	-	-	0.16	0.53	9.05
OTHERS												
LAND	30.35	0.06	(4.22)	-	26.19	-	-	-	-	-	-	26.19
BUILDING	34.51	-	-	-	34.51	1.36	0.68	-	-	-	2.04	32.47
RESIDENTIAL QUARTERS	0.98	-	-	-	0.98	0.04	0.02	-	-	-	0.06	0.92
SURVEY AND OTHER INSTRUMENTS	4.86	4.65	-	0.01	9.50	1.39	0.87	-	-	-	2.26	7.24
COMPUTER AND EQUIPMENTS	7.29	1.91	-	0.01	9.19	4.33	1.97	-	-	0.01	6.29	2.90
SERVER & NETWORK	4.30	0.53	-	-	4.83	1.97	1.05	-	-	-	3.02	1.81
OFFICE AND OTHER EQUIPMENTS	4.01	0.50	-	0.03	4.48	2.25	0.75	-	-	0.02	2.98	1.50
AIR-CONDITIONER AND EQUIPMENTS	1.15	0.17	-	0.01	1.31	0.37	0.20	-	-	-	0.57	0.74
AIR CONDITIONER PLANT	6.80	-	-	-	6.80	2.72	0.65	-	-	-	3.37	3.43
FURNITURES	3.50	0.67	-	0.02	4.15	1.06	0.61	-	-	-	1.67	2.48
FIXTURES	1.67	0.23	-	-	1.90	1.20	0.22	-	-	-	1.42	0.48
VEHICLES	1.64	0.08	-	-	1.72	0.61	0.28	-	-	-	0.89	0.83
VEHICLES ABROAD	0.01	-	-	0.01	-	0.01	-	-	-	0.01	-	-
LOCOMOTIVES NEW	60.30	38.86	-	-	99.16	6.87	4.95	-	-	-	11.82	87.34
LOCOMOTIVES IN SERVICE*	142.59	-	(6.19)	-	136.40	35.59	16.42	-	-	-	52.01	84.39
SUB TOTAL	303.96	47.66	(10.41)	0.09	341.12	59.77	28.67	-	-	0.04	88.40	252.72
TOTAL	319.30	47.66	(10.41)	5.85	350.70	60.19	28.94	-	-	0.20	88.93	261.77

FOLLOWING ARE THE CHANGES IN THE CARRYING VALUE OF PROPERTY, PLANT AND EQUIPMENT FOR THE YEAR ENDED 31.03.2017

(₹ in crore)

DESCRIPTION	GROSS BLOCK					DEPRECIATION/AMORTISATION						NET BLOCK	
	AS AT 01/04/2016	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	DELETIONS DURING THE YEAR	TOTAL	AS AT 01/04/2016	FOR THE YEAR	ADJ DURING THE YEAR	ADJ THROUGH RETAINED EARNING	DELETIONS DURING THE YEAR	TOTAL	AS AT 31/03/2017	AS AT 01/04/2016
LEASED HOLD													
BUILDING	3.94	5.64	-	-	9.58	0.17	0.17	-	-	-	0.34	9.24	3.77
MULTIFUNCTIONAL COMPLEX	-	5.76	-	-	5.76	-	0.08	-	-	-	0.08	5.68	-
SUB TOTAL	3.94	11.40	-	-	15.34	0.17	0.25	-	-	-	0.42	14.92	3.77
OTHERS													
LAND	29.56	0.79	-	-	30.35	-	-	-	-	-	-	30.35	29.56
BUILDING	34.51	-	-	-	34.51	0.68	0.68	-	-	-	1.36	33.15	33.83
RESIDENTIAL QUARTERS	0.98	-	-	-	0.98	0.02	0.02	-	-	-	0.04	0.94	0.96
SURVEY AND OTHER INSTRUMENTS	3.80	1.06	-	-	4.86	0.68	0.71	-	-	-	1.39	3.47	3.12
COMPUTER AND EQUIPMENTS	5.27	2.04	-	0.02	7.29	2.11	2.22	-	-	-	4.33	2.96	3.16
SERVER & NETWORK	4.25	0.05	-	-	4.30	0.97	1.00	-	-	-	1.97	2.33	3.28

(₹ in crore)

DESCRIPTION	GROSS BLOCK					DEPRECIATION/AMORTISATION						NET BLOCK	
	AS AT 01/04/2016	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	DELETIONS DURING THE YEAR	TOTAL	AS AT 01/04/2016	FOR THE YEAR	ADJ DURING THE YEAR	ADJ THROUGH RETAINED EARNING	DELETIONS DURING THE YEAR	TOTAL	AS AT 31/03/2017	AS AT 01/04/2016
OFFICE AND OTHER EQUIPMENTS	3.12	0.93	-	0.04	4.01	1.32	0.93	-	-	-	2.25	1.76	1.80
AIR-CONDITIONER AND EQUIPMENTS	0.91	0.27	(0.02)	0.01	1.15	0.18	0.20	-	-	0.01	0.37	0.78	0.73
AIR CONDITIONER PLANT	6.75	0.05	-	-	6.80	1.36	1.36	-	-	-	2.72	4.08	5.39
FURNITURES	3.06	0.46	-	0.02	3.50	0.54	0.53	-	-	0.01	1.06	2.44	2.52
FIXTURES	1.64	0.05	-	0.02	1.67	0.73	0.47	-	-	-	1.20	0.47	0.91
VEHICLES	1.64	-	-	-	1.64	0.31	0.30	-	-	-	0.61	1.03	1.33
VEHICLES ABROAD	0.01	-	-	-	0.01	0.01	-	-	-	-	0.01	-	-
LOCOMOTIVES NEW	60.30	-	-	-	60.30	2.85	4.02	-	-	-	6.87	53.43	57.45
LOCOMOTIVES IN SERVICE	129.24	13.35	-	-	142.59	17.83	17.76	-	-	-	35.59	107.00	111.41
SUB TOTAL	285.04	19.05	(0.02)	0.11	303.96	29.59	30.20	-	-	0.02	59.77	244.19	255.45
TOTAL	288.98	30.45	(0.02)	0.11	319.30	29.76	30.45	-	-	0.02	60.19	259.11	259.22

NOTE :

- DEPRECIATION ON FREEHOLD FLATS IS CHARGED ON THE TOTAL COST OF FLATS IN THE ABSENCE OF BREAK-UP OF LAND COMPONENTS IN THE FLATS VALUE.
- IN RESPECT OF LEASE AGREEMENTS PENDING EXECUTION (REFER NOTE NO. 2.59).
- AGGREGATE DEPRECIATION AND AMORTISATION HAS BEEN INCLUDED UNDER DEPRECIATION AND AMORTISATION EXPENSES IN THE PROFIT AND LOSS.
- PRESENTATION HAS BEEN CHANGED IN LINE WITH IND AS 101 & THE CARRYING COST AS ON 01.04.2015 HAS BEEN INDICATED AS GROSS BLOCK.
- * ASSETS TRANSFERRED TO INVENTORIES AT WRITTEN DOWN VALUE OF ₹6.19 CRORE (PREVIOUS YEAR NIL) AS LOWER THAN NET REALISABLE VALUE (GROSS BLOCK ₹ 28.04 CRORE LESS ACCUMULATED DEPRECIATION ₹ 21.85 CRORE)

2.2 CAPITAL WORK IN PROGRESS

(₹ in crore)

DESCRIPTION	GROSS BLOCK					DEPRECIATION/AMORTISATION						NET BLOCK
	OPENING	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	DELETIONS DURING THE YEAR	TOTAL	OPENING	FOR THE YEAR	ADJ DURING THE YEAR	ADJ THROUGH RETAINED EARNING	DELETIONS DURING THE YEAR	TOTAL	
AS AT 31.03.2018	3.28	0.17	(3.07)	-	0.38	-	-	-	-	-	-	0.38
AS AT 31.03.2017	6.73	3.47	(6.92)	-	3.28	-	-	-	-	-	-	3.28
AS AT 01.04.2016	-	-	-	-	-	-	-	-	-	-	-	6.73

2.3 INVESTMENT PROPERTY

(₹ in crore)

DESCRIPTION	GROSS BLOCK					DEPRECIATION/AMORTISATION						NET BLOCK
	OPENING	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	DELETIONS DURING THE YEAR	TOTAL	OPENING	FOR THE YEAR	ADJ DURING THE YEAR	ADJ THROUGH RETAINED EARNING	DELETIONS DURING THE YEAR	TOTAL	
LEASEHOLD BUILDING												
AS AT 31.03.2018	1.33	-	-	-	1.33	0.08	0.03	-	-	-	0.11	1.22
AS AT 31.03.2017	1.33	-	-	-	1.33	0.04	0.04	-	-	-	0.08	1.25
AS AT 01.04.2016	-	-	-	-	-	-	-	-	-	-	-	1.29

REFER NOTE NO. 2.45

2.4 INTANGIBLE ASSETS

(₹ in crore)

DESCRIPTION	GROSS BLOCK					DEPRECIATION/AMORTISATION						NET BLOCK
	OPENING	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	DELETIONS DURING THE YEAR	TOTAL	OPENING	FOR THE YEAR	ADJ DURING THE YEAR	ADJ THROUGH RETAINED EARNING	DELETIONS DURING THE YEAR	TOTAL	
SOFTWARES (ACQUIRED)												
AS AT 31.03.2018	5.37	0.39	-	-	5.76	3.64	1.21	-	-	-	4.85	0.91
AS AT 31.03.2017	5.12	0.26	-	0.01	5.37	2.02	1.62	-	-	-	3.64	1.73
AS AT 01.04.2016	-	-	-	-	-	-	-	-	-	-	-	3.10

2.5 INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ in crore)

DESCRIPTION	GROSS BLOCK					DEPRECIATION/AMORTISATION						NET BLOCK
	OPENING	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	DELETIONS DURING THE YEAR	TOTAL	OPENING	FOR THE YEAR	ADJ DURING THE YEAR	ADJ THROUGH RETAINED EARNING	DELETIONS DURING THE YEAR	TOTAL	
SOFTWARES (ACQUIRED)												
AS AT 31.03.2018	1.58	-		-	1.58	-	-		-	-	-	1.58
AS AT 31.03.2017	1.58	-		-	1.58	-	-		-	-	-	1.58
AS AT 01.04.2016	-	-	-	-	-	-	-	-	-	-	-	1.58

AGGREGATE DEPRECIATION AND AMORTISATION HAS BEEN INCLUDED UNDER DEPRECIATION AND AMORTISATION EXPENSES IN THE STATEMENT OF PROFIT AND LOSS.

2.6 INVESTMENTS

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
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2.6.1 NON CURRENT INVESTMENTS

A) INVESTMENT IN UNQUOTED EQUITY INSTRUMENTS OF (INVESTMENT CARRIED AT COST):

SUBSIDIARIES

(i) RITES (Afrika) (Pty) Ltd., Botswana	0.01	0.01	0.01
10,000 (previous year 10,000) equity shares of face value of Pula 1/- each, fully paid-up.			

(ii) RITES Infrastructure Services Limited***	0.05	0.05	0.05
50,000 (previous year 50,000) equity shares of face value of ₹ 10 each, fully paid-up.			

Less : Provision for Diminution in value of Investment	(0.05)	-	(0.05)	-	(0.05)	-
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(iii) Railway Energy Management Company Limited	35.70	35.70	25.50
35,700,000 (previous year 35,700,000) equity shares of face value of ₹ 10 each, fully paid-up.			

JOINT VENTURES

(i) SAIL-RITES Bengal Wagon Industry Private Limited	24.00	24.00	22.27
24,000,000 (previous year 24,000,000) equity shares of face value of ₹ 10 each, fully paid-up.			

(ii) BNV Gujarat Rail Private Limited	0.01	0.01	-
13,000 (previous year 13,000) equity shares of face value of ₹ 10 each, fully paid-up.			

COOPERATIVE SOCIETIES

(i) Moru Mahal Co-operative Society Limited	2.52	-	-	-
5 (previous year 5) Equity Shares of face value of ₹ 50/- each acquired for purchase of residential quarter.				

(ii) Amit Industrial Premises Co-operative Society Limited	2.52	-	-	-
10 (previous year 10) Equity Shares of face value of ₹ 50/- each acquired for purchase of laboratory.				

OTHERS

Global Procurement Consultants Limited*****	0.04	0.04	0.04
32,279 (previous year 32,279) equity shares of face value of ₹ 10/- each, fully paid-up (includes 2,279 equity shares of face value of ₹ 10/- each at a price of ₹ 30/- each).			

AGGREGATE OF UNQUOTED INVESTMENTS (NON CURRENT)	59.76	59.76	47.82
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(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
B) INVESTMENT IN QUOTED TAX FREE BONDS OF (INVESTMENT CARRIED AT AMORTISED COST):				
(i) INDIAN RAILWAY FINANCE CORPORATION (7 YEAR SECURED REDEEMABLE 6.32% TAX FREE BONDS 20DEC., 2017)				
5,000 Bonds of face value of ₹ 100,000/- each , fully paid		-	-	50.00
(ii) INDIAN RAILWAY FINANCE CORPORATION (10 YEAR SECURED REDEEMABLE 7.55% TAX FREE BONDS 08NOV., 2021)				
2,500 Bonds of face value of ₹ 100,000/- each , fully paid		25.00	25.00	25.00
(iii) INDIAN RAILWAY FINANCE CORPORATION (10 YEAR SECURED REDEEMABLE 7.21% TAX FREE BONDS 26NOV., 2022)				
300 Bonds of face value of ₹ 1,000,000/- each at premium of ₹100/- each, fully paid		30.00	30.00	30.00
(iv) INDIAN RAILWAY FINANCE CORPORATION (10 YEAR SECURED REDEEMABLE 7.22% TAX FREE BONDS 30NOV., 2022)				
100 Bonds of face value of ₹ 1,000,000/- each at premium of ₹100/- each, fully paid		10.00	10.00	10.00
(v) INDIAN RAILWAY FINANCE CORPORATION (10 YEAR SECURED REDEEMABLE 7.18% TAX FREE BONDS 19FEB., 2023)				
100,000 Bonds of face value of ₹ 1,000/- each, fully paid		10.00	10.00	10.00
(vi) INDIAN RAILWAY FINANCE CORPORATION (10 YEAR SECURED REDEEMABLE 8.35% TAX FREE BONDS 21NOV., 2023)				
250 Bonds of face value of ₹ 1,000,000/- each at premium of ₹100/-each, fully paid		25.00	25.00	25.00
(vii) INDIAN RAILWAY FINANCE CORPORATION (10 YEAR SECURED REDEEMABLE 7.19% TAX FREE BONDS 31JUL., 2025)				
200 Bonds of face value of ₹ 1,000,000/- each at premium of ₹100/-each, fully paid		20.00	20.00	20.00
AGGREGATE OF QUOTED INVESTMENTS (NON CURRENT)		120.00	120.00	170.00
TOTAL (NON CURRENT)		179.76	179.76	217.82

2.6.2 CURRENT INVESTMENTS**A) INVESTMENT IN UNQUOTED EQUITY INSTRUMENTS OF (INVESTMENT CARRIED AT COST):****JOINT VENTURE****Companhia Dos Caminhos De Ferro Da Beira, SA (CCFB), Mozambique******

NIL (previous year NIL) equity shares of face value of US\$ 1/- each, fully paid-up.

- - 6.01

B) INVESTMENT IN UNQUOTED MUTUAL FUNDS (INVESTMENT CARRIED AT FAIR VALUE THROUGH PROFIT OR LOSS):**UTI LIQUID CASH PLAN**

NIL (PREVIOUS YEAR 699229.967) UNITS OF ₹ 1019.4457 PER UNIT.

- 71.28 -

CANARA ROBECO LIQUID FUND

NIL (PREVIOUS YEAR 713603.548) UNITS OF ₹ 1005.5000 PER UNIT

- - 71.76 143.04 - -

AGGREGATE OF UNQUOTED INVESTMENT (CURRENT)

- 143.04 6.01

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
C) INVESTMENT IN QUOTED TAX FREE BONDS OF (INVESTMENT CARRIED AT AMORTISED COST):				
(i) INDIAN RAILWAY FINANCE CORPORATION* (7 YEAR SECURED REDEEMABLE 6.30% TAX FREE BONDS 08MAR., 2017)		-	-	50.00
5,000 Bonds of face value of ₹ 100,000/- each , fully paid				
(ii) INDIAN RAILWAY FINANCE CORPORATION (7 YEAR SECURED REDEEMABLE 6.32% TAX FREE BONDS 20DEC., 2017)				
5,000 Bonds of face value of ₹ 100,000/- each , fully paid		-	50.00	-
AGGREGATE OF QUOTED INVESTMENTS (CURRENT)		-	50.00	50.00
TOTAL (CURRENT)		-	193.04	56.01
GRAND TOTAL		179.76	372.80	273.83
A AGGREGATE AMOUNT OF QUOTED INVESTMENTS		120.00	170.00	220.00
B MARKET VALUE OF QUOTED INVESTMENTS (INCLUDING INTEREST ACCRUED)**		127.19	178.56	229.67
C AGGREGATE AMOUNT OF UNQUOTED INVESTMENTS		59.76	202.80	53.83
D AGGREGATE AMOUNT OF IMPAIRMENT IN VALUE OF INVESTMENTS		0.05	0.05	0.05

* RECLASSIFIED FROM NON CURRENT TO CURRENT AT THE YEAR ENDED ON 01.04.2016.

** MARKET VALUE OF SOME OF THE BONDS ARE NOT AVAILBALE AS THESE BONDS ARE NOT FREQUENTLY TRADED, HENCE TAKEN AT AMORTISED COST.

*** UNDER LIQUIDATION.

**** DISPUTE OF CCFB, MOZAMBIQUE HAS BEEN AMICABLY SETTLED WITH GOVERNMENT OF MOZAMBIQUE (GOM) IN 2015-16. (REFER NOTE NO. 2.56)

***** EQUITY SHARES OF GLOBAL PROCUREMENT CONSULTANTS LIMITED ARE NOT TRADABLE AND AMOUNT OF INVESTMENT IN THE ENTITY IS NOT MATERIAL, HENCE INVESTMENT IS RECOGNISED AT COST. REFER NOTE NO. 2.46

2.7 NON CURRENT LOANS

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
(SECURED, CONSIDERED GOOD)				
LOANS TO EMPLOYEES		8.19	9.61	8.96
(UNSECURED, CONSIDERED GOOD)				
LOANS TO EMPLOYEES		-	0.04	1.36
LOANS TO JV (RELATED PARTY)	2.39	7.00	-	-
TOTAL		15.19	9.65	10.32

2.8 OTHER NON CURRENT FINANCIAL ASSETS

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
SECURITY DEPOSITS		3.55	2.64	1.54
INTEREST ACCRUED (INCLUDING ACCRUED BUT NOT DUE) ON:				
- BANK DEPOSITS		1.84	2.35	1.21
- LOANS TO SRBWPL (RELATED PARTY)		0.76	-	-
RETENTION MONEY		16.90	15.23	11.03
AMOUNT RECOVERABLES		0.03	-	-
GOVT. OF MOZAMBIQUE RECEIVABLES	2.56	35.03	68.49	45.96
BANK DEPOSITS HAVING MATURITY OVER 12 MONTHS FROM REPORTING DATE:				
- OWNED FUND	2.13.3	27.07	100.92	107.57
- CLIENTS FUND	2.14.3	41.03	49.94	28.66
TOTAL		126.21	239.57	195.97

2.9 DEFERRED TAX ASSETS/ (LIABILITY) (NET)

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
DEFERRED INCOME TAX ASSETS:				
LEAVE ENCASHMENT AND OTHER PROVISIONS		16.12	21.45	33.14
PROVISION FOR DOUBTFUL DEBTS, SECURITY DEPOSITS/ EMD, ADVANCES ETC.		55.15	27.87	20.53
TOTAL DEFERRED INCOME TAX ASSETS - I		71.27	49.32	53.67
DEFERRED INCOME TAX LIABILITIES:				
PROPERTY, PLANT & EQUIPMENT		8.89	9.19	11.79
TOTAL DEFERRED INCOME TAX LIABILITIES - II		8.89	9.19	11.79
DEFERRED INCOME TAX ASSETS (NET)	2.48	62.38	40.13	41.88

2.10 OTHER NON CURRENT ASSETS

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
ADVANCE INCOME TAX (NET OF PROVISION)	2.48	73.37	106.19	69.43
PREPAID EXPENSES		0.47	1.08	1.21
PRE-PAYMENT TOWARDS LEASEHOLD ASSETS		7.18	7.62	8.04
DEFERRED COST TOWARDS STAFF LOAN		1.85	2.08	2.23
CAPITAL ADVANCE		32.94	11.44	17.34
DEFERRED COST TOWARDS GOVT OF MOZAMBIQUE RECEIVABLES		0.47	1.78	0.34
TOTAL		116.28	130.19	98.59

2.11 INVENTORIES

(AT THE LOWER OF COST AND NET REALISABLE VALUE)

(₹ in crore)

PARTICULARS	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
(AS CERTIFIED BY MANAGEMENT)			
STORES & SPARES	1.90	2.58	2.11
STOCK IN TRADE*	7.48	47.84	10.96
TOTAL	9.38	50.42	13.07

*Includes inventory of ₹ 4.36 crore (previous year ₹ 38.83 crore, 01.04.2016 ₹ 5.74 crore) lying with third parties.

*Includes goods in transit ₹ 1.01 crore (previous year ₹ 3.83 crore, 01.04.2016 ₹ 1.66 crore).

2.12 CURRENT TRADE RECEIVABLES

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
UNSECURED				
CONSIDERED GOOD	2.39	458.70	453.85	530.16
CONSIDERED DOUBTFUL		82.83	63.53	41.74
		541.53	517.38	571.90
LESS: ALLOWANCES FOR EXPECTED CREDIT LOSSES		(82.83)	(63.53)	(41.74)
TOTAL		458.70	453.85	530.16

2.13 CASH AND BANK BALANCES-OWNED FUND

(₹ in crore)

	PARTICULARS	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
2.13.1	CASH AND CASH EQUIVALENTS			
	CHEQUES IN HAND	1.09	0.34	0.18
	BANK BALANCES IN :			
	CURRENT ACCOUNTS	21.99	47.73	129.14
	DEPOSITS #	119.00	202.97	239.96
	TOTAL	142.08	251.04	240.14
2.13.2	OTHER BANK BALANCES			
	DEPOSITS ##	1,250.67	609.42	457.61
	TOTAL	1,250.67	609.42	457.61
2.13.3	BANK BALANCE MORE THAN 12 MONTHS MATURITY-OWNED FUND (NOTE NO. 2.8)			
	DEPOSITS ###	27.07	100.92	107.57
	TOTAL	27.07	100.92	107.57
	TOTAL CASH & BANK BALANCE-OWNED FUND*	1,419.82	961.38	805.32

Includes flexi deposits and deposits having maturity within 3 months from the date of acquisition.

Having maturity over 3 months from the date of acquisition and upto 12 months from reporting date.

Having maturity over 12 months from reporting date.

* Includes restricted cash and bank balances of ₹ 0.56 crore (previous year ₹ 4.24 crore, 01.04.2016 ₹ 6.49 crore) on account of bank balance held as margin money deposits against guarantees issued by banks.

2.14 CASH AND BANK BALANCES-CLIENTS FUND

(₹ in crore)

	PARTICULARS	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
2.14.1	CASH AND CASH EQUIVALENTS			
	BANK BALANCES IN :			
	CURRENT ACCOUNTS	57.24	58.09	6.46
	DEPOSITS #	535.02	275.28	183.89
	TOTAL	592.26	333.37	190.35
2.14.2	OTHER BANK BALANCES			
	DEPOSITS ##	1,584.48	1,659.09	1,627.98
	TOTAL	1,584.48	1,659.09	1,627.98
2.14.3	BANK BALANCE MORE THAN 12 MONTHS MATURITY-OWNED FUND (NOTE NO. 2.8)			
	DEPOSITS ###	41.03	49.94	28.66
	TOTAL	41.03	49.94	28.66
2.14.4	BOOK OVERDRAFT#### (NOTE NO. 2.26)	(7.73)	(26.58)	(3.58)
	TOTAL CASH & BANK BALANCE-CLIENTS FUND	2,210.04	2,015.82	1,843.41

Includes flexi deposits and deposits having maturity within 3 months from the date of acquisition.

Having maturity over 3 months from the date of acquisition and upto 12 months from reporting date.

Having maturity over 12 months from reporting date.

Book overdraft due to issuance of cheques, which will be cleared against term deposits available in banks.

2.15 CURRENT LOANS

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
(SECURED, CONSIDERED GOOD)				
LOANS TO EMPLOYEES		3.67	3.94	3.90
(UNSECURED, CONSIDERED GOOD)				
LOANS TO JV (RELATED PARTY)	2.39	-	7.00	1.73
LOANS TO EMPLOYEES		0.30	0.48	1.54
TOTAL		3.97	11.42	7.17

2.16 OTHER CURRENT FINANCIAL ASSETS

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
GOVT. OF TANZANIA RECEIVABLES	2.57	59.04	58.72	60.09
LESS: ALLOWANCES FOR EXPECTED CREDIT LOSSES		(59.04)	-	-
AMOUNT RECOVERABLES		32.46	27.74	29.51
LESS: ALLOWANCES FOR EXPECTED CREDIT LOSSES		(16.65)	(15.94)	(16.43)
INTEREST ACCRUED (INCLUDING ACCRUED BUT NOT DUE) ON:				
- BANK DEPOSITS HAVING MATURITY: WITHIN 3 MONTHS FROM THE DATE OF ACQUISITION		0.09	0.29	0.35
OVER 3 MONTHS FROM THE DATE OF ACQUISITION AND UPTO 12 MONTHS FROM REPORTING DATE		34.92	39.40	41.48
- BONDS		5.89	7.47	8.36
- LOANS TO SRBWPL (RELATED PARTY)		-	0.14	0.31
		40.90	47.30	50.50
RETENTION MONEY		14.23	7.21	7.53
GOVT. OF MOZAMBIQUE RECEIVABLES		35.87	36.20	36.99
ADVANCES TO RELATED PARTIES	2.39	1.17	5.22	13.02
SECURITY DEPOSITS		3.01	4.14	4.55
LESS: ALLOWANCES FOR EXPECTED CREDIT LOSSES		(0.49)	(0.68)	(0.76)
UNBILLED REVENUE		1.95	2.55	0.29
TOTAL		112.45	172.46	185.29

2.17 CURRENT TAX ASSETS (NET)

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
INCOME TAX RECEIVABLES	2.48	36.82	10.35	38.66
TOTAL		36.82	10.35	38.66

2.18 OTHER CURRENT ASSETS

(₹ in crore)

PARTICULARS	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
PREPAID EXPENSES	5.18	4.86	3.31
OTHER ADVANCES	68.21	42.03	76.85
LESS: ALLOWANCES FOR EXPECTED CREDIT LOSSES	(0.35)	(0.39)	(0.38)
PRE-PAYMENT TOWARDS LEASEHOLD ASSETS	0.44	0.44	0.47
DEFERRED COST TOWARDS STAFF LOAN	0.79	0.84	1.00
DEFERRED COST TOWARDS GOVT OF MOZAMBIQUE RECEIVABLES	1.31	2.03	1.10
TOTAL	75.58	49.81	82.35

2.19 EQUITY SHARE CAPITAL

(₹ in crore)

	PARTICULARS	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
2.19.1	AUTHORISED			
	300,000,000 (PREVIOUS YEAR 300,000,000) EQUITY SHARES OF ₹ 10/- EACH	300.00	300.00	150.00

2.19.2 ISSUED, SUBSCRIBED AND FULLY PAID-UP

	200,000,000 (PREVIOUS YEAR 200,000,000) EQUITY SHARES OF ₹ 10/- EACH	200.00	200.00	100.00
		200.00	200.00	100.00

2.19.3 RECONCILIATION OF NUMBER OF EQUITY SHARES

	No. of Shares	(₹ in crore)	No. of Shares	(₹ in crore)	No. of Shares	(₹ in crore)
OPENING BALANCE	20,00,00,000	200.00	10,00,00,000	100.00	10,00,00,000	100.00
ADD/(LESS) DURING THE YEAR	-	-	10,00,00,000	100.00	-	-
CLOSING BALANCE	20,00,00,000	200.00	20,00,00,000	200.00	10,00,00,000	100.00

2.19.4 RIGHTS, PREFERENCES AND RESTRICTIONS ATTACHED TO EQUITY SHARES

THE COMPANY HAS ONE CLASS OF EQUITY SHARES HAVING A PAR VALUE OF ₹ 10 EACH. EACH SHAREHOLDER IS ELIGIBLE FOR ONE VOTE PER SHARE HELD IN CASE POLL IS DEMANDED BY THE MEMBERS IN ACCORDANCE WITH THE PROVISIONS OF THE COMPANIES ACT, 2013. IN THE EVENT OF LIQUIDATION, THE EQUITY SHAREHOLDERS ARE ELIGIBLE TO RECEIVE THE REMAINING ASSETS OF THE COMPANY AFTER DISTRIBUTION OF ALL PREFERENTIAL AMOUNTS, IN PROPORTION TO THEIR SHAREHOLDING.

	No. of Shares	No. of Shares	No. of Shares
--	---------------	---------------	---------------

2.19.5 EQUITY SHARES HELD BY EACH SHAREHOLDER MORE THAN 5% OF SHARES

PRESIDENT OF INDIA ACTING THROUGH MINISTRY OF RAILWAYS (Refer Note No. 2.50)	19,99,60,000	19,99,60,000	9,99,80,000
	(99.98 %)	(99.98 %)	(99.98 %)

2.19.6 FULLY PAID-UP AGGREGATE NUMBER OF EQUITY SHARES ALLOTTED BY WAY OF BONUS SHARES DURING THE YEAR OF FIVE YEARS IMMEDIATELY PRECEDING BALANCE SHEET DATE.

	No. of Shares	No. of Shares	No. of Shares
NUMBER OF BONUS SHARES ISSUED IN 2012-13 : 6 CRORE OF ₹ 10/- EACH			
NUMBER OF BONUS SHARES ISSUED IN 2016-17 : 10 CRORE OF ₹ 10/- EACH (ISSUED TWICE: 5 CRORE EACH TIME)	16,00,00,000	16,00,00,000	6,00,00,000

2.20 OTHER EQUITY

(₹ in crore)

	PARTICULARS	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
2.20.1	RESERVE & SURPLUS			
	GENERAL RESERVE	1,992.77	1,833.71	1,778.50
2.20.2	OTHER COMPREHENSIVE INCOME	(1.11)	1.62	1.03
	TOTAL	1,991.66	1,835.33	1,779.53

2.21 NON CURRENT TRADE PAYABLES

(₹ in crore)

PARTICULARS	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
CREDITORS FOR SUPPLIES AND SERVICES			
OTHER THAN MICRO, SMALL AND MEDIUM ENTERPRISES	-	-	0.66
TOTAL	-	-	0.66

2.22 OTHER NON CURRENT FINANCIAL LIABILITIES

(₹ in crore)

PARTICULARS	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
SECURITY DEPOSITS	122.26	108.46	99.62
TOTAL	122.26	108.46	99.62

2.23 NON CURRENT PROVISIONS

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
EMPLOYEE BENEFITS	2.37	2.61	97.55	89.89
WARRANTIES	2.44	9.28	15.13	9.97
TOTAL		11.89	112.68	99.86

2.24 OTHER NON CURRENT LIABILITIES

(₹ in crore)

PARTICULARS	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
CLIENTS ADVANCES	92.47	7.27	2.07
TOTAL	92.47	7.27	2.07

2.25 CURRENT TRADE PAYABLES

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
CREDITORS FOR SUPPLIES AND SERVICES				
MICRO, SMALL AND MEDIUM ENTERPRISES	2.54	0.61	0.70	0.60
OTHER THAN MICRO, SMALL AND MEDIUM ENTERPRISES		76.19	71.58	62.49
TOTAL		76.80	72.28	63.09

2.26 OTHER CURRENT FINANCIAL LIABILITIES

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
CLIENTS DEPOSITS		1,823.24	1,723.85	1,742.13
SECURITY DEPOSITS		95.93	80.53	58.77
FOREIGN SERVICE CONTRIBUTION	2.58	5.64	5.62	1.93
SALARY PAYABLES		60.66	49.22	50.26
BOOK OVERDRAFT-CLIENTS FUND*	2.14.4	7.73	26.58	3.58
STAFF & OTHER CLAIMS		6.20	5.06	4.71
PAYABLE TO RELATED PARTIES		0.15	-	-
SUNDRY CREDITORS FOR OTHER EXPENSES		74.76	37.50	49.16
TOTAL		2,074.31	1,928.36	1,910.54

* Book overdraft due to issuance of cheques, which will be cleared against term deposits clients fund available in banks.

2.27 CURRENT PROVISIONS

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
EMPLOYEE BENEFITS	2.37	73.57	113.72	78.91
EXCISE DUTY		-	1.79	0.50
WARRANTIES	2.44	32.07	34.99	21.77
COMMITMENTS	2.44	-	-	3.43
TOTAL		105.64	150.50	104.61

2.28 OTHER CURRENT LIABILITIES

(₹ in crore)

PARTICULARS	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
CUSTOMERS ADVANCES	330.96	225.51	87.13
STATUTORY LIABILITIES	26.08	20.13	18.18
TOTAL	357.04	245.64	105.31

2.29 REVENUE FROM OPERATIONS

(₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2018	YEAR ENDED 31.03.2017
SALE OF SERVICES			
CONSULTANCY FEE (GROSS)		823.00	715.01
LESS: SERVICE TAX/GST		(103.90)	(91.36)
CONSULTANCY FEE (NET)	2.60	719.10	623.65
QUALITY ASSURANCE (GROSS)		292.21	199.13
LESS: SERVICE TAX/GST		(42.60)	(25.38)
QUALITY ASSURANCE (NET)		249.61	173.75
LEASE SERVICES (GROSS)		98.41	103.92
LESS: SERVICE TAX/GST		(6.13)	(10.64)
LEASE SERVICES (NET)		92.28	93.28
		1,060.99	890.68
SALE OF PRODUCTS			
EXPORT SALES		231.61	377.40
OTHERS			
TURNKEY CONSTRUCTION PROJECTS	2.36	146.64	31.27
TOTAL		1,439.24	1,299.35

2.30 OTHER INCOME

(₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2018	YEAR ENDED 31.03.2017
INTEREST EARNED ON:			
- DEPOSITS WITH BANK		84.31	78.22
- TAX FREE BONDS		11.30	15.14
- STAFF ADVANCES		1.48	1.79
- LOAN TO RELATED PARTIES		0.94	0.50
- OTHERS		4.24	8.63
		102.27	104.28
PROVISION NO LONGER REQUIRED		24.86	5.52
PROFIT ON SALE OF FIXED ASSETS		0.15	0.06
PROFIT ON SALE OF NON CURRENT INVESTMENT	2.56	-	71.47
DEFERRED INCOME TOWARDS GOVT OF MOZAMBIQUE RECEIVABLES		2.03	1.96
DIVIDEND FROM:			
- RITES (AFRIKA) (RELATED PARTY)		0.03	-
- RAILWAY ENERGY MANAGEMENT COMPANY LTD		1.88	-
- TRADE CURRENT INVESTMENTS		7.22	4.45
		9.13	4.45
EXPORT INCENTIVES		10.97	14.01
RENT FROM INVESTMENT PROPERTIES		0.99	0.99
EXCHANGE VARIATION		6.94	1.88
MISCELLANEOUS INCOME		6.00	2.83
TOTAL		163.34	207.45

2.31 EMPLOYEE BENEFIT EXPENSES

(₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2018	YEAR ENDED 31.03.2017
SALARIES-DOMESTIC		282.65	246.01
SALARIES-ABROAD		3.50	3.23
SALARIES CONTRACT EMPLOYEES		25.59	23.53
FOREIGN SERVICE CONTRIBUTION	2.58	5.62	5.61
CONTRIBUTION TO PROVIDENT FUND & OTHER FUNDS	2.37	24.48	19.75
GRATUITY	2.37	10.60	40.63
POST RETIRAL BENEFITS (PENSION/MEDICAL)	2.37	29.13	24.27
STAFF WELFARE EXPENSES		18.37	15.98
LEAVE TRAVEL CONCESSION	2.37	0.01	0.06
PERFORMANCE RELATED PAYMENT		24.00	13.00
LEAVE ENCASHMENT	2.37	33.22	24.17
TOTAL		457.17	416.24

2.32 COST OF EXPORT SALES

(₹ in crore)

PARTICULARS	YEAR ENDED 31.03.2018	YEAR ENDED 31.03.2017
COST OF TRADED GOODS	153.88	252.59
CONSUMABLES	1.07	2.87
FREIGHT & FORWARDING	2.66	4.63
INSURANCE	0.12	0.05
FEES FOR SERVICES OBTAINED	6.33	15.73
PROVISION FOR WARRANTIES	5.35	19.57
UNWINDING WARRANTIES COST	2.66	0.66
TOTAL	172.07	296.10

2.33 COST OF TURNKEY CONSTRUCTION PROJECTS

(₹ in crore)

PARTICULARS	YEAR ENDED 31.03.2018	YEAR ENDED 31.03.2017
SUPPLIES & SERVICES	130.77	27.85
TOTAL	130.77	27.85

2.34 OTHER EXPENSES

(₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2018	YEAR ENDED 31.03.2017
PRINTING, STATIONERY AND DOCUMENTATION		3.61	3.84
BUSINESS PROMOTION		2.22	2.44
AUDITORS' REMUNERATION	2.34.1	0.20	0.16
AUDITORS' OUT OF POCKET EXPENSES	2.34.1	0.04	0.02
RATES & TAXES		4.60	3.04
OFFICE RENT		5.78	5.53
POSTAGE & TELECOMMUNICATION		5.35	4.13
OFFICE MAINTENANCE		8.97	8.24
REPAIRS TO MACHINERY/EQUIPMENTS		3.03	3.63
REPAIRS TO BUILDING		-	0.02
POWER AND FUEL CHARGES		4.69	4.64
STORES AND SPARES CONSUMED-LEASED	2.34.2	1.46	3.61
STORES AND SPARES CONSUMED-OTHERS	2.34.3	4.04	7.35
BOOKS AND PERIODICALS		0.15	0.14
INTERNAL AUDIT FEE		0.13	0.13
ADVERTISEMENT AND PUBLICITY		3.17	3.43
SUBSCRIPTION AND MEMBERSHIP FEE		0.31	0.28
LEGAL AND PROFESSIONAL FEE		2.09	1.73
INSURANCE CHARGES		0.60	3.19
BANK CHARGES		2.13	2.01
BAD DEBTS		1.77	3.42
FIXED ASSETS WRITTEN OFF		5.86	0.02
HIRE CHARGES OF EQUIPMENTS		0.02	-
VEHICLE RUNNING AND MAINTENANCE		0.85	0.96
MANPOWER DEVELOPMENT		1.65	1.20
LOSS ON SALE OF FIXED ASSETS		0.02	0.04
IMPAIRMENT FOR:			
- DOUBTFUL DEBTS, ADVANCES, SECURITY DEPOSITS ETC.		83.02	22.15
PROVISION FOR:			
- EXCISE DUTY BONDS		-	1.29
DIRECTORS' SITTING FEE		0.21	0.12
CORPORATE SOCIAL RESPONSIBILITY		9.90	9.20
OPERATING LEASE PAYMENTS		0.44	0.44
AMORTISED DEFERRED COST TOWARDS GOVT OF MOZAMBIQUE RECEIVABLES		2.03	1.96
MISCELLANEOUS EXPENSES (COST OF TENDER DOCUMENTS, VISA CHARGES, ETC.)		3.76	3.95
TOTAL		162.10	102.31

2.34.1 AUDITORS' REMUNERATION

(₹ in crore)

PARTICULARS	YEAR ENDED 31.03.2018	YEAR ENDED 31.03.2017
(A) STATUTORY AUDITORS		
STATUTORY AUDIT FEE	0.05	0.05
TAX AUDIT FEE	0.02	0.02
LIMITED REVIEW/QUARTERLY AUDIT AND CONSOLIDATION FEE	0.06	0.04
OTHER SERVICES, i.e. CERTIFICATION ETC.	-	-
SUB TOTAL (A)	0.13	0.11
(B) BRANCH AUDITORS		
STATUTORY AUDIT FEE	0.02	0.02
TAX AUDIT FEE	0.01	0.01
LIMITED REVIEW AUDIT FEE	0.04	0.02
SUB TOTAL (B)	0.07	0.05
AUDITORS' REMUNERATION (A+B)	0.20	0.16
AUDITORS' OUT OF POCKET EXPENSES	0.04	0.02

2.34.2 STORES AND SPARES CONSUMED-LEASED

(₹ in crore)

PARTICULARS	YEAR ENDED 31.03.2018	YEAR ENDED 31.03.2017
STORES AND SPARES CONSUMED	0.85	3.23
CONSUMABLES	0.37	0.13
FREIGHT & FORWARDING INWARD	0.19	0.20
INSURANCE CHARGES	0.04	-
OTHER PROCUREMENT EXPENSES	0.01	0.05
TOTAL	1.46	3.61

2.34.3 STORES AND SPARES CONSUMED-OTHERS

(₹ in crore)

PARTICULARS	YEAR ENDED 31.03.2018	YEAR ENDED 31.03.2017
CONSUMABLES	4.00	6.60
FREIGHT & FORWARDING INWARD	0.04	0.75
TOTAL	4.04	7.35

2.35 DEFERRED TAX (NET)

(₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2018	YEAR ENDED 31.03.2017
CREDIT/(CHANGE) RELATING TO TEMPORARY DIFFERENCES		22.25	(1.75)
TOTAL	2.48	22.25	(1.75)

DISCLOSURES AS PER INDIAN ACCOUNTING STANDARDS (IND AS):

2.36 DISCLOSURE ON CONSTRUCTION CONTRACTS (INDIAN ACCOUNTING STANDARD-11) IS AS FOLLOWS:

(₹ in crore)

S. No.	Particulars	Year ended	
		31.03.18	31.03.17
1.	Contract revenue recognized during the year	146.64	31.27
2.	Aggregate amount of Costs incurred upto reporting date	334.75	191.85
3.	Recognized profits/(Loss) up to reporting date	0.97	(2.78)
4.	Amount of advances received	256.14	270.84

2.37 Disclosure on Employee Benefits (Indian Accounting Standard-19) is as follows:

2.37.1 Defined Benefit Plan

2.37.1.1.1 Gratuity (Funded)-Regular Employees.

2.37.1.1.1.1 Changes in Present Value of the Benefit Obligation are as follows:

(₹ in crore)

Particulars	31.03.18	31.03.17
Present Value of obligation as at beginning of year	119.72	79.97
Interest Cost	8.95	6.26
Current Service Cost	7.28	4.99
Benefits paid	(7.25)	(5.95)
Actuarial (Gain)/Loss on obligation	5.36	(0.35)
Past Service Cost	-	34.80
Present Value of Obligation as at end of year	134.06	119.72

2.37.1.1.1.2 Changes in the Fair Value of Plan Assets are as follows:

(₹ in crore)

Particulars	31.03.18	31.03.17
Fair Value of Plan Assets at beginning of year	80.83	74.10
Actual Interest Income	7.29	6.81
Contributions	38.88	5.87
Benefits Paid	(6.76)	(5.95)
Fair value of Plan Assets at the end of year	120.24	80.83

2.37.1.1.1.3 The amount recognized in the Balance Sheet is as follows:

(₹ in crore)

Particulars	31.03.18	31.03.17
Defined Benefit Obligation at end of year	134.06	119.72
Fair value of Plan Assets at the end of year	120.24	80.83
Funded Status - (Surplus)/ Deficit	13.82	38.89
Net (Liability)/ Asset recognized in Balance Sheet	(13.82)	(38.89)

2.37.1.1.1.4 Amount recognized in the Statement of Profit & Loss is as follows:

(₹ in crore)

Particulars	31.03.18	31.03.17
Current Service Cost	7.28	4.99
Net Interest on Net Defined Benefit Liability	2.91	0.46
Past Service Cost	-	34.80
Expenses recognized in the statement of Profit & Loss	10.19	40.25

2.37.1.1.1.5 Amount recognized in Other Comprehensive Income is as follows:

(₹ in crore)

Particulars	31.03.18	31.03.17
Actuarial (Gains)/Losses on Liability	5.36	(0.35)
Actuarial (Gains)/Losses on Assets	(1.25)	(1.01)
Other Comprehensive (Income)/Expense	4.11	(1.36)

2.37.1.1.1.6 The principal actuarial assumptions are as follows:

Particulars	31.03.18	31.03.17
Discounting rate (%)	7.50%	7.47%
Future salary increase (%)	9.00%	8.00%

The significant actuarial assumptions for the determination of the defined obligations are discount rate and expected salary increase. The sensitivity for actuarial assumptions have been computed by varying respective actuarial assumption used for valuation of the defined benefit obligation by 1%, while holding all other assumptions constant.

If the discount rate increases (decreases) by 1%, the defined obligations would decrease by ₹ 4.35 crore (increase by ₹ 4.64 crore) as on 31st March, 2018 and if the expected salary growth increases (decreases) by 1%, the defined benefit obligations would increase by ₹ 4.68 crore (decrease by ₹ 4.42 crore) as on 31st March, 2018.

However, the actual change in assumptions would not necessarily behave in isolation to each other. The defined benefit obligations would change accordingly.

The Company is expected to contribute ₹ 13.82 crore to defined benefit plan obligations towards gratuity during the year 2018-19. Remeasurement (gain)/loss of defined employee benefit plans in Other Comprehensive Income (OCI) for the year ended 31.03.2018 and 31.03.2017 are ₹ 4.11 crore and ₹ (1.36) crore respectively.

The defined benefit obligation shall mature as follows:

Year ending March, 31	Defined benefit obligations (₹ in crore)
2019	12.65
2020	26.38
2021	12.50
2022	11.64
2023	9.86
2024	10.21
2024 onward	50.83

2.37.1.1.2 Gratuity (Funded)-Contract Employees.

2.37.1.1.2.1 Changes in Present Value of the Benefit Obligation are as follows:

(₹ in crore)

Particulars	31.03.18	31.03.17
Present Value of obligation as at beginning of year	2.01	1.65
Interest Cost	0.15	0.13
Current Service Cost	0.26	0.26
Benefits paid	(0.25)	(0.49)
Actuarial (Gain)/Loss on obligation	0.09	0.46
Present Value of Obligation as at end of year	2.26	2.01

2.37.1.1.2.2 Changes in the fair value of Plan Assets are as follows:

(₹ in crore)

Particulars	31.03.18	31.03.17
Fair Value of Plan Assets at beginning of year	-	-
Actual Interest Income	0.03	-
Contributions	2.01	-
Benefits Paid	-	-
Fair value of Plan Assets at the end of year	2.04	-

2.37.1.1.2.3 The amount recognized in the Balance Sheet is as follows:

(₹ in crore)

Particulars	31.03.18	31.03.17
Defined Benefit Obligation at end of year	2.26	2.01
Fair value of Plan Assets at the end of year	2.04	-
Funded Status - (Surplus)/ Deficit	0.22	2.01
Net (Liability)/ Asset recognized in Balance Sheet	(0.22)	(2.01)

2.37.1.1.2.4 Amount recognized in the Statement of Profit & Loss is as follows:

(₹ in crore)

Particulars	31.03.18	31.03.17
Current Service Cost	0.26	0.26
Net Interest on Net Defined Benefit Liability	0.15	0.13
Expenses recognized in the statement of Profit & Loss	0.41	0.39

2.37.1.1.2.5 Amount recognized in Other Comprehensive Income is as follows:

(₹ in crore)

Particulars	31.03.18	31.03.17
Actuarial (Gains)/Losses on Liability	0.09	0.46
Actuarial (Gains)/Losses on Assets	(0.03)	-
Other Comprehensive (Income)/Expense	0.06	0.46

2.37.1.1.2.6 The principal actuarial assumptions are as follows:

Particulars	31.03.18	31.03.17
Discounting rate (%)	7.50%	7.47%
Future salary increase (%)	4.50%	4.00%

2.37.1.1.2.7 The significant actuarial assumptions for the determination of the defined obligations are discount rate and expected salary increase. The sensitivity for actuarial assumptions have been computed by varying respective actuarial assumption used for valuation of the defined benefit obligation by 1%, while holding all other assumptions constant.

If the discount rate increases (decreases) by 1%, the defined obligations would decrease by ₹ 0.28 crore (increase by ₹ 0.31 crore) as on 31st March, 2018 and if the expected salary growth increases (decreases) by 1%, the defined benefit obligations would increase by ₹ 0.32 crore (decrease by ₹ 0.30 crore) as on 31st March, 2018.

However, the actual change in assumptions would not necessarily behave in isolation to each other. The defined benefit obligations would change accordingly.

2.37.1.2 Provident Fund (Funded)

All eligible employees of the company are entitled to receive benefits under the Provident Fund, a defined benefit plan, set up through a Trust named as RITES Contributory Provident Fund Trust. Both employee and employer contribute monthly at a determined rate as specified under the law to the Trust. The obligation of the company is limited to such contribution and to make good the shortfall, if any, between the returns from the investments of the trust and the notified interest rate. Short fall, if any, is recognised as an expense during the year. As per actuarial valuation, present value of the expected future earnings on the fund is higher than the expected amount to be contributed to the individual members based on the expected guaranteed rate of interest, resulting in no liability on the company.

The company contributed ₹ 23.78 crore and ₹ 19.44 crore to the provident fund during the year ended 31st March, 2018 and 31st March, 2017 respectively.

2.37.1.3 Other Benefits

2.37.1.3.1 Other Benefits (Funded):- Leave Encashment and Medical Leave- Regular Employees

2.37.1.3.1.1 Changes in Present Value of the Benefit Obligation are as follows:

(₹ in crore)

Particulars	Leave Encashment (Regular Employee)		Medical Leave (Regular Employee)	
	31.03.18	31.03.17	31.03.18	31.03.17
Present Value of obligation as at beginning of year	59.11	52.88	51.24	46.93
Interest Cost	4.42	4.23	3.83	3.68
Current Service Cost	5.67	3.30	3.60	2.93
Benefits paid	(16.43)	(11.59)	(1.53)	(1.36)
Actuarial (Gain)/Loss on obligation	13.42	10.29	2.11	(0.94)
Present Value of Obligation as at end of year	66.19	59.11	59.25	51.24

2.37.1.3.1.2 Changes in the Fair Value of Plan Assets are as follows:

(₹ in crore)

Particulars	Leave Encashment (Regular Employee)		Medical Leave (Regular Employee)	
	31.03.18	31.03.17	31.03.18	31.03.17
Fair Value of Plan Assets at beginning of year	-	-	-	-
Actual Interest Income	0.39	-	0.34	-
Contributions	59.11	-	50.88	-
Benefits Paid	-	-	-	-
Fair value of Plan Assets at the end of year	59.50	-	51.22	-

2.37.1.3.1.3 The amount recognized in the Balance Sheet is as follows:

(₹ in crore)

Particulars	Leave Encashment (Regular Employee)		Medical Leave (Regular Employee)	
	31.03.18	31.03.17	31.03.18	31.03.17
Defined Benefit Obligation at end of year	66.19	59.11	59.25	51.24
Fair value of Plan Assets at the end of year	59.50	-	51.22	-
Funded Status - (Surplus)/ Deficit	6.69	59.11	8.03	51.24
Net (Liability)/ Asset recognized in Balance Sheet	(6.69)	(59.11)	(8.03)	(51.24)

2.37.1.3.1.4 Amount recognized in the Statement of Profit & Loss is as follows:

(₹ in crore)

Particulars	Leave Encashment (Regular Employee)		Medical Leave (Regular Employee)	
	31.03.18	31.03.17	31.03.18	31.03.17
Current Service Cost	5.67	3.30	3.60	2.93
Net Interest on Net Defined Benefit Liability	4.42	4.23	3.83	3.68
Net Actuarial (gain)/loss recognized in the year	13.02	10.29	1.77	(0.94)
Expenses recognized in the statement of Profit & Loss	23.11	17.82	9.20	5.67

2.37.1.3.1.5 The principal actuarial assumptions are as follows:

Particulars	Leave Encashment (Regular Employee)		Medical Leave (Regular Employee)	
	31.03.18	31.03.17	31.03.18	31.03.17
Discounting rate (%)	7.50%	7.47%	7.50%	7.47%
Future salary increase (%)	9.00%	8.00%	9.00%	8.00%

2.37.1.3.1.6 Sensitivity Analysis of the defined benefit obligation.

(₹ in crore)

Particulars	Increase (Decrease) in present value of obligation as on 31.03.2018	
	Leave Encashment (Regular Employee)	Medical Leave (Regular Employee)
Impact due to Increase of 1% discount rate	(5.66)	(4.19)
Impact due to Decrease of 1% discount rate	6.15	4.48
Impact due to Increase of 1% in Salary	6.12	4.20
Impact due to Decrease of 1% in Salary	(5.72)	(4.52)

2.37.1.3.2 Other Benefits (unfunded):- Leave Encashment (Contract employee), LTC (Deputation employee) and Long Service Award (Regular employee).

2.37.1.3.2.1 Present value of the defined benefits plan obligations

(₹ in crore)

Particulars	Leave Encashment (Contract Employee)		LTC (Deputation employee)		Long Service Award (Regular employee)	
	31.03.18	31.03.17	31.03.18	31.03.17	31.03.18	31.03.17
Opening Balance	0.86	0.69	0.13	0.15	1.58	1.54
Interest Cost	0.06	0.05	0.01	0.01	0.12	0.12
Current Service Cost	0.53	0.17	0.01	0.01	0.11	0.10
Benefit paid	(0.53)	(0.51)	(0.04)	(0.08)	(0.25)	(0.28)
Actuarial (Gain)/ Loss on obligation	0.30	0.46	0.00	0.04	(0.10)	0.10
Closing Balance	1.22	0.86	0.11	0.13	1.46	1.58

2.37.1.3.2.2 Total expenses recognized in the Statement of Profit & Loss are as follows:

(₹ in crore)

Particulars	Leave Encashment (Contract Employee)		LTC (Deputation employee)		Long Service Award (Regular employee)	
	31.03.18	31.03.17	31.03.18	31.03.17	31.03.18	31.03.17
Current Service Cost	0.53	0.17	0.01	0.01	0.11	0.10
Interest Cost	0.06	0.05	0.01	0.01	0.12	0.12
Actuarial (Gain)/Loss	0.30	0.46	0.00	0.04	(0.10)	0.10
Expenses recognized in the statement of Profit & Loss	0.89	0.68	0.02	0.06	0.13	0.32

2.37.1.3.2.3 The principal actuarial assumptions used at the Balance Sheet date are as follows:

Particulars	Leave Encashment (Contract employee)		LTC (Deputation employee)		Long Service Award (Regular employee)	
	31.03.18	31.03.17	31.03.18	31.03.17	31.03.18	31.03.17
Discount rate (%)	7.50%	7.47%	7.50%	7.47%	7.50%	7.47%
Future salary increase (%)	4.50%	4.00%	9.00%	8.00%	-	-

2.37.1.3.2.4 Sensitivity Analysis of the defined benefit obligation.

(₹ in crore)

Particulars	Increase (Decrease) in present value of obligation as on 31.03.2018	
	Leave Encashment (Contract employee)	LTC (Deputation employee)
Impact due to Increase of 1% discount rate	(0.18)	(0.01)
Impact due to Decrease of 1% discount rate	0.20	0.01
Impact due to Increase of 1% in Salary	0.19	-
Impact due to Decrease of 1% in Salary	(0.18)	-

2.37.2 Defined Contribution Plans

2.37.2.1 Post Retirement Benefits (Pension & Medical)

All eligible employees are entitled to benefit under defined contribution plans towards pension under EPFO scheme, post retirement pension fund and medical schemes as defined contribution plans. The company has no obligations other than the contribution payable to such funds/schemes. The company recognizes such contributions as expenses when an employee renders the related service.

During the year, company contributed/ provided ₹ 17.26 crore (previous year ₹ 12.33 crore) towards post retirement pension fund, ₹ 4.13 crore (previous year ₹ 4.01 crore) towards pension under EPFO and ₹ 11.87 crore (previous year ₹ 11.94 crore) towards medical schemes.

2.38 Disclosures on Operating Segments (Indian Accounting Standard-108) are as follows:

Operating segments are defined as components of an enterprise for which discrete financial information is available which is being evaluated regularly by the Chief Operating Decision Maker (CODM) in deciding how to allocate resources and assessing performance. The company's chief operating decision maker is the Chief Executive Officer and Chairman & Managing Director.

2.38.1 Company has identified four operational reportable segments based on operations being carried out which are as under:-

- Consultancy Services
- Turnkey Construction Projects
- Export of rolling stock, equipments and spares
- Leasing of railway rolling stock & equipments

2.38.2 Geographical wise revenue segment is disclosed as under:-

- Revenue within India from consultancy includes quality assurance & project management services, turnkey construction projects and domestic lease rental services to clients located inside India.
- Revenue from outside India includes services rendered, export sales of rolling stock & spare parts and lease rental services to the clients located outside India.

2.38.3 The accounting principles used in the preparation of the financial statements are consistently applied to record revenue & expenditure in individual segment, as set out in the note of significant accounting policies.

2.38.4 Revenue and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reporting segment have been allocated on the basis of attributed direct cost. All other expenses which are not attributable or allocable to the segments have been disclosed as un-allocable expenses.

- 2.38.5 Assets and liabilities used in the Company's business are not identified to any of the reportable segments as these are used interchangeably between segments. Depreciation, amortisation & impairment on Property, Plant & Equipment and Intangible Assets cannot be allocated to a specific segment. Company believes that it is currently not practicable to provide segmental disclosure relating to total assets, total liabilities and depreciation, amortisation & impairment since a meaningful segregation of the available data could be onerous.

2.38.6 Operational Segments:

Year ended 31.03.2018

(₹ in crore)

Description	Consultancy Services		Leasing		Export Sale	Turnkey Construction Projects-Domestic	Total
	Domestic	Abroad	Domestic	Abroad			
Revenue	906.38	62.33	82.54	9.74	231.61	146.64	1439.24
Identifiable operating expenses	547.71	33.00	51.16	4.37	180.00	142.91	959.15
Segmental profit from operations	358.67	29.33	31.38	5.37	51.61	3.73	480.09
Add: Interest Income*							102.27
Add: Other Income **							61.07
Less: Un-allocable Expenses							149.94
Net Profit Before Tax							493.49
Less: Income Tax (including Deferred Tax)							156.68
Net Profit After Tax							336.81
Additional Information:							
Depreciation and amortisation							30.18
Non-cash expenses/ (income) other than depreciation and amortization							90.65
Reversal of Provisions							24.86
Profit on sale of PPE							0.15
Loss on sale of PPE							0.02
Profit on sale of investment							-

Year ended 31.03.2017

(₹ in crore)

Description	Consultancy Services		Leasing		Export Sale	Turnkey Construction Projects-Domestic	Total
	Domestic	Abroad	Domestic	Abroad			
Revenue	769.55	27.85	70.91	22.37	377.40	31.27	1299.35
Identifiable operating expenses	512.33	10.96	44.50	11.95	311.73	38.08	929.55
Segmental profit from operations	257.22	16.89	26.41	10.42	65.67	(6.81)	369.80
Add: Interest Income*							104.28
Add: Other Income **							103.17
Less: Un-allocable Expenses							89.15
Net Profit Before Tax							488.10

(₹ in crore)

Description	Consultancy Services		Leasing		Export Sale	Turnkey Construction Projects-Domestic	Total
	Domestic	Abroad	Domestic	Abroad			
Less: Income Tax (including Deferred Tax)							157.17
Net Profit After Tax							330.93
Additional Information:							
Depreciation and amortisation							32.11
Non-cash expenses/ (income) other than depreciation and amortisation							26.88
Reversal of Provisions							5.52
Profit on sale of PPE							0.06
Loss on sale of PPE							0.04
Profit on sale of investment							71.47

2.38.7 Geographical Segment

(₹ in crore)

Description	Year ended 31.03.2018				Year ended 31.03.2017			
	India	Abroad		Total	India	Abroad		Total
		Asia	Africa			Asia	Africa	
Revenue	1135.56	220.64	83.04	1439.24	871.73	373.91	53.71	1299.35
Identifiable operating expenses	741.78	175.38	41.99	959.15	594.89	307.22	27.44	929.55
Segmental profit from operations	393.78	45.26	41.05	480.09	276.84	66.69	26.27	369.80
Add: Interest Income*				102.27				104.28
Add: Other Income **				61.07				103.17
Less: Un-allocable Expenses				149.94				89.15
Net Profit Before Tax				493.49				488.10
Less: Income Tax (including Deferred Tax)				156.68				157.17
Net Profit After Tax				336.81				330.93
Additional Information:								
Depreciation and amortisation				30.18				32.11
Non-cash expenses/ (income) other than depreciation and amortisation				90.65				26.88
Reversal of Provisions				24.86				5.52
Profit on sale of PPE				0.15				0.06
Loss on sale of PPE				0.02				0.04
Profit on sale of investment				-				71.47

* Interest income includes interest on bank deposits, bonds, staff advances, loans, income tax refunds etc.

** Other income includes provision no longer required, profit on sale of assets, export incentives, rental income from investment properties, dividend on trade current & non-current investments, exchange gain etc.

Note:- No Impairment and its reversal has been recognized in Other Comprehensive Income (OCI) during the year ended 31.03.2018 and 31.03.2017.

2.38.8 Revenue of ₹ 534.51 crore (previous year ₹ 518.60 crore) from major customers is given below:

(₹ in crore)

Description	Year ended 31.03.2018				Year ended 31.03.2017			
	Consul-tancy	Export Sales	Turnkey Construction Projects-Domestic	Total	Consul-tancy	Export Sales	Turnkey Construction Projects-Domestic	Total
Customer 1	184.84	-	143.47	328.31	124.98	-	28.11	153.09
Customer 2	-	206.20	-	206.20	-	365.51	-	365.51
Total	184.84	206.20	143.47	534.51	124.98	365.51	28.11	518.60

Note:- PSUs under the same ministry have not been considered as one customer.

2.39 Related Party Disclosures (Indian Accounting Standard-24) are as follows:-

2.39.1 Subsidiary Companies

Name of Subsidiaries	Country	Holding as on	
		31.03.18	31.03.17
M/s RITES (Afrika) (Pty) Ltd. (RAPL)	Botswana	100%	100%
M/s RITES Mohawarean Arabia Co. Ltd. (RMAC)*	Saudi Arabia	76%	76%
M/s RITES Infrastructure Services Ltd. (RISL)**	India	100%	100%
M/s Railway Energy Management Company Ltd. (REMCL)	India	51%	51%

*RITES Mohawarean Arabia Company Ltd. (RMAC), a subsidiary company with 76% stake, is under liquidation. Investment in equity of ₹ 0.47 crore made by the company has already been received from RMAC.

**RITES Infrastructure Services Limited (RISL) is under liquidation. Prior to initiating process of liquidation, all assets & liabilities have been taken over by RITES on 30.09.2016.

2.39.1.1 Joint Ventures

Name of Joint Ventures	Country	Holding as on	
		31.03.18	31.03.17
M/s SAIL-RITES Bengal Wagon Industry Private Limited	India	50%	50%
M/s BNV Gujarat Rail Private Limited	India	26%	26%

2.39.1.2 Other Related Parties

Name of Other Related Parties	Country	Nature of Relationship
RITES Contributory Provident Fund Trust	India	Post- Employment Benefit Plan of RITES
RITES Ltd. Superannuation Pension Trust	India	Post- Employment Benefit Plan of RITES
RITES Ltd. Retired Employees Medical Trust	India	Post- Employment Benefit Plan of RITES
RITES Employees Group Gratuity Cum Life Insurance Scheme Trust	India	Post- Employment Benefit Plan of RITES

2.39.1.3 Key Management Personnel

Chairman & Managing Director (Chief Executive Officer)

Mr. Rajeev Mehrotra

Whole Time Directors

Mr. Arbind Kumar, Director Projects

Mr. Ajay Kumar Gaur, Director Finance (Chief Finance Officer)

Mr. Mukesh Rathore, Director Technical

Government Nominee Directors

Mr. A.P. Dwivedi, Director

Mr. Ravindra Nath Misra, Director (Upto 31st August, 2017)

Mr. Bhupendra Kumar Agarwal, Director (From 26th September, 2017)

Non-Executive (Independent) Directors

Dr. Vidya Rajiv Yeravdekar

Mr. Anil Kumar Goel

Mr. Satish Sareen

Dr. Pramod Kumar Anand (From 19th Sept., 2017)

Ms. Geethakumary (From 15th March, 2018)

Dr. Rajendra N.Goyal (From 15th March, 2018)

Company Secretary

Mr. P.T. Mittal, Company Secretary & GM (Legal) (upto 31st March, 2018)

Mr. Ashish Srivastava, Company Secretary (From 1st April, 2018)

2.39.2 Transactions and Balance with Related Parties

Outstanding balances from the related parties are unsecured and considered good which are due towards ordinary course of business and are being realised within reasonable time.

2.39.2.1 Subsidiary Companies

Transactions with Subsidiary Companies:

(₹ in crore)

Particulars	RAPL		RISL*		REMCL	
	Year ended		Year ended		Year ended	
	31.03.18	31.03.17	31.03.18	31.03.17	31.03.18	31.03.17
Investment	-	-	-	-	-	10.20
Recoverable/ Advances	-	-	(0.58)	(6.92)	(2.43)	0.48
Consultancy Fee/ Income from Construction Turnkey Projects	1.57	0.21	-	0.03	5.54	4.80
Interest Received	-	-	-	-	1.06	-
Dividend Received	0.03	-	-	-	1.88	-

Balances with Subsidiary Companies:

(₹ in crore)

Particulars	RAPL		RISL*		REMCL	
	Year ended		Year ended		Year ended	
	31.03.18	31.03.17	31.03.18	31.03.17	31.03.18	31.03.17
Investments	0.01	0.01	0.05	0.05	35.70	35.70
Recoverable /Advances	-	-	-	0.32	1.17	4.09
Receivables	0.05	0.21	-	0.26	0.86	-

*RITES Infrastructure Services Limited (RISL) is under liquidation. Prior to initiating process of liquidation, all assets & liabilities have been taken over by RITES on 30th September, 2016 and during the year holding company has written off ₹ 0.58 crore recoverable from RISL.

2.39.2.2 Joint Ventures

Transactions with Joint Ventures:

(₹ in crore)

Particulars	SAIL-RITES Bengal Wagon Industry Private Ltd.		BNV Gujarat Rail Private Limited	
	Year ended		Year ended	
	31.03.18	31.03.17	31.03.18	31.03.17
Investments (equity)	-	1.73	-	0.01
Recoverable(Payable)/Advances	(0.23)	0.08	-	-
Operating Income (Consultancy Fee/ Income from Construction Turnkey Projects/Export Sales/Leasing Service)	-	3.06	-	-
Loans given*	-	7.00	-	-
Interest on Loans given*	0.62	0.14	-	-

Balances with Joint Ventures

(₹ in crore)

Particulars	SAIL-RITES Bengal Wagon Industry Private Ltd.		BNV Gujarat Rail Private Limited	
	As on		As on	
	31.03.18	31.03.17	31.03.18	31.03.17
Investments(equity)	24.00	24.00	0.01	0.01
Recoverable (Payable)/Advances	(0.15)	0.07	-	-
Receivables	-	0.01	-	-
Loans*	7.00	7.00	-	-
Interest accrued on Loans given*	0.76	0.14	-	-

* With a moratorium period of 30 months upto July, 2019 for principal and interest

Note: Company has invested in M/s BNV Gujarat Rail Private Limited during the year 2016-17. Venture Company is incorporated in the year 2016-17 but no operation started till 31st March, 2018.

2.39.2.3 Transactions with other related parties (Post-Retirement Benefits Trusts/Plans):

Transactions regarding Post-Retirement Benefit Plans, as mentioned vide note no. 2.39.1.2, are indicated vide note 2.37.

2.39.2.4 Transactions with Key Managerial Personnel:

(₹ in crore)

Description	Year ended	
	31.03.18	31.03.17
Compensation to CMD, Whole Time Directors & Company Secretary:		
• Short Term Employee Benefits	2.18	2.71
• Post-employment Benefits	0.53	0.37
• Other Long Term Benefits	0.21	0.31
Sub-Total	2.92	3.39
Sitting fee to Non-Executive (Independent) Directors	0.21	0.12
Total	3.13	3.51

2.39.3 Government related entities

Government of India (GOI) is holding 100% equity shares of the company, which are held by President of India through Ministry of Railways and its nominees. GOI controls the company through Ministry of Railways (refer note no:- 2.50)

The Company has made various transactions with the Ministry of Railways and with entities being controlled or jointly controlled or having significant influence of the Ministry of Railways. The transactions with them are as under:

Significant Transactions with Government related entities:

(₹ in crore)

Particulars	Year ended	
	31.03.18	31.03.17
Revenue	399.98	224.98
Procurements	50.37	190.27
Consumables	0.37	9.07
Freight	-	4.05
Training Exp.	0.02	0.12
Redemption of Tax Free Bonds	50.00	50.00

Significant balances with Government related entities:

(₹ in crore)

Particulars	As on	
	31.03.18	31.03.17
Capital Advances	4.80	5.96
Other Advances	45.30	27.42
Payables	4.08	4.16
Advance Received	9.96	4.79
Clients Funds Received	101.83	75.49
Receivables	153.11	119.25
Tax Free Bonds	120.00	170.00

2.40 Disclosures on Leases (Indian Accounting Standard-17) are as follows:

Operating Lease (Cancelable)

2.40.1.1 The company has leasing arrangement of locomotives in domestic and overseas markets, Company is also providing services of its experts for maintenance of these locomotives for which lease rent is received from the clients as per terms of the contracts.

2.40.1.2 Detail of the leased assets: New & In-Service Locomotives (refer note no. 2.1)

(₹ in crore)

Description	Year ended	
	31.03.18	31.03.17
Gross carrying amount	235.56	202.89
Accumulated depreciation	63.83	42.46
Net carrying amount	171.73	160.43
Depreciation provided for the year	21.37	21.78

2.40.2.1 Description of lease arrangement of Scope Office Complex

The company has leased 545 sq. m. area of furnished accommodation to Railway Board, Indian Railways on lease rent basis receivable every month. The lease arrangement is upto 30th September, 2018.

2.40.2.2 Details of the leased assets: Office Premises*

(₹ in crore)

Description	Year ended	
	31.03.18	31.03.17
Gross carrying amount	1.56	1.56
Accumulated depreciation	0.28	0.24
Net carrying amount	1.28	1.32
Depreciation provided for the year	0.04	0.05

* Leased assets include building, air conditioners, AC plant, furniture and fixture.

2.40.3 The company has not sub-leased any of the assets taken on lease.

2.40.4 Operating Leases for Company's offices, staff residential premises and vehicles are renewable / cancelable as laid down in the respective agreements. The total of minimum lease payments recognized in the Statement of Profit & Loss for the year is ₹ 30.62 crore (previous year ₹ 31.84 crore).

2.40.5 There are no provisions relating to contingent rent.

2.41 Disclosures on Earning Per Share (EPS) (Indian Accounting Standard-33) are as follows:

Particulars		Year Ended	
		31.03.2018	31.03.2017
A	Net Profit available for Equity Shareholder (₹ in crore)	336.81	330.93
B	Weighted average number of Equity Shares	20,00,00,000	20,00,00,000
C	Earnings Per Share(Basic & Diluted) (A)/(B)	₹16.84	₹ 16.55
D	Face value per equity share	₹10/-	₹10/-

2.42 Disclosures of Interest in Other Entities (Indian Accounting Standard-112) are as follows:
2.42.1 RITES has following Joint Arrangements:

Name of Joint Arrangements	Nature of Interest/Relationship with Joint Arrangements	Principal Place of Business of Joint Arrangements	Proportionate ownership interest or participating share
Geoconsult - RITES	RITES has formed a Joint venture with M/s. Geoconsult-ZT-Gmbh (Austria) for detailed design consultancy and construction supervision of about 11 kms long railway tunnel in J&K State. Both the venturers contributed in the seed money as agreed for operational and execution purposes.	India	13%
Geoconsult - RITES, NRT-1	RITES has formed a Joint venture with M/s. Geoconsult-ZT-Gmbh (Austria) for detailed design consultancy and construction supervision of Tunnel No.1 (3.1 km long) on Udampur - Katra Section for the USBRL project in the state of J&K.	India	16%
Geoconsult ZT GmbH - RITES	RITES has formed a Joint venture with M/s. Geoconsult ZT GmbH (Austria) for detailed design and construction supervision of Tunnel No.10 (Approx. Length 3.3 km) in connection with Jiribam-Tupul new railway line project in the state of Manipur.	India	39.40%
Geoconsult -RITES (JV)	RITES has formed a Joint venture with M/s. Geoconsult India Pvt. Ltd. for instrumentation, monitoring and design of remedial works as per requirement for vulnerable locations for two monsoon seasons in Lumding-Silchar BG Rail Line.	India	35.01%
RICON	RITES has formed a Joint Venture with M/s. IRCON International Ltd. to secure and execute contracts to be awarded by M/s Companhia Dos Caminhos de Ferro Da Beira, SA, Mozambique to RICON for rendering Management Support Services, Consultancy Works, Project Management, Construction Supervision, Supply of Materials, Rolling Stock and equipment, Works Contracts, Leasing of Equipments / Rolling Stocks etc.	India	51%
SAIL-RITES Bengal Wagon Industry Private Limited	RITES has formed a Joint Venture with SAIL for manufacturing Wagons at SGW, Kulti, West Bengal.	India	50%
BNV Gujarat Rail Private Limited	RITES has formed a Joint Venture with Shapoorji Pallonji Roads Private Limited and PCM Cement Concrete Private Limited to set up, own, operate, finance and maintain the Bhuj-Naliya-Vayor rail connectivity project in Kutch district of the state of Gujarat	India	26%

2.42.2 Disclosures in respect of Joint Ventures:

2.42.2.1 Investment is measured at cost.

2.42.2.2 Summarised financial information of the Joint Ventures are as under:

(₹ in crore)

Description / JVs	SAIL-RITES Bengal Wagon Industry Private Limited		BNV Gujarat Rail Private Limited	
	31.03.18	31.03.17	31.03.18	31.03.17
Fixed Assets (Net)/Non Current Assets	97.37	103.60	-	-
Current Assets, Loans & Advances	23.09	18.43	0.04	0.05
Current Liabilities & Provisions	50.72	39.34	0.01	-
Non Current Liabilities & Provisions	44.23	53.03	-	-
Capital	48.00	48.00	0.05	0.05
Retained Earnings / (losses)	(22.49)	(18.34)	(0.02)	-
Revenue	83.97	9.22	-	-
Expenditure including Tax	88.12	22.19	0.01	-
Profit / (Loss) After Tax	(4.14)	(12.97)	(0.01)	-
Additional information:				
Cash and Cash Equivalents	0.40	1.17	0.04	0.05
Current financial liabilities (excluding trade and other payables and provisions)	37.05	28.70	-	-
Non- Current financial liabilities (excluding trade and other payables and provisions)	44.23	53.03	-	-
Depreciation and Amortisation	6.78	5.83	-	-
Interest Income	0.02	0.22	-	-
Interest Expense	7.35	6.10	-	-
Income tax expenses or (income)	-	-	-	-

BNV Gujarat Rail Private Limited was incorporated in financial year 2016-17, but no commercial activity was started till 31.03.2018.

2.42.2.3 Reconciliation of Company's interest in Joint Ventures:

(₹ in crore)

Description / JVs	SAIL-RITES Bengal Wagon Industry Private Limited		BNV Gujarat Rail Private Limited	
	2017-18	2016-17	2017-18	2016-17
Net Assets				
Net Assets of Joint Venture	25.51	29.66	0.03	0.05
Proportionate share in Joint Venture (%)	50%	50%	26%	26%
Share of interest in net assets of Joint Venture	12.76	14.83	0.01	0.01
Carrying amount of interest in Joint Venture	12.76	14.83	0.01	0.01
Net Profit				
Net Profit / (Loss) After Tax of Joint Venture	(4.14)	(12.97)	(0.01)	-
Proportionate share in Joint Venture (%)	50%	50%	26%	26%
Share of interest in net profit after tax of Joint Venture	(2.07)	(6.49)	-	-
Amount of interest in net profit after tax of Joint Venture	(2.07)	(6.49)	-	-

- There is no restriction on the ability of Joint Ventures to transfer funds to the company in the form of cash dividends or to repay loans and advances made by the company.
- Company has invested in M/s BNV Gujarat Rail Private Limited during the year 2016-17. Venture Company is incorporated in the year 2016-17 but no operation started till 31st March, 2018.

2.42.2.4 All the investments in Joint Ventures are non-tradable in market.

2.42.3 Summarised financial information of the Joint Operations:

(₹ in crore)

Description / JVs	RICON		Geoconsult-RITES		Geoconsult - RITES, NRT-1		Geoconsult ZT GmbH-RITES		Geoconsult-RITES (JV)	
	Year ended 31.03.18	Year ended 31.03.17	Year ended 31.03.18	Year ended 31.03.17	Year ended 31.03.18	Year ended 31.03.17	Year ended 31.03.18	Year ended 31.03.17	Year ended 31.03.18	Year ended 31.03.17
Fixed Assets (Net)/Non Current Assets	-	-	-	-	-	-	0.01	0.61	-	0.28
Current Assets, Loans & Advances	21.75	21.43	5.92	5.59	3.74	3.92	1.69	0.96	1.50	0.71
Current Liabilities & Provisions	0.73	0.75	4.10	3.65	3.52	3.42	2.44	1.85	0.84	0.57
Non Current Liabilities & Provisions	-	-	-	-	-	-	-	-	-	-
Capital	-	-	-	-	-	-	-	-	-	-
Retained Earnings / (losses)	21.02	20.68	1.82	1.94	0.21	0.50	(0.74)	(0.28)	0.66	0.42
Revenue	0.51	0.65	0.10	0.18	0.11	0.22	0.65	1.79	5.93	2.77
Expenditure including Tax	0.17	0.24	0.22	0.08	0.40	0.11	1.11	2.66	5.27	2.34
Profit/(Loss) After Tax	0.34	0.41	(0.12)	0.10	(0.29)	0.11	(0.46)	(0.87)	0.66	0.43
Additional information:										
Cash and Cash Equivalents	0.01	1.22	0.10	0.52	0.17	0.51	-	0.19	0.19	0.24
Current financial liabilities (excluding trade and other payables and provisions)	-	-	-	-	-	-	-	-	-	-
Non- Current financial liabilities (excluding trade and other payables and provisions)	-	-	-	-	-	-	-	-	-	-
Depreciation and Amortisation	-	-	-	-	-	-	0.01	0.02	-	-
Interest Income	0.51	0.62	0.10	0.09	0.11	0.10	0.01	-	-	-
Interest Expense	-	-	-	-	-	-	-	-	-	-
Income tax expenses or (income)	0.15	0.17	-	0.06	-	0.03	-	-	0.40	0.22

2.42.4 Company jointly participated in the followings projects with other entities:

Project Name	Name of entities
General Consultancy to Delhi Metro Rail Corporation Ltd. for Delhi Mass Rapid Transit System Project-Phase-III.	M/s Oriental Consultants Co. Ltd. M/s Parsons Brickerhoff International INC. M/s Tonichi Engineering Consultants INC.
General Consultancy to Bangalore Metro Rail Corporation Ltd. for Bangalore Metro.	M/s Oriental Consultants Co. Ltd. M/s Parsons Brickerhoff International INC. M/s Systra SA
General Consultancy to Metro Link Express for Gandhinagar & Ahmedabad (MEGA) Company Ltd. for Mass Rapid Transit System project at Ahmedabad.	M/s Systra SA France (Lead). M/s Oriental Consultants Global Co. Ltd., Japan. M/s AECOM Asia Company Ltd., HongKong.

Project Name	Name of entities
General consultancy to Nagpur Metro Rail Corporation Ltd. for Nagpur Metro.	M/s Systra, France M/s AECOM Asia Co. Ltd. M/s EGIS Rail S.A.
General consultancy to Pune Metro Rail Corporation Ltd. for Pune Metro.	M/s Systra, France M/s AECOM Asia Co. Ltd. M/s EGIS Rail S.A.
Detailed design consultancy services for power supply & distribution system, 750 V DC, 3rd rail traction electrification & SCADA system of Metro Link Express for Ghandhinagar & Ahmedabad (MEGA) Company Ltd. for mass Rapid Transit System Project at Ahmedabad.	M/s TUV SUD South Asia Pvt. Ltd. (TUV)
DPR for MRTS between Ahmedabad and Dholera for DMICDC.	M/s Stanley Consultants inc.
Consulting Services for feasibility & detailed Design of Road Tunnels in Shimla and other parts of Himachal Pradesh.	M/s Geo-Consult-ZT GmbH (Austria) M/s Secon Pvt. Ltd., India
1. Taj International Airport project work at Agra. 2. Feasibility report /DPR for development and operation of airport at Singrauli, M.P.	M/s KPMG
Development of six lane supervision cable Greenfield bridge over river Ganga from Kacchi Dargah on NH-30 to Bidupur in District Vaishali on NH-103.	M/s IDFC Limited M/s Infrastructure Development Corporation (Karnataka) Limited (IDeCK)
Preparation of feasibility report for proposed six lane bridge over river Brahmaputra connecting Narengi (near Guwahati) with Kurua (at North Bank) with a road link up to Dumnichowki on NH-52, Assam.	M/s STUP Consultants Pvt. Limited M/s Gifford India Pvt. Limited
Project Management Consultancy for river morphological analysis and design of river training and bank protection works in the state of Uttarakhand.	M/s DHI (India) Water & Environment Pvt. Ltd.
Consultancy for feasibility studies for package-2 (Mumbai-Chennai) of Diamond Quadrilateral Network of High Speed Rail Corridors.	M/s Systra M/s Ernst & Young LLP
Consultancy services for the construction of Cargo Complex Parallel Taxiway and Modification of Old Terminal Building at PARO International Airport, Bhutan.	M/s PRCS, Bhutan
TEFR Study for Development of Integrated Multimodal Logistics Hub(IMLH) at Nangal Chaudhary in Haryana.	M/s KPMG M/s LnT IEL

2.43 The company has carried out the assessment on impairment of assets in terms of IND AS 36 "Impairment of Assets" accordingly impairment losses or reversal, if any, has been recognized during the year in the Statement of Profit & Loss.

2.44 **Disclosures on Provisions, Contingent Liabilities and Contingent Assets (Indian Accounting Standard-37) are as follows:**

2.44.1 Provisions include mainly towards warranty which has been made for fulfillment of warranty obligation after export sale of rolling stocks/ locomotives & spares. Estimation of such provision is based on past experience, nature of rolling stock exported to various clients and year specified in the agreements with them. Actual expenditure may vary during the warranty period as per the requirements.

(₹ in crore)

Items	Carrying amount 01.04.17	Additional Provision made during the year	Provisions used during the year	Unused amount reversed during the year	Unwinding Cost	Carrying amount as on 31.03.18
Warranties	50.12	8.10	4.71	14.81	2.66	41.36

(₹ in crore)

Items	Carrying amount 01.04.16	Additional Provision made during the year	Provisions used during the year	Unused amount reversed during the year	Unwinding Cost	Carrying amount as on 31.03.17
Warranties	31.74	23.78	1.84	4.21	0.65	50.12
Commitments	3.43	-	-	3.43	-	-

Effect of change in the discount rate:

As per the agreements with the customers, warranty years are varying from two to five years, i.e. extending beyond one year, require discounting to work out net present value of such provisions made towards warranty.

Discount rate is based on the average of interest rates in Fixed Deposits with banks during the reporting year. Average interest rate for the year 2017-18 is of 6.74% vice 7.5% for the year 2016-17. The effect of interest rate change on the above provisions is ₹ 0.24 crore.

2.44.2 Contingent liabilities and commitments to the extent not provided for include:

2.44.2.1 Contingent Liabilities

- (a) Claims against the company not acknowledged as debts as certified by the Management are ₹ 672.49 crore (previous year ₹ 491.60 crore). These include:-
 - (i) Claims (excluding interest) amounting to ₹ 639.48 crore (previous year ₹ 458.76 crore) against the company by the sub-contractors / other agencies including award against the company pending in courts. The management does not foresee any liability on the company as the same are contested by the company for and or on behalf of the clients.
 - (ii) Other claims (excluding interest) amounting to ₹ 33.01 crore (previous year ₹ 32.84 crore) are contested by the company and the company has made counter claims of ₹ 63.00 crore (previous year ₹ 63.00 crore) on the executing agency (refer note no.2.55.1). The company is subject to legal/arbitration proceedings and claims, which have arisen in the ordinary course of business. Management doesn't reasonably expect that when these cases ultimately conclude and determined, will have material and adverse effect on the company's results of operations or financial conditions.
 - (iii) Claims against the company not acknowledged as debts as certified by the Management includes 8 nos. of case amounting to ₹ 39.07 crore which has been settled after the decision of the respective appellate authority and 13 nos. of cases for an amount of ₹ 277.95 crore added during the year.
- (b) Other money for which the company is contingently liable:
 - (i) Excise bonds amounting to ₹ NIL crore (previous year ₹ 4.89 crore) are outstanding against export obligations with Central Excise Department. Out of this, bonds value of ₹ NIL crore (previous year ₹ 3.59 crore) are due for release by the department.
 - (ii) Demands on account of taxes viz. VAT, Service Tax & Income Tax amounting to ₹ 2.64 crore (previous year ₹ 1.34 crore) are contested by the company.

2.44.2.2 Commitments

Estimated amount of contracts remaining to be executed on capital account as certified by the management and not provided for amounts to ₹ 160.44 crore (previous year ₹ 3.35 crore) including ₹ 144.80 crore against booking of office space from NBCC at Nauroji Nagar, New Delhi.

2.45 Disclosures on Investment Property (Indian Accounting Standard-40) are as follows:

2.45.1 Amounts recognized in the Statement of Profit and Loss are as follows:

(₹ in crore)

Particulars	Year ended	Year ended
	31.03.18	31.03.17
Rental income	0.99	0.99
Direct proportionate operating expenses relating to rental income (including repair & maintenance)	0.19	0.25
Profit before depreciation	0.80	0.74
Depreciation for the year	0.04	0.05
Profit from investment property	0.76	0.69

2.45.2 Fair Value

Market value of investment property as on 31.03.2018 is ₹ 2.62 crore based on valuations performed by an external independent valuer and management considered no significant change in the value.

Methods & assumptions for valuation:

The valuation is carried out by Independent agency on the basis of present construction/replacement cost of similar structures/constituents without considering the value of furniture, fixture & fitting, office equipments etc.

There is no Capital Commitment in respect of investment property.

2.46 Financial Instruments

2.46.1 Financial Instruments by category

The carrying value and fair value of financial instruments categories-wise as on 31st March, 2018 are as under:

(₹ in crore)

Particulars	Total carrying value	Amortised Cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/ liabilities at fair value through OCI	
			Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory
Financial Assets:						
Cash and Bank Balance**	3629.86	-	-	3629.86	-	-
Investments:						
Equity*	0.04	-	-	0.04	-	-
Tax Free Bonds	120.00	120.00	-	-	-	-
Liquid Plan of Mutual Funds	-	-	-	-	-	-
Trade Receivables**	458.70	458.70	-	-	-	-
Loans**	19.16	19.16	-	-	-	-
Other Financial Assets**	170.56	170.56	-	-	-	-
Total	4398.32	768.42	-	3629.90	-	-
Financial Liabilities:						
Trade Payables**	76.80	76.80	-	-	-	-
Other Financial Liabilities**	2188.84	2188.84	-	-	-	-
Total	2265.64	2265.64	-	-	-	-

The carrying value and fair value of financial instruments categories-wise as on 31st March, 2017 are as under

(₹ in crore)

Particulars	Total carrying value	Amortised Cost	Financial assets/liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI	
			Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory
Financial Assets:						
Cash and Bank Balance**	2977.20	-	-	2977.20	-	-
Investments:						
Equity*	0.04	-	-	0.04	-	-
Tax Free Bonds	170.00	170.00	-	-	-	-
Liquid Plan of Mutual Funds	143.04	-	-	143.04	-	-
Trade Receivables**	453.85	453.85	-	-	-	-
Loans**	21.07	21.07	-	-	-	-
Other Financial Assets**	261.17	261.17	-	-	-	-
Total	4026.37	906.09	-	3120.28	-	-
Financial Liabilities:						
Trade Payables**	72.28	72.28	-	-	-	-
Other Financial Liabilities**	2010.24	2010.24	-	-	-	-
Total	2082.52	2082.52	-	-	-	-

* Equity shares of ₹ 0.04 crore of Global Procurement Consultants Limited (GPCL) which are not tradable and amount of investment in the entity is immaterial, hence investment is recognised at cost and same is considered as its fair value.

**The carrying amounts of trade receivables, trade payables, cash and cash equivalents, short term loans, other current financial assets and liabilities are considered to be same as their amortised cost due to their short-term nature. As per practice, Security Deposits and Retention money represent source of protection with respect to contract performance rather than a source of financing, hence shown at transaction value.

2.46.2 Fair value hierarchy & valuation techniques

To provide an indication about the reliability of method used in determining fair value, the company has classified its financial instruments into three levels prescribed under the Indian Accounting Standard (Ind AS-113) on fair value measure.

Level 1 : Quoted prices in active markets for identical assets or liabilities.

Level 2 : Fair value of financial instruments that are not traded in an active markets is determined using valuation techniques and observable Inputs for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 : Inputs for the assets or liabilities that are not based on observable market data (observable inputs).

Fair value hierarchies of assets and liabilities as on 31st March, 2018 are as follows:

(₹ in crore)

Particulars	As on 31.03.18	Fair value measurement at end of the reporting year using		
		Level 1	Level 2	Level 3
Financial Assets:				
Cash and Bank Balance	3629.86	3629.86	-	-
Investments:				
- Equity*	0.04	-	-	0.04
- Liquid plan of Mutual Funds**	-	-	-	-

Fair value hierarchies of assets and liabilities as on 31st March, 2017 are as follows:

(₹ in crore)

Particulars	As on 31.03.2017	Fair value measurement at end of the reporting year using		
		Level 1	Level 2	Level 3
Financial Assets:				
Cash and Bank Balance	2977.20	2977.20	-	-
Investments:				
- Equity*	0.04	-	-	0.04
- Liquid plan of Mutual Funds**	143.04	-	143.04	-

* Equity shares of ₹ 0.04 crore of Global Procurement Consultants Limited (GPCL) which are not tradable and amount of investment in the entity is immaterial, hence investment is recognised at cost and same is considered as its fair value.

**Liquid plan of mutual funds are valued at NAV.

2.46.3 Financial Risk Management

The Company's activities are exposed to a variety of financial risks: market risk, credit risk and liquidity risk. The company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from few customers.

Market Risk

The Company operates internationally and a major portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk for its sales and services in the Middle East and South Asian countries. The exchange rates between the rupee and foreign currencies have changed substantially in recent years which may also fluctuate substantially in the future. However, company has currency risk management policy and exchange fluctuations are regularly monitored by the risk management committee to mitigate this risk. Policy covers various aspects of currency risk management, benchmarking, hedging and risk appetite, permissible instruments, hedging policy, structure of the risk management committee and treasury group, reporting procedures etc.

Analysis of foreign currency risk from financial instruments is as follows:

Particulars	As on 31.03.18	As at 31.03.17
	US Dollar (Figure in Millions)	
Cash & Cash equivalents	0.02	3.15
Trade Receivables	3.78	13.42
Other financial assets	22.03	2.54
Trade Payable	3.17	12.74
Other financial liabilities	30.44	0.09
Net assets/(liabilities)	(7.78)	6.28

For the year ended 31st March, 2018 and 31st March, 2017, every percentage increase/decrease in the exchange rate between the INR & US Dollar has affected the Company's incremental margins by approximately (1.01%) (previous year 0.82%) each.

Sensitivity analysis is computed based on the changes in the income and expenses in foreign currency upon conversion into functional currency, due to exchange rate fluctuations between the previous reporting year and the current reporting year.

Credit Risk

Credit Risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. Primarily exposure to the credit risk is from trade receivables amounting to ₹ 541.53 crore (previous year ₹ 517.38 crore) and unbilled revenue amounting to ₹ 1.95 crore (previous year ₹ 2.55 crore) which are typically unsecured. Credit risk is being managed by continuously monitoring the outstanding dues from the customers. Trade Receivables towards export sales are generally managed by establishing Letter of Credit with the clients.

Further, most of the clients of the company are Government or Government Undertakings; hence credit risk is bare minimum. Company has impaired, as a prudent measure, the trade receivables towards expected credit loss as per company accounting policy to the extent of ₹ 82.83 crore (previous year ₹ 63.53 crore).

No significant credit risk on cash and bank balances including clients' funds amounting to ₹ 3629.86 crore (previous year ₹ 2977.20 crore) is expected as company parks surplus funds with Schedule Banks having good credit adequacy ratio and least NPA as determined by RBI and guidelines of the company. Company has parked its owned funds in fixed deposits of ₹1396.74 crore (previous year ₹ 913.31 crore) with Schedule banks with negligible credit risks.

Non-Strategic Investments primarily include investments in liquid mutual fund units of ₹ Nil crore (previous year ₹ 143.04 crore) and tax free bonds of ₹120 crore (previous year ₹ 170 crore) issued by Public Sector Undertaking where risk is minimal.

Company has given loans to employees and one of the joint ventures. House building, Multi-purpose loans etc. to the employee are secured by way of insurance and mortgage of the house properties or hypothecation of vehicles in line with the policies of the company. The loan provided to the joint venture is long term. The risk of default in respect of these loans is considered negligible.

Liquidity Risk

Company's principal sources of liquidity are "cash and bank balances" and the cash flow that is generated from operations. The company has no outstanding bank borrowings. The company has a working capital of ₹ 1652.60 crore (previous year ₹ 1397.49 crore) including cash and bank balance (owned funds) of ₹ 1419.82 crore (previous year ₹ 961.38 crore) and current investment ₹ Nil crore (previous year ₹ 193.04 crore). Company believes that the working capital is sufficient to meet its requirements, accordingly no liquidity risk is perceived by the company.

2.47 Disclosures on Accounting Policies, Change in Accounting Estimates and Errors (Indian Accounting Standard-8) are as follows:

2.47.1 Prior Period Transactions are as follows:

(₹ in crore)

Nature	2017-18	2016-17
Fees	5.40	4.31
Supplies & Services	1.36	4.15
Employee Benefits	0.06	0.01
Others	(8.50)	2.99
Total	(1.68)	11.46

2.47.2 Correction of Prior Period transactions with impact on profit.

2.47.2.1 Impact on Balance Sheet Items is as follows:

(₹ in crore)

Prior period for the year	2017-18			2016-17
Line Items	Impact on 2016-17	Prior to 01.04.16	Total	Prior to 01.04.16
PPE	-	-	-	(1.82)
Capital WIP	(0.59)	(0.33)	(0.92)	(2.19)
Current trade receivables	(4.01)	(1.30)	(5.31)	(5.37)
Cash and bank balances-owned fund	6.34	3.43	9.77	-
Other current assets	-	(0.10)	(0.10)	(0.74)
Other non- current assets	-	-	-	0.44
Other financial assets	0.36	0.38	0.74	0.22
Total Assets	2.10	2.08	4.18	(9.46)
Current trade payables	1.64	0.43	2.07	2.38
Other current financial liabilities	0.35	-	0.35	0.09
Other current liabilities	-	0.08	0.08	(0.47)
Total Liabilities	1.99	0.51	2.50	2.00
Net Assets (Equity)	0.11	1.57	1.68	(11.46)

2.47.2.2 Impact on Statement of Profit & Loss Items is as follows:

(₹ in crore)

Prior Period for the year 2017-18	
Line Items	Impact on 2016-17
Revenue from Operations	(4.01)
Other Income	6.70
Total Revenue	2.69
Supplies & services	0.73
Employee Benefit Exp.	0.15
Travel	0.02
Cost of turnkey Construction projects	-
Other Expenses	1.68
Total Expenditure	2.58
Profit Before Tax	0.11

Prior period items have been re-stated for the year ended on 31.03.2017 however there is no impact of provision for taxation on account of prior period re-statement.

Aforesaid prior period figures are crystallized during the year 2017-18 though these are prior period transactions and tax benefit on such transactions is available in the year ended 2017-18. However, these figures are re-stated as per IND AS 8 to the respective years on which no tax benefit is available on these respective years due to the reasons given above. The tax impact on such transaction is of ₹ 0.58 crore which is not considered in EPS calculation for year ended on 31.03.2018, for the same reason as stated above.

2.47.3 Impact of Prior Period Errors in Earning Per Share (Basic & Diluted):

Year	2016-17
Impact on Profit attributable to Equity Share Holders (₹ in crore)	0.11
Weighted average nos. of Equity Shares	20,00,00,000
Impact on Earnings Per Share (Basic & Diluted)	₹ 0.01

2.47.4 Impact of Change in Accounting Policy:

Impact of change in accounting policy, in respect of gratuity for contract employees and leave encashment including medical leave for regular employees, are as under:

During the year, gratuity for contract employees has been funded by making contribution of ₹ 2.01 crore to Gratuity Trust Fund which is being administrated by Life Insurance Corporation of India (LIC) and leave encashment including medical leave for regular employees has also been funded by making contribution of ₹ 110 crore through insurance policies from insurance companies approved by Insurance Regulatory Development Authority (IRDA).

2.48 Disclosures on Income Taxes (Indian Accounting Standard-12) are as follows:

2.48.1 Income tax expense in the Statement of Profit & Loss comprises:

(₹ in crore)

Particulars	Year Ended	
	31.03.2018	31.03.2017
Income Tax Expenses:		
- Current Taxes	172.19	147.78
- Earlier Years(Net)	5.29	7.95
Total-A	177.48	155.73
OCI	1.45	(0.31)
Total	178.93	155.42
Deferred Tax (Net)	(22.25)	1.75
Total	156.68	157.17

Entire deferred income tax for the year ended 31st March, 2018 and 31st March, 2017 relates to origination and reversals of temporary differences.

2.48.2 Reconciliation of the Income Tax Expenses for the year to amount computed as expected tax expense by applying statutory income tax rates is as follows:

(₹ in crore)

Particulars	Year Ended	
	31.03.2018	31.03.2017
Profit Before Income Tax on Normal Business	487.40	417.53
Dividend Income	1.91	-
Profit Before Income Tax on Capital Gains	-	71.47
Total	489.31	489.00
Enacted Tax Rates in India on Normal Income	34.61%	34.61%
Enacted Tax Rates in India on LTCG	23.07%	23.07%
Special Enacted Tax Rates in India on Dividend from foreign company	17.30%	17.30%
Computed Expected Tax Expense	169.34	169.23
Tax effect of Exempted Non-Operating Income	(0.71)	(0.02)
Additional Tax Effect due to Income from HP	(0.11)	(0.11)
Tax Effect due to Tax Rate on LTCG	-	(8.24)
Tax Effect due to indexation	-	(1.86)
Tax Effect due to Tax Rate on Income from Dividend	(0.01)	-
Tax Effect of Non-Deductible Expenditures	23.86	28.39
Tax effect due to Non-Taxable Income	(20.94)	(26.84)
Tax effect due to Restatement of Prior Period Adj.	0.54	(12.93)
Tax Reversals and others	(15.29)	9.56
Current Tax Expense	156.68	157.17

Details of income tax assets and liabilities as of 31st March, 2018 and 31st March, 2017 are as follows:

(₹ in crore)

Particulars	As on	
	31.03.18	31.03.17
Income Tax Assets	344.76	304.45
Current income tax liabilities	(172.19)	(147.78)
Net Current Income Tax Assets/(Liability) at the end	172.57	156.67

The gross movement in the current income tax asset/(liability) for the year ended 31st March, 2018 and 31st March, 2017 is as follows:

(₹ in crore)

Particulars	Year Ended	
	31.03.2018	31.03.2017
Net current income tax asset/(liability) at the beginning of the year	156.67	149.97
Tax Impact due to change in Deferred Tax (Net)	22.25	(1.75)
Income Tax paid	171.13	164.18
Current income tax expense (Ref. Note 2.48.1)	(175.07)	(157.27)
Translation Difference/ Exchange Variation (Ref. Note 2.48.1)	(2.41)	1.54
Net Current Income Tax Asset/(Liability) at the end of the year	172.57	156.67

Tax effects of significant temporary differences that resulted in deferred income tax asset and liabilities are as follows:

(₹ in crore)

Particulars	As on	
	31.03.2018	31.03.2017
Deferred Income Tax Assets:		
Accrued Compensation to Employees	16.12	21.45
Provisions for Doubtful Debts, Security Deposits/EMD, Advances Etc.	55.15	27.87
Total Deferred Income Tax Assets - I	71.27	49.32
Deferred Income Tax Liabilities:		
Depreciation on Property Plant & Equipment, Furniture & Fixtures, Loco & Coaches	8.89	9.19
Total Deferred Income Tax Liabilities - II	8.89	9.19
Deferred Income Tax Assets after set off	62.38	40.13
Deferred Income Tax Liabilities after set off	-	-

Deferred tax assets and liabilities have been offset wherever the company has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

During the year ended March 31, 2018, 16 Locomotives having Gross Block ₹ 28.04 crore (WDV as on 31.03.2017 ₹ 8.32 crore) has been converted into Stock-in-Trade at ₹ 6.19 crore and subsequently sold to Govt. of Mozambique.

The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the year in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income and tax planning strategies in making the assessment.

Based on the level of historical taxable income and projections for future taxable income over the years in which the deferred income tax assets are deductible, management believes that the company will realize the benefits of those deductible differences. The amount of deferred income tax assets considered realizable could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

The gross movement in the deferred income tax account for the year ended 31st March, 2018 and 31st March, 2017 are as follows:

(₹ in crore)

Particulars	Year ended	
	31.03.2018	31.03.2017
Net deferred income tax asset/(liability) at the beginning	40.13	41.88
Credit/(Change) relating to temporary differences	22.25	(1.75)
Net Deferred Income Tax Asset/(Liability) at the end	62.38	40.13

The composition of deferred assets relating to temporary differences during the year ended 31st March, 2018 is primarily on account of Property, Plant and Equipment, Trade Receivable and Compensation to Employees.

2.49 Disclosures on Presentation of Financial Statements (Indian Accounting Standard-1) are as follows:

2.49.1 Capital Management

The Company's objective for capital management is to maximize shareholders value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are primarily being met through operating cash flows generated.

2.49.2 Subsequent Event-Dividend

Dividend paid during the financial year ended 31.03.2018 is ₹ 148 crore which includes final dividend of ₹ 78 crore (₹ 3.90 per equity share to 20 crore equity shares) for the financial year 2016-17 and interim dividend of

₹ 70 crore (₹ 3.50 per equity share to 20 crore equity shares) for the financial year 2017-18.

As per DPE guidelines issued for CPSEs for payment of dividend, company has proposed a sum of ₹ 40 crore (₹ 2.00 per share to 20 crore equity shares) as final dividend for FY 2017-18 subject to approval of shareholders in Annual General Meeting. If approved, the dividend would result in a cash outflow of ₹ 48.22 crore inclusive of dividend distribution tax of ₹ 8.22 crore.

Other Disclosures:

2.50 Consequent upon Govt. of India decision to disinvest 2.52 crore shares of the company, shares of the company were listed on NSE and BSE on 2nd July, 2018 and the proceeds have been realized by Govt. of India.

2.51 Information on CSR expenditure:

(a) Gross amount required to be spent including advances given during the year 2017-18 ₹ 9.90 crore (previous year 2016-17 ₹ 9.20 crore).

(b) Expenditure incurred including advance on CSR during the year on:

(₹ in crore)

Particulars	Amount Paid		Yet to be Paid		Total	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
(i) Construction/ acquisition of any asset	7.71	5.21	-	-	7.71	5.21
(ii) On purposes other than (i) above	2.19	3.99	-	-	2.19	3.99
Total	9.90	9.20	-	-	9.90	9.20

2.52 The financial statements are presented in ₹ crore. Those items which are required to be disclosed but can't be presented in the financial statement due to rounding off to the nearest ₹ crore are given as follows:-

Balance sheet items

(Figures in ₹)

Description	Note No.	As on 31.03.2018	As at 31.03.2017
Non-current investment	2.6.1		
(i) Moru Mahal Co-operative Society Ltd.		250.00	250.00
(ii) Amit Industrial Co-operative Society Ltd.		500.00	500.00

2.53 Value of imports on CIF basis, Earnings and Expenditure in Foreign Currency

2.53.1 Value of imports calculated on C.I.F. basis:

(₹ in crore)

Description	Year ended	
	31.03.18	31.03.17
Components & Spares Parts	-	3.36
Capital Goods	-	-

2.53.2 Expenditure in foreign currencies:

(₹ in crore)

Description	Year ended	
	31.03.18	31.03.17
(i) Consultation Fees	16.08	23.60
(ii) Salaries & others	3.50	3.23
(iii) Travel	0.05	3.91
(iv) Others*	1.62	1.10

*includes entertainment expenses, bank charges, office expenses etc.

2.53.3 Spare parts and components consumed:

(₹ in crore)

Description	Year ended			
	31.03.18		31.03.17	
	Value	%	Value	%
Imported	-	-	-	-
Indigenous	5.47	100%	10.34	100%

2.53.4 Earning in foreign currencies:

(₹ in crore)

Description	Year ended	
	31.03.18	31.03.17
(i) Export sale - FOB basis	231.61	371.63
(ii) Lease Services	9.74	22.37
(iii) Consultation Fees	65.61	28.02
(iv) Interest & Dividend	0.03	-
(v) Other Income (includes sales of tender etc.)	0.51	0.01

2.53.5 Dividend from foreign subsidiary company ₹ 0.03 crore (previous year ₹ Nil).

2.54 Details of dues to micro, small and medium enterprises as defined under The Micro, Small and Medium Enterprises Development Act, 2006* are given on the basis of information available with the management.
(₹ in crore)

S. No.	Particulars	As on 31.03.18	As on 31.03.17
a	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
	- Principal amount due to micro and small enterprises	2.57	1.92
	- Interest due on above		
b	The amount of interest paid by the buyer in terms of Section 16 of The Micro, Small and Medium Enterprises Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
c	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under The Micro, Small and Medium Enterprises Development Act, 2006.	-	-
d	The amount of interest due and remaining unpaid at the end of each accounting year.	-	-
e	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of The Micro, Small and Medium Enterprises Development Act, 2006.	-	-

*The Company has initiated the process of identification of suppliers registered under The Micro, Small and Medium Enterprises Development Act, 2006, by obtaining confirmations from all suppliers. Information has been collated only to the extent of information received.

2.55 In a pre-closed contract in the year 2005-06, company raised claims of ₹ 233.93 crore (previous year ₹ 233.93 crore) against a client and the client raised counter claims of ₹ 469.10 crore (previous year ₹ 469.10 crore).

The arbitrator on 19th January, 2011 rejected the aforesaid counter claims of the client and awarded ₹ 88.31 crore in favour of the company against claims of ₹ 233.93 crore. Company filed an appeal before the appellate authority on 21st March, 2011 against the said award. Further on 16th September, 2011, the appellate authority awarded ₹ 231.68 crore with interest in favour of the company. Client filed a petition in the Civil Court of Ranchi on 31st July, 2011 & thereafter amendment filed by the client for setting aside the aforesaid award of the appellate authority. Argument is concluded and order is passed in favour of RITES on 22.11.2017, wherein the petition filed by Client is dismissed and preliminary objections filled by company is allowed by the Civil Court. RITES has asked our Advocate to furnish further course of action to recover the said awarded

amount. In response, the advocate has drafted the writ petition which is likely to be filed before Jharkhand High Court shortly. The awarded amount has not been recognized.

- 2.55.1 The executing agency also raised claims (excluding interest) of ₹ 184.41 crore (previous year ₹ 184.41 crore) against the company before the arbitration tribunal at Ranchi and company also raised counter claims of ₹ 644.53 crore (previous year ₹ 644.53 crore) against the executing agency for the contract which became void due to commitment of fraud by the agency, thus terminated. Both the parties had concluded their arguments before the Tribunal and award was published on 18th October, 2016 in favour of the company. As per the award, Company was to get ₹ 63 crore from executing agency effective from the date of publication of award i.e. 18th October, 2016. Executing agency had the right to file the objection before the Jharkhand High Court, Ranchi within four months of receipt of copy of award. As per information of the Tribunal, agency received the copy of award on 1st March, 2017. The executing agency filed the arbitration appeal before Jharkhand High Court on 25th May, 2017. The matter was fixed for argument on 2nd February, 2018 which could not take place and the next date of hearing is yet to be fixed. In view of the above, company has not recognized the award amount in the books of account.
- Further, Company has to pay ₹ 25.92 crore to executing agency after receiving the said amount from the client. The said amount of ₹ 25.92 crore is included in the contingent liabilities.
- 2.55.2 Cumulative interest up to 31.03.2018 due from the executing agency of ₹ 25.98 crore (previous year ₹ 23.97 crore) on mobilization advance of ₹ 16.80 crore has not been recognized as income due to uncertainty as regard to realizability. This includes Interest of ₹ 2.01 crore for the year (previous year ₹ 2.02 crore).
- 2.56 A joint venture company named CCFB was incorporated in Mozambique in 2004 for rehabilitation, operation and management of Beira Rail Corridor, Mozambique by entering into a 25 years concessioning agreement with the Government of Mozambique. Company invested a sum of ₹ 6.01 crore in equity in the said joint venture company for a 26% share. Other shareholders are IRCON & CFM, Mozambique with 25% & 49% share respectively. The company extended a shareholder loan of ₹ 87.89 crore (equivalent to US\$ 19.79 million) inclusive of interest accrued which was converted to principal as per agreement, out of which company received repayment of part loan amounting to ₹ 4.44 crore (equivalent to US\$ one million) during the year 2012-13.
- 2.56.1 On 8th December, 2011, Government of Mozambique (GoM) unilaterally terminated the concessioning agreement and took over the project which in the opinion of the company was unlawful and against the provisions of the agreement. Consequently, CCFB initiated arbitration proceeding against the said decision of GoM.
- 2.56.2 Dispute has been amicably settled with Government of Mozambique (GoM) on 21st October, 2015 through settlement agreement. As per schedule of payment of the settlement agreement, upfront payment of USD 17.07 million was received during financial year 2015-16 and LC was also established by GoM during financial year 2016-17. Further, 1st and 2nd installment of USD 5.655 million each as per schedule of payment has also been received in financial year 2016-17 and 2017-18 respectively and balance two installments of USD 5.655 million each are due in the FY 2018-19 and FY 2019-20 as per schedule of payment.
- 2.56.3 In view of receipt of payments and establishment of LC duly confirmed by Scheduled Bank in India, company transferred its shareholding in CCFB to CFM, a nominated agency of GoM on 22nd September, 2016 and consequently profit of ₹ 71.47 crore on such transfer of equity shares has been recognized in Statement of Profit and Loss for financial year 2016-17.
- 2.57 Under the settlement agreement with Government of Tanzania, last three installments out of six installments of principal amounting to ₹ 59.04 crore (equivalent US\$ 9.19 million) {Previous year is ₹ 58.72 crore (equivalent US\$ 9.19 million)} are still outstanding despite of continuous follow-up and legal notice issued to Government of Tanzania and therefore the company has made a provision for the same during the financial year 2017-18. Company is also contemplating invoking arbitration clause as per provisions of settlement deed. Interest on principal and on delayed payments of ₹ 20.88 crore (equivalent US\$ 3.25 million) {Previous year is ₹ 17.66 crore (equivalent US\$ 2.76 million)} have not been recognised.
- 2.58 Foreign Service Contribution is recognized on accrual basis in the Statement of Profit and Loss Account as per the deputation terms with parent organizations in respect of officers taken on deputation from other organizations.
- 2.59 Lease deeds are pending for execution in respect of the office building at Central Metro Railway Building, 56, C.R. Avenune, Kolkata of ₹ 3.46 crore (previous year ₹ 3.46 crore), the physical testing laboratory at 52 A&B, C.R. Avenue, Kolkata of ₹ 1.24 crore (previous year ₹ 1.24 crore), office building at DLF Cybercity, Bhubaneshwar of ₹ 5.64 crore (previous year ₹ 5.64).
- 2.59.1 Northern Railway has leased a plot in Wazirpur Northern Railway colony, Delhi for construction of residential flats to RITES LTD for a period of thirty years. The lease period has been expired in the month of March-2015. The extension of lease has been sought from Northern Railway and the same is under consideration.

- 2.60 RITES purchased a freehold land for construction of office building at Gomati Nagar Extension, Lucknow from Lucknow Development Authority (LDA) and was registered in the financial year 2010-11 at a total cost of ₹ 4.22 crore including registration charges. The physical possession of the land has not been given to RITES due to some disputes regarding acquisition of land by LDA. LDA has for the first time disclosed about the dispute and legal issue in respect of the plot vide their letter dated 29.05.2017. Hon'ble Court has cancelled the acquisition of land by LDA. LDA assured to allot alternate land to RITES. Pending allotment of alternative land to RITES, the amount shown as freehold land under Property, Plant & Equipment has been transferred to capital advance.
- 2.61 A demand has been received during the year from West Bengal Housing Infrastructure Development Corporation Ltd (WBHIDC) for delay in submission of building plan in respect of land purchased from WBHIDC for office complex. Accordingly a sum of ₹1.09 crore has been provided in the books of accounts. Company is taking up the issue with authority for waiver of the demand.
- 2.62 It was decided by the company to wind up one of its wholly owned subsidiaries, RITES Infrastructure Services Ltd (RISL) and accordingly, all assets and liabilities were transferred to the parent company during the financial year 2016-17. Despite of best efforts, bidders could not be located to take up these Multi Functional Complexes (MFCs) on lease, so it was decided by the company to hand over these MFCs to Ministry of Railways free of cost to avoid expenses towards maintenance and security of these MFCs. These MFCs have already been handed over to Ministry of Railways expect one which is also likely to be handed over to them shortly. Accordingly, carrying cost of ₹ 5.84 crore of these MFCs has been charged off/write off during the current financial year 2017-18.
- 2.63 In one of the overseas project fee of ₹ 11.22 crore upto 31st March 2018(previous year ₹ 15.78 crore) has not been recognized as works have not been carried out by the contractors to the satisfaction of the client and the realisability of the fee based on the works done seems to be uncertain.
- 2.64 Sundry creditors, customers advances, amounts recoverable, security deposits receivable/payable are subject to confirmation.
- 2.65 Information as regard to loans, investments made as required under section 186(4) of the Companies Act, 2013 have been given vide note no. 2.6 & 2.7.


COMMENTS BY CAG

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF RITES LIMITED FOR THE YEAR ENDED 31 MARCH, 2018.

The preparation of financial statements of RITES Limited for the year ended 31 March, 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 30 July, 2018.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) of the Act of the financial statements of RITES Limited for the year ended 31 March, 2018. 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 auditors' report.

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


(B.R. Mondal)

**Principal Director of Audit
Railway Commercial, New Delhi**

Place: New Delhi
Dated: 9th August, 2018

INDEPENDENT AUDITOR'S REPORT

To the Members of Rites Limited

Report on Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of **RITES LIMITED** (hereinafter referred to as "the Holding Company") except three Branches/ Regional Offices (consisting of Project and Inspection offices) audited by Branch Auditors appointed by the Comptroller and Auditor General of India, New Delhi and its subsidiaries and joint venture entities (which are together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31st March, 2018, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

We did not audit the financial statements of subsidiaries and joint venture entities. However, in case of the subsidiaries and joint ventures, total assets of ₹ 215.32 crore as at 31st March, 2018, total revenues of ₹ 73.97 crore and net cash outflows amounting to ₹ 8.44 crore for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements of subsidiaries and joint ventures have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture entities, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint venture entities, is based solely on the reports of the other auditors.

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian

Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS 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 the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS 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 including the Ind AS, of the consolidated financial position of the Group as at 31st March 2018 and its Consolidated Financial performance including other Comprehensive income, its consolidated cash flow and changes in Equity for the year then ended.

Emphasis of Matter

We draw attention to the following matters in the notes to the consolidated Ind AS financial statements:

Refer Note No. 2.56 of notes to accounts of consolidated Ind AS financial statement, consequent upon the decision of Government of India to disinvest 2.52 Crores Shares of the Company, Shares of the Company were listed on NSE and BSE on 2nd July, 2018 and the proceeds have been realized by Government of India.

Refer Note No. 2.69.2 of notes to accounts of consolidated Ind AS financial statements in regard to revenue from operation that has been accounted for including CRRM.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. In terms of sub section (5) of section 143 of the Act, we give in the *Annexure I* a statement on the directions issued under the aforesaid section by the Comptroller and Auditor General of India.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the

best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.


- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
- d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) In view of exemption given vide notification no. G.S.R. 463(E) dated 5th June, 2015, issued by Ministry of Corporate Affairs, provisions of Section 164(2) of the Act regarding disqualifications of Directors, are not applicable to the Holding Company.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in *Annexure II*.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the holding company, its subsidiaries and joint venture entities - Refer para no. 2.49.2 of note to accounts of the consolidated Ind AS financial statements.
 - ii. The Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

- iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies and joint venture companies incorporated in India.

For Agiwal & Associates

Chartered Accountants

Firm's registration number: 000181N



P. C. Agiwal

Partner

Place: New Delhi

Date: 30 July, 2018 Membership number: 080475

ANNEXURES TO INDEPENDENT AUDITOR'S REPORTS

Annexure: I

Report on the Directions issued by the Comptroller and Auditor General of India under Sub-section 5 of Section 143 of the Companies Act, 2013 ("the Act")

Referred to in our Independent Auditors' Report on the Consolidated financial statements for the year ended 31st March, 2018, we report that:

Based on the verification of Records of the Group and information and explanations given to us, we report that:

- a) The title deeds/lease deeds of immovable properties are held in the name of the holding company, its subsidiary companies and joint venture companies except in case of holding company, 4 nos. of leasehold building where lease deeds are pending for execution (Refer para no. 2.63 of notes to accounts of the consolidated Ind AS financial statements). Location and Area of above said properties are as under:

S. No.	Location	Area
1	Office building at Central Metro Railway Building, 56, C.R. Avenue, Kolkata	1200 sqm
2	Physical testing laboratory at 52 A&B, C.R. Avenue, Kolkata	314 sqm
3	Office building at DLF Cybercity, Bhubaneswar	1290.48 sqm
4	Wazirpur Northern Railway Colony, Delhi*	12075.84 sqm

- * The lease period was expired in the month of March-2015. The extension of lease has been sought from Northern Railway and the same is under consideration.

- b) There are no cases of waiver/write off of debts, loans/ interest etc. other than Bad Debts of ₹ 1.91 crore written off during the year, which have arisen on account of normal business practice.
- c) Group have maintained adequate records in respect of inventories lying with third parties. No assets have been received by the Group as gift from Government or other authorities.

For Agiwal & Associates

Chartered Accountants

Firm's registration number: 000181N



P. C. Agiwal

Partner

Place: New Delhi

Date: 30 July, 2018 Membership number: 080475

ANNEXURES TO INDEPENDENT AUDITOR'S REPORTS

Annexure: II

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

Referred to in our Independent Auditors' Report on the Consolidated Ind AS financial statements for the year ended 31st March, 2018, we report that:

We have audited the internal financial controls over financial reporting of RITES Limited ("the Holding Company") and its subsidiaries and its joint venture entities incorporated in India (together referred to as "the Group") as of 31st March, 2018 in conjunction with our audit of the Consolidated Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company, its subsidiaries and joint ventures, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds

and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the

company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company, its subsidiaries, and its Joint Ventures which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Sec 143 (3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it is related to one subsidiary company and two joint venture companies incorporated in India, is based on the corresponding report of auditors of such companies incorporated in India.

For Agiwal & Associates

Chartered Accountants

Firm's registration number: 000181N


P.C. Agiwal

Partner

Place: New Delhi

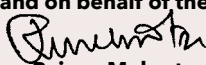
Date: 30 July, 2018 Membership number: 080475

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2018

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
ASSETS				
NON CURRENT ASSETS				
PROPERTY, PLANT AND EQUIPMENT	2.1	400.03	403.46	415.43
CAPITAL WORK IN PROGRESS	2.2	0.38	3.28	6.97
INVESTMENT PROPERTY	2.3	1.22	1.25	1.29
INTANGIBLE ASSETS	2.4	0.92	1.74	3.10
INTANGIBLE ASSETS UNDER DEVELOPMENT	2.5	1.58	1.58	1.58
INVESTMENT IN JOINT VENTURES APPLYING EQUITY METHOD	2.6	12.77	14.84	30.58
FINANCIAL ASSETS				
INVESTMENTS	2.7.1	120.04	120.04	170.04
LOANS	2.8	15.19	9.65	10.32
OTHER FINANCIAL ASSETS	2.9	129.08	244.68	196.69
DEFERRED TAX ASSETS (NET)	2.10	41.60	28.33	40.39
OTHER NON CURRENT ASSETS	2.11	134.95	139.04	99.94
		857.76	967.89	976.33
CURRENT ASSETS				
INVENTORIES	2.12	9.38	50.42	13.07
FINANCIAL ASSETS				
INVESTMENTS	2.7.2	-	193.04	50.00
TRADE RECEIVABLES	2.13	467.70	461.50	534.39
CASH AND CASH EQUIVALENTS-OWNED FUND	2.14.1	145.16	264.73	241.98
CASH AND CASH EQUIVALENTS-CLIENTS FUND	2.15.1	592.75	333.37	190.35
OTHER BANK BALANCES-OWNED FUND	2.14.2	1,273.35	629.99	485.38
OTHER BANK BALANCES-CLIENTS FUND	2.15.2	1,584.48	1,659.09	1,636.81
LOANS	2.16	3.97	11.42	7.17
OTHER FINANCIAL ASSETS	2.17	117.28	167.71	173.46
CURRENT TAX ASSETS (NET)	2.18	36.82	10.35	38.66
OTHER CURRENT ASSETS	2.19	76.08	49.89	82.49
		4,306.97	3,831.51	3,453.76
TOTAL ASSETS		5,164.73	4,799.40	4,430.09
EQUITY AND LIABILITIES				
EQUITY				
EQUITY SHARE CAPITAL	2.20	200.00	200.00	100.00
OTHER EQUITY	2.21	2,006.16	1,837.92	1,784.60
EQUITY ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY		2,206.16	2,037.92	1,884.60
NON-CONTROLLING INTERESTS	2.21.4	56.77	44.10	25.66
		2,262.93	2,082.02	1,910.26
LIABILITIES				
NON CURRENT LIABILITIES				
FINANCIAL LIABILITIES				
BORROWINGS	2.22	47.65	75.76	110.54
TRADE PAYABLES	2.23	-	-	0.66
OTHER FINANCIAL LIABILITIES	2.24	122.26	108.46	99.62
PROVISIONS	2.25	11.89	112.68	99.86
OTHER NON CURRENT LIABILITIES	2.26	92.47	7.27	2.07
		274.27	304.17	312.75
CURRENT LIABILITIES				
FINANCIAL LIABILITIES				
TRADE PAYABLES	2.27	77.09	73.11	64.44
OTHER FINANCIAL LIABILITIES	2.28	2,085.48	1,939.13	1,921.90
PROVISIONS	2.29	105.74	150.54	104.65
CURRENT TAX LIABILITIES (NET)	2.30	0.02	0.01	1.01
OTHER CURRENT LIABILITIES	2.31	359.20	250.42	115.08
		2,627.53	2,413.21	2,207.08
TOTAL EQUITY AND LIABILITIES		5,164.73	4,799.40	4,430.09
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FORM AN INTEGRAL PART OF CONSOLIDATED FINANCIAL STATEMENTS	1&2			

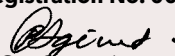

Ajay Kumar Gaur
 Director Finance and
 Chief Finance Officer
 DIN:05333257

 For and on behalf of the Board

Rajeev Mehrotra
 Chairman & Managing Director
 and Chief Executive Officer
 DIN: 01583143


Ashish Srivastava
 Company Secretary
 M.No: FCS 5325

 As per our report of even date attached
 For AGIWAL & ASSOCIATES, Chartered Accountants
 Firm Registration No. 000181N

 Place : Delhi
 Date : 30th July, 2018

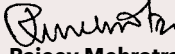

 (P.C. AGIWAL) Partner
 Membership No. 080475

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2018	YEAR ENDED 31.03.2017
CONTINUING OPERATIONS			
REVENUE			
REVENUE FROM OPERATIONS	2.32	1,502.84	1,351.46
OTHER INCOME	2.33	164.37	209.91
TOTAL REVENUE		1,667.21	1,561.37
EXPENDITURE			
EMPLOYEE BENEFIT EXPENSES	2.34	459.73	417.00
TRAVEL		41.39	39.50
SUPPLIES & SERVICES		119.40	106.50
COST OF EXPORT SALES	2.35.1	172.07	296.10
COST OF TURNKEY CONSTRUCTION PROJECTS	2.35.2	130.77	27.85
TRANSMISSION AND WHELLING CHARGES		4.80	3.75
FINANCE COSTS	2.36	7.18	11.68
DEPRECIATION & AMORTISATION EXPENSES	2.1-2.5	36.34	38.26
OTHER EXPENSES	2.37	164.60	104.65
TOTAL EXPENDITURE		1,136.28	1,045.29
PROFIT BEFORE SHARE OF PROFIT/(LOSS) OF JOINT VENTURES AND TAX		530.93	516.08
FROM CONTINUING OPERATIONS			
SHARE OF PROFIT/(LOSS) OF JOINT VENTURES	2.38	(2.07)	(11.47)
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		528.86	504.61
TAX EXPENSES			
- CURRENT TAX	2.68	(178.95)	(155.43)
- DEFERRED TAX (NET)	2.39	13.27	(12.06)
PROFIT AFTER TAX FROM CONTINUING OPERATIONS		363.18	337.12
DISCONTINUED OPERATIONS			
LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS		-	(0.10)
TAX EXPENSES OF DISCONTINUED OPERATIONS		-	-
LOSS FROM DISCONTINUED OPERATIONS		-	(0.10)
PROFIT/(LOSS) FOR THE YEAR		363.18	337.02
OTHER COMPREHENSIVE INCOME			
ITEMS THAT WILL BE RECLASSIFIED SUBSEQUENTLY TO PROFIT & LOSS			
- FOREIGN CURRENCY TRANSLATION RESERVE		0.76	0.07
- INCOME TAX EFFECT		-	-
		0.76	0.07
ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO PROFIT & LOSS			
- REMEASUREMENTS OF THE DEFINED BENEFIT LIABILITY/ASSET		(4.18)	0.90
- INCOME TAX EFFECT		1.45	(0.31)
		(2.73)	0.59
TOTAL OTHER COMPREHENSIVE INCOME (NET OF TAX)		(1.97)	0.66
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		361.21	337.68
PROFIT FOR THE YEAR ATTRIBUTABLE TO:			
EQUITY SHAREHOLDERS OF THE COMPANY		348.34	328.38
NON-CONTROLLING INTERESTS		14.84	8.64
		363.18	337.02
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO:			
EQUITY SHAREHOLDERS OF THE COMPANY		346.37	329.04
NON-CONTROLLING INTERESTS		14.84	8.64
		361.21	337.68
EARNING PER SHARE (EQUITY SHARE OF ₹ 10/- EACH) FOR:	2.46		
CONTINUING OPERATIONS - BASIC & DILUTED		₹ 17.42	16.42
DISCONTINUED OPERATIONS - BASIC & DILUTED		₹ -	-
CONTINUING & DISCONTINUED OPERATIONS - BASIC & DILUTED		₹ 17.42	16.42
WEIGHTED AVERAGE NUMBER OF EQUITY SHARES USED IN COMPUTING EARNING PER SHARE-BASIC & DILUTED (CONTINUING, DISCONTINUED & TOTAL)		20,00,00,000	20,00,00,000



Ajay Kumar Gaur
 Director Finance and
 Chief Finance Officer
 DIN:05333257

For and on behalf of the Board

Rajeev Mehrotra
 Chairman & Managing Director
 and Chief Executive Officer
 DIN: 01583143


Ashish Srivastava
 Company Secretary
 M.No: FCS 5325

As per our report of even date attached
For AGI WAL & ASSOCIATES, Chartered Accountants
 Firm Registration No. 000181N

Place : Delhi
Date : 30th July, 2018


(P.C. AGI WAL) Partner
 Membership No. 080475

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2018

A. EQUITY SHARE CAPITAL

(₹ in crore)

BALANCE AS AT 01.04.2017	CHANGES IN EQUITY SHARE CAPITAL DURING THE PERIOD	BALANCE AS AT 31.03.2018
200.00	0.00	200.00

(₹ in crore)

BALANCE AS AT 01.04.2016	CHANGES IN EQUITY SHARE CAPITAL DURING THE PERIOD*	BALANCE AS AT 31.03.2017
100.00	100.00	200.00

*CHANGE IN EQUITY IS ON ACCOUNT OF ISSUANCE OF BONUS SHARES ONLY.

B. OTHER EQUITY

(₹ in crore)

PARTICULARS	OTHER EQUITY ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY					NON-CONTROLLING INTERESTS***	TOTAL	
	RESERVE AND SURPLUS		OTHER COMPREHENSIVE INCOME		DISCONTINUED OPERATIONS**			TOTAL
	GENERAL RESERVE*	RETAINED EARNINGS	REMEASUREMENT OF DEFINED BENEFITS	FOREIGN CURRENCY TRANSLATION RESERVE				
BALANCE AS AT 01.04.2017	1836.71	-	1.62	0.11	(0.52)	1,837.92	44.10	1,882.02
ADDITION DURING THE YEAR IN SHARE CAPITAL BY NON-CONTROLLING INTERESTS						-	-	-
PROFIT FOR THE PERIOD	-	348.34	-			348.34	14.84	363.18
OTHER COMPREHENSIVE INCOME		-	(2.73)	0.76		(1.97)		(1.97)
LOSS FROM DISCONTINUED OPERATIONS		-				-		-
INTERIM DIVIDEND (2017-18)	-	(70.00)	-			(70.00)		(70.00)
FINAL DIVIDEND (2016-17)	-	(78.00)	-			(78.00)	(1.80)	(79.80)
CORPORATE DIVIDEND TAX	-	(30.13)	-			(30.13)	(0.37)	(30.50)
TRANSFER TO GENERAL RESERVE FROM RETAINED EARNINGS	170.21	(170.21)	-			-		-
BALANCE AT 31.03.2018	2,006.92	-	(1.11)	0.87	(0.52)	2,006.16	56.77	2,062.93
INTERIM DIVIDEND PER SHARE FOR 2017-18 (₹)	3.50	NUMBER OF SHARES USED IN COMPUTING DIVIDEND PER SHARE						20,00,00,000
FINAL DIVIDEND PER SHARE FOR 2016-17 (₹)	3.90	NUMBER OF SHARES USED IN COMPUTING DIVIDEND PER SHARE						20,00,00,000

(₹ in crore)

PARTICULARS	OTHER EQUITY ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY					NON-CONTROLLING INTERESTS***	TOTAL	
	RESERVE AND SURPLUS		OTHER COMPREHENSIVE INCOME		DISCONTINUED OPERATIONS**			TOTAL
	GENERAL RESERVE*	RETAINED EARNINGS	REMEASUREMENT OF DEFINED BENEFITS	FOREIGN CURRENCY TRANSLATION RESERVE				
RESTATED BALANCE AS AT 01.04.2016	1,783.95	-	1.03	0.04	(0.42)	1,784.60	25.66	1,810.26
ADDITION DURING THE YEAR IN SHARE CAPITAL BY NON-CONTROLLING INTERESTS						-	9.80	9.80
CAPITALISATION OF GENERAL RESERVE (ISSUE OF BONUS SHARES)	(100.00)					(100.00)		(100.00)
PROFIT FOR THE PERIOD	-	328.38	-			328.38	8.64	337.02
OTHER COMPREHENSIVE INCOME		-	0.59	0.07		0.66		0.66
LOSS FROM DISCONTINUED OPERATIONS		0.10			(0.10)	-		-
INTERIM DIVIDEND (2016-17)	-	(55.00)	-			(55.00)		(55.00)
FINAL DIVIDEND (2015-16)	-	(91.00)	-			(91.00)		(91.00)
CORPORATE DIVIDEND TAX		(29.72)	-			(29.72)		(29.72)
TRANSFER TO GENERAL RESERVE FROM RETAINED EARNINGS	152.76	(152.76)	-			-		-
BALANCE AT 31.03.2017	1,836.71	-	1.62	0.11	(0.52)	1,837.92	44.10	1,882.02
INTERIM DIVIDEND PER SHARE FOR 2016-17 (₹)	3.67	NUMBER OF SHARES USED IN COMPUTING DIVIDEND PER SHARE						15,00,00,000
FINAL DIVIDEND PER SHARE FOR 2015-16 (₹)	9.10	NUMBER OF SHARES USED IN COMPUTING DIVIDEND PER SHARE						10,00,00,000

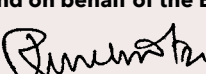
*GENERAL RESERVES CAN BE UTILISED FOR GENERAL PURPOSE OF BUSINESS INCLUDING DISTRIBUTION OF DIVIDEND TO SHAREHOLDERS.

**DISCONTINUED OPERATIONS PERTAINS TO RISL

***NON-CONTROLLING INTERESTS PERTAINS TO REMCL

For and on behalf of the Board


Ajay Kumar Gaur
 Director Finance and
 Chief Finance Officer
 DIN:05333257


Rajeev Mehrotra
 Chairman & Managing Director
 and Chief Executive Officer
 DIN: 01583143


Ashish Srivastava
 Company Secretary
 M.No: FCS 5325

 As per our report of even date attached
 For AGIWAL & ASSOCIATES, Chartered Accountants
 Firm Registration No. 000181N

 Place : Delhi
 Date : 30th July, 2018


(P.C. AGIWAL) Partner
 Membership No. 080475

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in crore)

PARTICULARS	YEAR ENDED 31.03.2018	YEAR ENDED 31.03.2017
CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX	528.86	504.61
ADJUSTMENTS FOR:		
- OTHER COMPREHENSIVE INCOME BEFORE TAX	(3.42)	0.97
- LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS	-	(0.10)
- DEPRECIATION AND AMORTIZATION	36.34	38.26
- LOSS/(PROFIT) ON SALE OF ASSETS (NET)	(0.13)	(0.02)
- SHARE OF PROFIT/(LOSS) OF JOINT VENTURES	2.07	11.47
- INTEREST FROM FDs/OTHERS	(100.22)	(97.95)
- INCOME FROM INVESTMENTS	(7.22)	(4.45)
- FINANCE COST	7.18	11.68
- INCOME FROM INVESTMENT PROPERTIES	(1.05)	(1.05)
- PROFIT FROM SALE OF INVESTMENT	-	(71.47)
- FIXED ASSETS WRITTEN OFF	5.86	0.02
- CONVERSION OF PPE INTO INVENTORIES	6.19	-
- PROVISION AND IMPAIRMENT EXPENSES	63.52	37.49
EFFECT OF EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN CURRENCY	(6.94)	(1.79)
OPERATING PROFIT BEFORE CHANGES IN ASSETS AND LIABILITIES	531.04	427.67
CHANGE IN ASSETS AND LIABILITIES:		
ADJUSTMENTS FOR (INCREASE)/DECREASE IN OPERATING ASSETS:		
- INVENTORIES	41.04	(37.35)
- TRADE RECEIVABLES	(25.55)	50.74
- LOANS, OTHER FINANCIAL ASSETS AND OTHER ASSETS	(18.90)	84.80
ADJUSTMENTS FOR INCREASE/(DECREASE) IN OPERATING LIABILITIES:		
- TRADE PAYABLES	3.98	8.01
- OTHER FINANCIAL LIABILITIES, OTHER LIABILITIES AND PROVISIONS	248.90	187.84
CASH GENERATED FROM OPERATIONS	780.51	721.71
- INCOME TAX PAID	(172.58)	(166.57)
NET CASH FROM OPERATING ACTIVITIES	607.93	555.14
CASH FLOWS FROM INVESTING ACTIVITIES		
- PURCHASE/CONSTRUCTION OF FIXED ASSETS	(62.73)	(21.15)
- PROCEEDS FROM SALE OF FIXED ASSETS	0.16	5.86
- INVESTMENTS IN JOINT VENTURES	-	(5.00)
- INVESTMENTS IN SHARES, BONDS ETC.	50.00	50.00
- LOANS TO RELATED PARTIES	-	(7.00)
- DEPOSITS AND INTEREST ACCRUED NOT CONSIDERED AS CASH AND CASH EQUIVALENTS	(477.77)	(184.09)
- INTEREST INCOME	100.22	97.95
- INCOME FROM INVESTMENTS	7.22	4.45
- INCOME FROM INVESTMENT PROPERTIES	1.05	1.05
NET CASH FROM INVESTING ACTIVITIES	(381.85)	(57.93)
CASH FLOW FROM FINANCING ACTIVITIES		
- INCREASE/(DECREASE) IN SECURED LOAN FROM BANK	(28.11)	(37.16)
- INTEREST PAID ON BORROWING	(7.50)	(11.84)
- DIVIDEND PAID	(148.00)	(146.00)
- DIVIDEND TAX PAID	(30.13)	(29.72)
- INCREASE/(DECREASE) IN NON-CONTROLLING INTEREST	(2.17)	9.80
NET CASH FROM FINANCING ACTIVITIES	(215.91)	(214.92)
EFFECT OF EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN CURRENCY CASH & CASH EQUIVALENTS	6.93	1.78
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	17.10	284.07
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	713.17	429.10
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	730.27	713.17

RECONCILIATION OF CASH AND CASH EQUIVALENTS

(₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2018	YEAR ENDED 31.03.2017
CASH AND CASH EQUIVALENTS-OWNED FUND	2.14.1	145.16	264.73
CASH AND CASH EQUIVALENTS-CLIENTS FUND	2.15.1	592.75	333.37
CASH AND CASH EQUIVALENTS AS PER BALANCE SHEET		737.91	598.10
ADD : INTEREST ACCRUED ON BANK DEPOSITS HAVING MATURITY WITHIN 3 MONTHS FROM ACQUISITIONS' DATE	2.17	0.09	0.29
ADD : INVESTMENT IN LIQUID FUND PLAN	2.7.2	-	143.04
LESS : BANK BOOK OVERDRAFT-OWNED FUND	2.28	-	(1.68)
LESS : BANK BOOK OVERDRAFT-CLIENTS FUND	2.28	(7.73)	(26.58)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		730.27	713.17
SUPPLEMENTARY INFORMATION:			
RESTRICTED CASH BALANCE (REFER NOTE NO. 2.14)		0.57	4.25
COMPONENTS OF CASH AND CASH EQUIVALENTS (REFER NOTE NO. 2.14.1 & 2.15.1)		737.91	598.10

RECONCILIATION OF FINANCIAL LIABILITIES

(₹ in crore)

PARTICULARS	YEAR ENDED 31.03.2018	YEAR ENDED 31.03.2017
LONG TERM BORROWING AT THE BEGINNING OF THE YEAR	83.43	120.59
- CASH FLOWS (REPAYMENT)	(28.11)	(37.16)
- NON CASH CHANGES	-	-
LONG TERM BORROWING AT THE END OF THE YEAR	55.32	83.43

NON CASH TRANSACTIONS - INVESTING ACTIVITIES

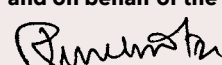
(₹ in crore)

PARTICULARS	YEAR ENDED 31.03.2018	YEAR ENDED 31.03.2017
AMOUNT RECOVERABLE AGAINST SALE OF INVESTMENT IN JOINT VENTURE	-	82.47
CONVERSION OF LOAN TO INVESTMENT IN EQUITY OF JOINT VENTURE	-	1.73
CONVERSION OF PPE INTO INVENTORIES	6.19	-

NOTE:

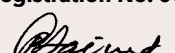
- CASH AND CASH EQUIVALENTS CONSIST OF CASH AND BANK BALANCES INCLUDING FDs & INTEREST ACCRUED HAVING MATURITY WITHIN 3 MONTHS FROM THE DATE OF ACQUISITION AND LIQUID INVESTMENTS
- THE ABOVE STATEMENT OF CASH FLOWS HAS BEEN PREPARED UNDER THE INDIRECT METHOD AS SET OUT IN IND AS 7 STATEMENT OF CASH FLOWS NOTIFIED U/S133 OF COMPANIES ACT, 2013 ("ACT") READ WITH RULE 4 OF THE COMPANIES (INDIAN ACCOUNTING STANDARDS) RULES 2015 AND THE RELEVANT PROVISION OF THE ACT.
- FIGURES IN BRACKET INDICATE CASH OUTFLOW.


Ajay Kumar Gaur
 Director Finance and
 Chief Finance Officer
 DIN:05333257

For and on behalf of the Board

Rajeev Mehrotra
 Chairman & Managing Director
 and Chief Executive Officer
 DIN: 01583143


Ashish Srivastava
 Company Secretary
 M.No: FCS 5325

As per our report of even date attached
 For AGI WAL & ASSOCIATES, Chartered Accountants
 Firm Registration No. 000181N


 (P.C. AGI WAL) Partner
 Membership No. 080475

Place : Delhi
 Date : 30th July, 2018

COMPANY OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED FINANCIAL STATEMENTS

COMPANY OVERVIEW

RITES Ltd. is a multidisciplinary engineering and consultancy organization providing diversified and comprehensive array of services from concept to commissioning in all facets of transport infrastructure and related technologies. The major business engagements as consultants, engineers and project managers are in railways, highways, airports, ports, ropeways, urban transport and inland waterways in India and abroad. The company also provides services of third party inspection, quality assurance, construction supervision & project management, operations & maintenance, leasing, export of rolling stock and modernization of railways workshop projects on turnkey basis.

The Company is a "Miniratna", Schedule-"A", Category-I CPSE and ISO 9001 certified public limited company incorporated and domiciled in India. The address of its registered office is SCOPE Minar, Laxmi Nagar, Delhi-110092 (India) and address of its corporate office is RITES Bhawan, No. 1, Sector -29, Gurgaon, Haryana-122001 (India). President of India through Ministry of Railways and its nominees are presently holding 100% equity share of the company. (Refer Note No. 2.56)

Besides the above activities, RITES Limited ("Holding Company") along with its subsidiaries and joint venture entities (collectively referred to as "the Group" and individually referred to as "Entity") is also into the business of generating power from wind mills and solar energy plants, manufacturing and rehabilitation of wagons and carrying out civil construction work.

The financial statements of the Group, comprises of RITES Limited, the holding company, RITES (Afrika) (Pty) Ltd. (RAPL), Botswana, a wholly owned subsidiary, Railway Energy Management Company Ltd. (REMCL), India, a subsidiary with 51% stake and joint venture entities viz. SAIL-RITES Bengal Wagon Industry Pvt. Ltd. (SRBWIP) (50%) & BNV Gujarat Rail Private Limited (26%) (joint venture entities in India). RITES Infrastructure Services Ltd. (RISL) a wholly owned subsidiary, India, RITES Mohawarean Arabia Company Ltd. (RMAC), a subsidiary company with 76% stake, in Saudi Arabia are under liquidation. There is no transaction in both the subsidiaries during the financial year, hence not considered for consolidation.

The consolidated financial statements are approved for issue by the holding company's Board of Directors in their meeting held on 30th July, 2018.

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 GENERAL

(a) Statement of Compliance

These consolidated financial statements of the Group are being prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013, read together with Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Amendment Rules, 2016.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

(b) Basis of Preparation

These consolidated financial statements have been prepared on accrual at historical cost basis except for the following assets and liabilities which have been measured at fair value/ amortized cost:

- Derivative financial instruments,
- Which are specifically indicated in the concerned accounting policies.

(c) Use of Estimates and Judgements

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities and contingent assets as at the date of the financial statements and reported amounts of revenues and expenses for the year. Actual results could differ from these estimates. Future results could differ due to changes in these estimates and the difference between the actual result and the estimates are recognized during the year in which the results are known/materialize.

(d) Basis of Consolidation

- i) The consolidated financial statements comprise the financial statements of the Company and its controlled entities i.e. subsidiaries at the reporting date. Control is achieved when the Group is exposed, or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee, if and only if, the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee),
 - Exposure or rights to variable returns from its involvement with the investee, and
 - The ability to use its power over the investee to affect its returns.
- ii) Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:
- The contractual arrangement with the other vote holders of the investee.
 - Rights arising from other contractual arrangements.
 - The Group's voting rights and potential voting rights.
 - The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.
- iii) The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.
- iv) Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.
- v) The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purpose, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.
- vi) Consolidation procedure for:**
- A) Subsidiaries**
- (a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries.
 - (b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
 - (c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.
 - (d) Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:
 - De-recognises the assets (including goodwill) and liabilities of the subsidiary.
 - De-recognises the carrying amount of any non-controlling interests.
 - De-recognises the cumulative translation differences recorded in equity.
 - Recognises the fair value of the consideration received.
 - Recognises the fair value of any investment retained.
 - Recognises any surplus or deficit in profit or loss.

- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed off the related assets or liabilities.

B) Joint Ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement and have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether joint control exist are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its joint venture are accounted for using the equity method. Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date.

1.2 REVENUE RECOGNITION

1.2.1 REVENUE FROM OPERATIONS

Operating revenue is from various streams viz. consultancy fee, inspection fee, lease services, export sales, construction projects and power generation.

For recognizing revenue from aforesaid streams in the financial statements, general parameters are stated below which are applicable to all streams of revenue while specific parameters are stated in the accounting policy of the respective stream of revenue.

General Parameters

- (a) Revenue is recognized on satisfaction of following conditions:-
 - (i) outcome of the transaction can be estimated or measured reliably.
 - (ii) it is probable that the economic benefits associated with the transaction will flow to the company.
 - (iii) the costs incurred and cost to complete the transaction can be measured reliably.
- (b) When outcome of transaction cannot be estimated reliably, revenue is recognized to the extent of cost incurred which is recoverable else cost incurred is charged to the Statement of Profit and Loss.
- (c) When there is uncertainty as to realisability, recognition of revenue is postponed until such uncertainty is removed.
- (d) Revenue is measured at the fair value of the consideration received or receivable.

1.2.1.1 Consultancy Fee

Revenue from rendering of services is recognized on the basis of stage of completion of each transaction using appropriate method.

Physical progress, efforts, cost incurred to date bear to the total estimated cost of the transaction, time spent, service performed or any other method that management considered appropriate are used to measure the stage of completion at the end of the reporting period.

Reimbursable and supplies are accounted for on accrual basis.

In Construction Management/Supervision Contracts, revenue is recognised as a percentage of the value of work done/built-up cost of each contract as determined by the Management, pending customer's approval, if any.

Mobilization fee is considered as advance until recognized as revenue based on the stage of completion of activities/transactions as per the terms of contract/work order.

1.2.1.2 Inspection Fee

Inspection fee is accounted for on the basis of inspection certificates issued.

1.2.1.3 Lease Services

Lease income arising from operating leases is accounted for on a straight-line basis over the lease terms. However, reimbursables under the contract are accounted for on accrual basis. Initial direct costs are added to the carrying amount of the leased assets and recognized as an expense over the lease term.

1.2.1.4 Export Sales

Export sales are accounted for on the basis of bills raised where all significant risks and rewards of ownership have been transferred to the buyer wherein company neither retain continuing managerial involvement to the degree usually associated with the ownership nor effective control over the goods exported.

1.2.1.5 Construction Projects

Revenue and costs associated with the construction contracts/projects are recognized as revenue and expenses respectively based on stage of completion of contract/project activities at the end of the reporting period.

Stage of completion of contract for recognition of revenue is based on the proportion of the costs incurred for work performed up to the reporting date bear to the estimated total contract/project costs.

Any expected loss is recognized as an expense immediately.

1.2.1.6 Wind Mill Projects

Revenue from sale of power through wind mill projects is recognized on the basis of certificate from concerned State Electricity Authority for energy fed in kwh (units) in authority's system and as per terms and conditions of the Agreement with the beneficiary.

1.2.1.7 Consultancy - Advisory services for Power Procurement

Income from consultancy is recognized as per the terms and conditions of the agreement with the beneficiary.

1.2.2 Other Income

1.2.2.1 Interest Income

Interest income is recognized using effective interest method.

1.2.2.2 Dividend

Revenue is recognised when the right to receive the payment is established, which is generally when shareholders approve the dividend.

1.2.2.3 Export Incentives

Export incentive is recognized when there is a reasonable assurance that the incentive will be received and all the attached conditions have been complied with.

1.2.2.4 Others

Other income is accounted for on accrual basis except claims/supplementary claims/counter claims/interest on delayed payments/awards in favour of the Company/sale of tenders/premium on sale of licenses etc. which are accounted for on final settlement/realization.

1.3 PROPERTY, PLANT AND EQUIPMENT (PPE)

Property, plant and equipment are stated at cost i.e., cost of acquisition or construction inclusive of freight, erection and commissioning charges, non-refundable duties and taxes, expenditure during construction period, borrowing costs, in case of a qualifying asset, upto the date of acquisition/ installation, net of accumulated depreciation and impairment losses, if any.

- (a) Incidental expenditure during construction period including interest charges incurred upto the date of completion, net of interest recovered on mobilisation advance, are capitalized.
- (b) Spare valuing more than ₹ 10 lakh which can be used only in connection with an item of property, plant and equipment and whose use is expected to be irregular are capitalised and depreciated over the useful life of the spares or principal item of the relevant assets, whichever is lower. Other spares are charged off to the Statement of Profit and Loss in the year of purchase.
- (c) Expenditure incurred subsequently relating to property, plant & equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably.
- (d) The initial estimate of the cost of dismantling, removing the item and restoring the site on which PPE is located, the obligation for which is incurred when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during the period, is capitalized as a component of PPE.

1.3.1 Depreciation

- (a) Depreciation on property, plant and equipment are provided on straight line method over their estimated useful life determined by management. Depreciation method, useful lives and residual values are reviewed at the end of each financial year. The useful lives of assets are as prescribed in part C of schedule II of the Companies Act, 2013 except assets indicated in sub paragraphs from (d) to (g) below. In respect of additions to/deductions from the assets during the year, depreciation is charged on pro-rata basis.
- (b) The estimated useful lives of the various assets, are as under:-

Assets	Useful Life (Years)
i) Furniture	10
ii) Fixture	5
iii) Office Equipment	5
iv) Mobile Hand Set	3
v) Coolers & Air Conditioners	7
vi) Air Conditioning Plant	15
vii) Computer Hardware	3-4
viii) Server & Networks	6
ix) Survey and Equipments	10
x) Vehicles	4-8
xi) Buildings on Freehold Land	60
xii) Locomotives-New	15
xiii) Locomotives-In-Service	10
xiv) Coaches-New	15
xv) Coaches-In-Service	10
xvi) Windmill Plant	25

- (c) Any addition or extension, which becomes an integral part of the existing asset and which results in increased economic benefits, is capitalized and depreciated over the remaining useful life of that asset.
- An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset which is calculated as the difference between the net disposal proceeds and the carrying amount of the asset, is included in the income statement when the asset is de-recognised.
- (d) In respect of BOT assets, depreciation is charged over the period of project or the life stated above whichever is lower.
- (e) In respect of buildings on lease hold land, depreciation is charged over the period of lease of land or the useful life stated above for buildings on freehold land, whichever is lower.
- (f) In case of RITES Ltd., as per company's assessment, Fixtures, Mobile Hand Set, Coolers & Air Conditioners and In-Service Locomotives & Coaches (refurbished) have lower useful lives than prescribed in part C of schedule II of the Companies Act, 2013. Therefore depreciation is charged at higher rate than prescribed under the Companies Act, 2013. In case of REMCL, Windmill plants have higher useful life of 25 years than prescribed in part C of schedule II of the Companies Act, 2013 or 22 years. Therefore, depreciation is charged at lower rate than prescribed under the Companies Act, 2013.
- (g) In case of holding & its subsidiary companies in India, Individual low cost assets of value less than ₹ 5,000/- is fully depreciated in the year of acquisition.
- (h) In case of holding company & its subsidiary companies in India, a nominal value of ₹ 1/- is assigned to the fully depreciated assets.

1.3.2 Capital Work in Progress

Assets which are not ready for the intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

1.3.3 Capital Advances

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date are classified as capital advances under other non-current assets.

1.4 INTANGIBLE ASSETS

Intangible assets acquired/ developed are measured on recognition at cost less accumulated amortisation and impairment losses, if any.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is de-recognised.

- (a) Software of value less than ₹ 100,000/- is fully amortized in the year of acquisition.
- (b) A nominal value of ₹1/- is assigned to the fully amortized assets.

1.4.1 Amortization

Estimated useful life of the software is 4 years and amortized on a straight line basis over the period.

1.5 INVESTMENT PROPERTY

Investment properties are measured at cost, including transaction costs less accumulated depreciation and impairment loss, if any.

The Company depreciates building component of investment property over the estimated useful lives of the assets as prescribed in property, plant and equipment.

Investment properties are de-recognised either on disposal or on permanent withdrawal from use. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the Statement of Profit and Loss in the period of de-recognition.

1.6 INVESTMENTS

Equity investments are measured at fair value through profit and loss except investments in subsidiary, participating joint venture with or without joint control and associate.

Investments in subsidiary, participating joint venture with or without joint control and associate are measured at cost.

1.7 JOINT ARRANGEMENTS

1.7.1 Joint Ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its joint venture are accounted for using the equity method. Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date.

1.7.2 Joint Operations

- (a) In case of participating joint operations with joint control, company recognizes in relation to its interest in a joint operation as under :-
 - (i) its assets, including its share of any assets held jointly;
 - (ii) its liabilities, including its share of any liabilities incurred jointly;
 - (iii) its revenue from the sale of its share of the output arising from the joint operation;
 - (iv) its share of the revenue from the sale of the output by the joint operation; and
 - (v) its expenses, including its share of any expenses incurred jointly.
- (b) In case of participating joint operations without having joint control, interest in such arrangements is to be recognized as per aforesaid accounting policy if the company has right to the assets and obligations for the liabilities relating to joint operations otherwise interest in the joint operation is recognized in accordance with applicable Ind AS.

1.8 INVENTORIES

- (a) Inventories are valued at cost on First In First Out (FIFO) basis and net realizable value whichever is less.
- (b) Cost of inventories comprises of costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.
- (c) The diminution in the value of obsolete, unserviceable, slow moving and non-moving stores and spares are assessed periodically and accordingly provided for.
- (d) Consumables are charged to the Statement of Profit and Loss in the year of purchase irrespective of the value.

1.9 EMPLOYEE BENEFITS

1.9.1 Defined Contribution Plans

Pension Scheme/Post Retiral Medical Schemes

Retirement benefits in the form of pension scheme/post-retirement medical scheme are defined contribution schemes. The Company has no obligation, other than the contribution payable to such funds/ schemes. The Company recognizes contribution payable to such funds/schemes as an expense, when an employee renders the related service. If the contribution payable to the schemes for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Defined contributions towards pension under EPFO, superannuation pension fund and post retiral medical schemes are charged to the Statement of Profit and Loss based on contributions made in terms of applicable schemes on accrual basis.

1.9.2 DEFINED BENEFIT PLAN

1.9.2.1 Gratuity

Company provides gratuity, a defined benefit plan covering eligible regular and contract employees. The gratuity plan provides a lump-sum payment to vested employees of an amount based on the respective employee's salary and the tenure of employment with the company at retirement, death, incapacitation, or on completion of terms of employment.

The liabilities with regard to the Gratuity plan are determined by actuarial valuation, performed by an independent actuary, at the year end.

- (i) Company has set up a Gratuity Trust Fund which is being administered by Life Insurance Corporation of India (LIC) who invests the contribution in the schemes permitted by laws of India.
- (ii) The company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability.
- (iii) Gain or loss through re-measurements of net defined benefit liability/(asset) is recognized in Other Comprehensive Income.
- (iv) The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized in Other Comprehensive Income.
- (v) Service cost and net interest cost/(income) on the net defined benefit liability/(asset) are recognized in Statement of Profit and Loss.

1.9.2.2 Provident Fund

The Company makes contribution to the recognized provident fund - "RITES Contributory Provident Fund" for its employees, which is a defined benefit plan to the extent that the Company has an obligation to make good the shortfall, if any, between the returns from the investments of the trust and the notified interest rate. The Company's obligation in this regard is determined by an independent actuary and provided for if the circumstances indicate that the Trust may not be able to generate adequate returns to cover the interest rates notified by the Government.

1.9.3 Other Long Term Benefits

- (a) Leave Travel Concession (CDA employees), Leave Encashment (contract employees) and Long Service Award (regular employees)
 - i. Accounted for on actuarial valuation made at the end of year.

- ii. The actuarial gains/losses are recognized in the Statement of Profit and Loss for the year.
- (b) Leave Encashment and Medical Leave for regular employees
 - i. Liabilities are funded under plan assets through insurance policies from insurance companies approved by Insurance Regulatory Development Authority (IRDA) and are accounted for on actuarial valuation made at the end of year.
 - ii. The company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability.
 - iii. Service cost and net interest cost/(income) on the net defined benefit liability/(asset) are recognized in Statement of Profit and Loss.
 - iv. Actuarial gains/losses are recognized in the Statement of Profit and Loss.

1.9.4 Other Benefits

Ex-gratia payments on death are recognized on payment basis in the Statement of Profit and Loss.

1.10 RESEARCH & DEVELOPMENT

Revenue expenditure incurred/paid during the year on research is charged to the Statement of Profit and Loss.

Development cost is capitalized if following are demonstrated otherwise it is charged to the Statement of Profit and Loss:

- (a) Technical feasibility of completing the intangible asset so that it will be available for use or sell.
- (b) Intention to complete the intangible asset and use or sell it.
- (c) Ability to use or sell the intangible assets.
- (d) Asset will generate future economic benefits.
- (e) There is availability of resources to complete the asset.

The developed asset is carried at cost less any accumulated amortisation and impairment loss, if any. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

1.11 INCOME TAXES

1.11.1 Current Income Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. In case of domestic entities, the tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted in India, at the reporting date. Tax expense relating to foreign operations is determined in accordance with tax laws applicable in countries where such operations are domiciled.

Management periodically evaluates positions taken in the tax assessments with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets are offset against current tax liabilities if, and only if, a legally enforceable right exists to set off the recognised amounts and there is an intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Additional taxes, interest and/or penalties levied/ imposed by the tax authorities / Appellate authorities on finality are recognized in the Statement of Profit and Loss.

Current tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized.

1.11.2 Deferred Tax

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable

that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred income taxes are not provided on the undistributed earnings of the subsidiaries where it is expected that the earning of the subsidiaries will not be distributed in foreseeable future.

1.12 RATES & TAXES

Overseas taxes on foreign assignments, service tax, value added tax, alike taxes, professional tax, property tax, entry tax, labour cess, octroi etc. paid/accrued in India or abroad for which credit are not available to the company are charged to the Statement of Profit and Loss.

1.13 PREPAYMENTS

Prepayments towards leasehold land and/or buildings, which are in the nature of operating lease, are amortized over the period of the lease agreement.

Prepaid Expenses and Prior Period Adjustments

Prepaid expenses and prior period adjustments up to ₹ 1,00,000/- in each case are treated as expenditure/income of the year and accounted for to the natural head of accounts.

1.14 TRANSLATION AND TRANSACTIONS OF FOREIGN CURRENCIES

1.14.1 Functional Currency

Functional Currency of the company is Indian Rupees and the financial statements are presented in Indian Rupees.

1.14.2 Foreign Currencies

Transactions in foreign currencies are initially recorded by the Company at functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses an available average rate if the average approximates the actual rate at the date of the transaction.

1.14.3 Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

1.14.4 Exchange differences arising on settlement or translation of monetary items are recognised in the Statement of Profit and Loss.

1.14.5 Assets and liabilities for each balance sheet presented including comparatives are translated at the exchange rate prevailing on the reporting date.

Income and expenses for each statement of profit and loss is presented including comparatives are translated at exchange rate prevailing on the date of transaction.

All resulting exchange differences are recognised in other comprehensive income.

1.14.6 On the disposal off foreign operation, the cumulative amount of exchange differences relating to that foreign operation, recognised in other comprehensive income (OCI) and accumulated in separate component of equity is re-classified from equity to Statement of Profit and Loss.

1.15 CASH AND CASH EQUIVALENTS

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short term deposits with an original maturity of three months or less from the date of acquisitions which are readily convertible into known amounts of cash and be subject to an insignificant risk of change in value. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

1.16 STATEMENT OF CASH FLOWS

Statement of Cash Flows is made using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future cash receipts or payments and

item of income or expenses associated with investing or financing cash flows. The cash flows from operating, financing and investing activities of the Company are segregated.

1.17 EARNINGS PER SHARE

In determining basic earnings per share, net profit attributable to equity shareholders is divided by weighted average number of equity shares outstanding during the period.

In determining diluted earnings per share, net profit attributable to equity shareholders is divided by weighted average number of equity shares considered for deriving basic earning per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at the later date. Dilutive potential equity share are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus share issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

1.18 IMPAIRMENT OF ASSETS

1.18.1 Financial Assets

(Other than at Fair Value)

The Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on following financial assets – loans, deposits and trade receivables.

In case of holding company, trade/lease receivables outstanding for a period over 3 years are impaired 100% and others which are outstanding for a period of 3 years or less are impaired on a case to case basis, except in cases where amount is considered recoverable as per the management.

For other receivables impairment is made on the basis of expected credit loss model.

1.18.2 Non-Financial Assets

(Tangible and Intangible Assets)

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use). Impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount and such losses either no longer exists or has decreased. Reversal of impaired loss is recognized in the Statement of Profit and Loss to the extent of previously recognized or balanced impairment loss.

1.19 WRITE OFF

1.19.1 Financial Assets

Such assets including trade/lease receivables are written off when, in the opinion of the management, unrealisability has become certain.

1.19.2 Non Financial Assets

Such assets including property, plant, equipment (PPE), intangible assets, investment property and inventory are written off when, in the opinion of the management, such assets have become obsolete, damaged beyond repair, stolen and uneconomical to use.

1.20 PROVISION FOR WARRANTY FOR SALE AND SERVICES RENDERED

Provision for warranties is recognized when products are sold and services are rendered with warranty as per the contract. These provisions are estimated by using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claim will arise or incurred. The initial estimate of warranty-related costs is revised annually.

As per the terms of the contracts, the Company provides post-contract services /warranty support to some of its customers. The Company accounts for the post-contract support / provision for warranty on the basis of the information available with the Management duly taking into account the current and past estimates.

1.21 PROVISION FOR PROFESSIONAL SERVICES (FOR EXPORT SALES)

Provision for professional services for export sales is recognized in the year in which sales are recognized.

1.22 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

- (a) Provisions involving substantial degree of estimation in measurement are recognized when there is a present legal or constructive obligation as a result of past events and it is probable that there will be an outflow of resources.
- (b) Contingent Liabilities are not recognized but are disclosed in the notes in any of the following cases :-
 - (i) a present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation; or
 - (ii) a reliable estimate of the present obligation cannot be made; or
 - (iii) a possible obligation, unless the probability of outflow of resource is remote.
- (c) Contingent Liability is net of estimated provisions considering possible outflow on settlement.
- (d) Contingent Assets are not recognized but are disclosed where an inflow of economic benefits is probable.
- (e) Contingent Assets, Contingent Liabilities and Provisions needed against Contingent Liabilities are reviewed at each balance sheet date.

1.23 BORROWING COST

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of cost of such assets which necessarily takes substantial period of time to get ready for their intended use. All other borrowing costs are recognized as expenses in the Statement of Profit and Loss .

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

1.24 LEASES ASSETS

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

Finance leases, where substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are reflected in the Statement of Profit and Loss .

Capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty to obtain ownership by the end of the lease term.

1.24.1 LEASE EXPENSES

Lease expenses/payments under operating lease are recognized as expenses on straight line basis over the lease term unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

1.25 NON-CURRENT ASSETS HELD FOR SALE

The Company classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification. Non-current assets classified as held for sale is recognized at lower of its carrying amount and fair value less cost to sell.

1.26 DIVIDENDS

Final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the company's Board of Directors.

1.27 FINANCIAL INSTRUMENTS

1.27.1 Initial Recognition

Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and financial liabilities are recognized at fair value on initial recognition except for trade receivables/ trade payables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit and loss are added or deducted to/from the fair value on initial recognition.

1.27.2 Subsequent Measurement

(a) Financial assets are subsequently measured at amortised cost if these are held within a business model whose objective is to hold the assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding using the Effective Interest Rate (EIR) method. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

(b) Financial assets at fair value through profit or loss

The financial assets are measured at fair value through profit or loss unless it is classified at amortised cost.

(c) Financial liabilities

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using EIR method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are de-recognised as well as through the EIR amortisation process.

1.27.3 De-recognition of Financial Instruments

A financial asset is de-recognised when:

- The rights to receive cash flows from the asset have expired, or
- the Company has transferred substantially all the risks and rewards of the asset, or the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability or a part of financial liability is de-recognised from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

1.27.4 Forward Contracts

Forward contracts are measured at marked to market value at every reporting date.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

2.1 PROPERTY, PLANT AND EQUIPMENT

FOLLOWING ARE THE CHANGES IN THE CARRYING VALUE OF PROPERTY, PLANT AND EQUIPMENT FOR THE YEAR ENDED 31.03.2018

(₹ in crore)

DESCRIPTION	GROSS BLOCK						DEPRECIATION/AMORTISATION						NET BLOCK AS AT 31/03/2018
	AS AT 01/04/2017	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	ADJ OF EXCHANGE RATE	DELETIONS DURING THE YEAR	TOTAL	AS AT 01/04/2017	FOR THE YEAR	ADJ DURING THE YEAR	ADJ OF EXCHANGE RATE	DELETIONS DURING THE YEAR	TOTAL	
LEASED HOLD													
LAND^	1.05	-	-	-	-	1.05	0.06	0.04	-	-	-	0.10	0.95
BUILDING	9.58	-	-	-	-	9.58	0.34	0.19	-	-	-	0.53	9.05
MULTIFUNCTIONAL COMPLEX	5.76	-	-	-	5.76	-	0.08	0.08	-	-	0.16	-	-
SUB TOTAL	16.39	-	-	-	5.76	10.63	0.48	0.31	-	-	0.16	0.63	10.00
OTHERS													
LAND	30.35	0.06	(4.22)	-	-	26.19	-	-	-	-	-	-	26.19
BUILDING	34.51	-	-	-	-	34.51	1.36	0.68	-	-	-	2.04	32.47
RESIDENTIAL QUARTERS	0.98	-	-	-	-	0.98	0.04	0.02	-	-	-	0.06	0.92
SURVEY AND OTHER INSTRUMENTS	4.86	4.65	-	-	0.01	9.50	1.39	0.87	-	-	-	2.26	7.24
COMPUTER AND EQUIPMENTS	7.31	1.97	-	0.01	0.01	9.28	4.34	1.99	-	-	0.01	6.32	2.96
SERVER & NETWORK	4.30	0.53	-	-	-	4.83	1.97	1.05	-	-	-	3.02	1.81
OFFICE AND OTHER EQUIPMENTS	4.01	0.50	-	-	0.03	4.48	2.25	0.75	-	-	0.02	2.98	1.50
AIR-CONDITIONER AND EQUIPMENTS	1.15	0.17	-	-	0.01	1.31	0.37	0.20	-	-	-	0.57	0.74
AIR CONDITIONER PLANT	6.80	-	-	-	-	6.80	2.72	0.65	-	-	-	3.37	3.43
FURNITURES	3.50	0.67	-	-	0.02	4.15	1.06	0.61	-	-	-	1.67	2.48
FIXTURES	1.67	0.23	-	-	-	1.90	1.20	0.22	-	-	-	1.42	0.48
VEHICLES	1.64	0.08	-	-	-	1.72	0.61	0.28	-	-	-	0.89	0.83
VEHICLES ABROAD	0.04	-	-	-	0.01	0.03	0.03	0.01	-	-	0.01	0.03	-
LOCOMOTIVES NEW	60.30	38.86	-	-	-	99.16	6.87	4.95	-	-	-	11.82	87.34
LOCOMOTIVES IN SERVICE*	142.59	-	(6.19)	-	-	136.40	35.59	16.42	-	-	-	52.01	84.39
PLANT & MACHINERY^	152.22	-	-	-	-	152.22	8.88	6.09	-	-	-	14.97	137.25
SUB TOTAL	456.23	47.72	(10.41)	0.01	0.09	493.46	68.68	34.79	-	-	0.04	103.43	390.03
TOTAL	472.62	47.72	(10.41)	0.01	5.85	504.09	69.16	35.10	-	-	0.20	104.06	400.03

FOLLOWING ARE THE CHANGES IN THE CARRYING VALUE OF PROPERTY, PLANT AND EQUIPMENT FOR THE YEAR ENDED 31.03.2017

(₹ in crore)

DESCRIPTION	GROSS BLOCK						DEPRECIATION/AMORTISATION						NET BLOCK	
	AS AT 01/04/2016	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	ADJ OF EXCHANGE RATE	DELETIONS DURING THE YEAR	TOTAL	AS AT 01/04/2016	FOR THE YEAR	ADJ DURING THE YEAR	ADJ OF EXCHANGE RATE	DELETIONS DURING THE YEAR	TOTAL	AS AT 31/03/2017	AS AT 01/04/2016
LEASED HOLD														
LAND^	1.05	-	-	-	-	1.05	0.02	0.04	-	-	-	0.06	0.99	1.03
BUILDING	3.94	5.64	-	-	-	9.58	0.17	0.17	-	-	-	0.34	9.24	3.77
MULTIFUNCTIONAL COMPLEX	5.88	5.87	-	-	5.99	5.76	0.14	0.17	-	-	0.23	0.08	5.68	5.74
SUB TOTAL	10.87	11.51	-	-	5.99	16.39	0.33	0.38	-	-	0.23	0.48	15.91	10.54
OTHERS														
LAND	29.56	0.79	-	-	-	30.35	-	-	-	-	-	-	30.35	29.56
BUILDING	34.51	-	-	-	-	34.51	0.68	0.68	-	-	-	1.36	33.15	33.83
RESIDENTIAL QUARTERS	0.98	-	-	-	-	0.98	0.02	0.02	-	-	-	0.04	0.94	0.96
SURVEY AND OTHER INSTRUMENTS	3.80	1.06	-	-	-	4.86	0.68	0.71	-	-	-	1.39	3.47	3.12
COMPUTER AND EQUIPMENTS	5.28	2.05	-	-	0.02	7.31	2.12	2.22	-	-	-	4.34	2.97	3.16
SERVER & NETWORK	4.25	0.05	-	-	-	4.30	0.97	1.00	-	-	-	1.97	2.33	3.28
OFFICE AND OTHER EQUIPMENTS	3.12	0.93	-	-	0.04	4.01	1.32	0.93	-	-	-	2.25	1.76	1.80

(₹ in crore)

DESCRIPTION	GROSS BLOCK						DEPRECIATION/AMORTISATION						NET BLOCK	
	AS AT 01/04/2016	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	ADJ OF EXCHANGE RATE	DELETIONS DURING THE YEAR	TOTAL	AS AT 01/04/2016	FOR THE YEAR	ADJ DURING THE YEAR	ADJ OF EXCHANGE RATE	DELETIONS DURING THE YEAR	TOTAL	AS AT 31/03/2017	AS AT 01/04/2016
AIR-CONDITIONER AND EQUIPMENTS	0.91	0.27	(0.02)	-	0.01	1.15	0.18	0.20	-	-	0.01	0.37	0.78	0.73
AIR CONDITIONER PLANT	6.75	0.05	-	-	-	6.80	1.36	1.36	-	-	-	2.72	4.08	5.39
FURNITURES	3.06	0.46	-	-	0.02	3.50	0.54	0.53	-	-	0.01	1.06	2.44	2.52
FIXTURES	1.64	0.05	-	-	0.02	1.67	0.73	0.47	-	-	-	1.20	0.47	0.91
VEHICLES	1.64	-	-	-	-	1.64	0.31	0.30	-	-	-	0.61	1.03	1.33
VEHICLES ABROAD	0.03	-	-	0.01	-	0.04	0.02	0.01	-	-	-	0.03	0.01	0.01
LOCOMOTIVES NEW	60.30	-	-	-	-	60.30	2.85	4.02	-	-	-	6.87	53.43	57.45
LOCOMOTIVES IN SERVICE	129.24	13.35	-	-	-	142.59	17.83	17.76	-	-	-	35.59	107.00	111.41
PLANT & MACHINERY [^]	152.22	-	-	-	-	152.22	2.79	6.09	-	-	-	8.88	143.34	149.43
SUB TOTAL	437.29	19.06	(0.02)	0.01	0.11	456.23	32.40	36.30	-	-	0.02	68.68	387.55	404.89
TOTAL	448.16	30.57	(0.02)	0.01	6.10	472.62	32.73	36.68	-	-	0.25	69.16	403.46	415.43

NOTE :

- DEPRECIATION ON FREEHOLD FLATS IS CHARGED ON THE TOTAL COST OF FLATS IN THE ABSENCE OF BREAK-UP OF LAND COMPONENTS IN THE FLATS VALUE.
- IN RESPECT OF LEASE AGREEMENTS PENDING EXECUTION (REFER NOTE NO. 2.63)
- AGGREGATE DEPRECIATION AND AMORTISATION HAS BEEN INCLUDED UNDER DEPRECIATION AND AMORTISATION EXPENSES IN THE PROFIT AND LOSS.
- DEPRECIATION OF ₹ NIL (PREVIOUS YEAR ₹ 0.09 CRORE) ON ASSETS PERTAINS TO DISCONTINUED OPERATIONS ARE CONSIDERED IN DISCONTINUED OPERATIONS INSTEAD OF DEPRECIATION EXPENSES.
- PRESENTATION HAS BEEN CHANGED IN LINE WITH IND AS 101 & THE CARRYING COST AS ON 01.04.2015 HAS BEEN INDICATED AS GROSS BLOCK.
- [^] LAND OF ₹ 1.05 CRORE AND PLANT & MACHINERY OF ₹ 152.22 CRORE ARE MORTGAGED/HYPOTHECATED AGAINST BORROWINGS (REFER NOTE NO. 2.22).
- * ASSETS TRANSFERRED TO INVENTORIES AT WRITTEN DOWN VALUE OF ₹6.19 CRORE (PREVIOUS YEAR ₹ NIL) AS LOWER THAN NET REALISABLE VALUE (GROSS BLOCK ₹ 28.04 CRORE LESS ACCUMULATED DEPRECIATION ₹ 21.85 CRORE).

2.2 CAPITAL WORK IN PROGRESS

(₹ in crore)

DESCRIPTION	GROSS BLOCK						DEPRECIATION/AMORTISATION						NET BLOCK
	OPENING	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	ADJ OF EXCHANGE RATE	DELETIONS DURING THE YEAR	TOTAL	OPENING	FOR THE YEAR	ADJ DURING THE YEAR	ADJ OF EXCHANGE RATE	DELETIONS DURING THE YEAR	TOTAL	
AS AT 31.03.2018	3.28	0.17	(3.07)	-	-	0.38	-	-	-	-	-	-	0.38
AS AT 31.03.2017	6.97	3.47	(6.92)	-	0.24	3.28	-	-	-	-	-	-	3.28
AS AT 01.04.2016													6.97

2.3 INVESTMENT PROPERTY

(₹ in crore)

DESCRIPTION	GROSS BLOCK						DEPRECIATION/AMORTISATION						NET BLOCK
	OPENING	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	ADJ OF EXCHANGE RATE	DELETIONS DURING THE YEAR	TOTAL	OPENING	FOR THE YEAR	ADJ DURING THE YEAR	ADJ OF EXCHANGE RATE	DELETIONS DURING THE YEAR	TOTAL	
LEASEHOLD BUILDING													
AS AT 31.03.2018	1.33	-	-	-	-	1.33	0.08	0.03	-	-	-	0.11	1.22
AS AT 31.03.2017	1.33	-	-	-	-	1.33	0.04	0.04	-	-	-	0.08	1.25
AS AT 01.04.2016													1.29

REFER NOTE NO. 2.45

2.4 INTANGIBLE ASSETS

(₹ in crore)

DESCRIPTION	GROSS BLOCK						DEPRECIATION/AMORTISATION						NET BLOCK
	OPENING	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	ADJ OF EXCHANGE RATE	DELETIONS DURING THE YEAR	TOTAL	OPENING	FOR THE YEAR	ADJ DURING THE YEAR	ADJ OF EXCHANGE RATE	DELETIONS DURING THE YEAR	TOTAL	
SOFTWARES (ACQUIRED)													
AS AT 31.03.2018	5.39	0.39	-	-	-	5.78	3.65	1.21	-	-	-	4.86	0.92
AS AT 31.03.2017	5.12	0.28	-	-	0.01	5.39	2.02	1.63	-	-	-	3.65	1.74
AS AT 01.04.2016													3.10

2.5 INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ in crore)

DESCRIPTION	GROSS BLOCK						DEPRECIATION/AMORTISATION						NET BLOCK
	OPENING	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	ADJ OF EXCHANGE RATE	DELETIONS DURING THE YEAR	TOTAL	OPENING	FOR THE YEAR	ADJ DURING THE YEAR	ADJ OF EXCHANGE RATE	DELETIONS DURING THE YEAR	TOTAL	
SOFTWARES (ACQUIRED)													
AS AT 31.03.2018	1.58	-	-	-	-	1.58	-	-		-	-	-	1.58
AS AT 31.03.2017	1.58	-	-	-	-	1.58						-	1.58
AS AT 01.04.2016													1.58

- AGGREGATE DEPRECIATION AND AMORTISATION HAS BEEN INCLUDED UNDER DEPRECIATION AND AMORTISATION EXPENSES IN THE PROFIT AND LOSS.

2.6 INVESTMENT IN JOINT VENTURES APPLYING EQUITY METHOD

(₹ in crore)

PARTICULARS	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
COMPANHIA DOS CAMINHOS DE FERRO DA BEIRA, SA (CCFB), MOZAMBIQUE*	-	-	11.00
SAIL-RITES BENGAL WAGON INDUSTRY PRIVATE LIMITED	12.76	14.83	19.58
BNV GUJARAT RAIL PRIVATE LIMITED	0.01	0.01	-
TOTAL	12.77	14.84	30.58

* DISPUTE OF CCFB, MOZAMBIQUE HAS BEEN AMICABLY SETTLED WITH GOVERNMENT OF MOZAMBIQUE (GOM) IN 2015-16. (REFER NOTE NO. 2.60)

REFER NOTE NO. 2.47.3.3

2.7 INVESTMENTS

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
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2.7.1 NON CURRENT INVESTMENTS

A) INVESTMENT IN UNQUOTED EQUITY INSTRUMENTS OF (INVESTMENT CARRIED AT COST):

COOPERATIVE SOCIETIES

(i) Moru Mahal Co-operative Society Limited

2.70

-

-

-

5 (previous year 5) Equity Shares of face value of ₹ 50/- each acquired for purchase of residential quarter.

(ii) Amit Industrial Premises Co-operative Society Limited

2.70

-

-

-

10 (previous year 10) Equity Shares of face value of ₹ 50/- each acquired for purchase of laboratory.

OTHERS

Global Procurement Consultants Limited***

0.04

0.04

0.04

32,279 (previous year 32,279) equity shares of face value of ₹ 10/- each, fully paid-up (includes 2,279 equity shares of face value of ₹ 10/- each at a price of ₹ 30/- each).

AGGREGATE OF UNQUOTED INVESTMENTS (NON CURRENT)

0.04

0.04

0.04

B) INVESTMENT IN QUOTED TAX FREE BONDS OF (INVESTMENT CARRIED AT AMORTISED COST):

(i) INDIAN RAILWAY FINANCE CORPORATION (7 YEAR SECURED REDEEMABLE 6.32% TAX FREE BONDS 20 DEC., 2017)

5,000 Bonds of face value of ₹ 100,000/- each, fully paid

-

-

50.00

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
(ii) INDIAN RAILWAY FINANCE CORPORATION (10 YEAR SECURED REDEEMABLE 7.55% TAX FREE BONDS 08 NOV., 2021)				
2,500 Bonds of face value of ₹ 100,000/- each , fully paid		25.00	25.00	25.00
(iii) INDIAN RAILWAY FINANCE CORPORATION (10 YEAR SECURED REDEEMABLE 7.21% TAX FREE BONDS 26 NOV., 2022)				
300 Bonds of face value of ₹ 1,000,000/- each at premium of ₹100/- each, fully paid		30.00	30.00	30.00
(iv) INDIAN RAILWAY FINANCE CORPORATION (10 YEAR SECURED REDEEMABLE 7.22% TAX FREE BONDS 30 NOV., 2022)				
100 Bonds of face value of ₹ 1,000,000/- each at premium of ₹100/- each, fully paid		10.00	10.00	10.00
(v) INDIAN RAILWAY FINANCE CORPORATION (10 YEAR SECURED REDEEMABLE 7.18% TAX FREE BONDS 19 FEB., 2023)				
100,000 Bonds of face value of ₹ 1,000/- each, fully paid		10.00	10.00	10.00
(vi) INDIAN RAILWAY FINANCE CORPORATION (10 YEAR SECURED REDEEMABLE 8.35% TAX FREE BONDS 21 NOV., 2023)				
250 Bonds of face value of ₹ 1,000,000/- each at premium of ₹100/-each, fully paid		25.00	25.00	25.00
(vii) INDIAN RAILWAY FINANCE CORPORATION (10 YEAR SECURED REDEEMABLE 7.19% TAX FREE BONDS 31 JUL., 2025)				
200 Bonds of face value of ₹ 1,000,000/- each at premium of ₹100/-each, fully paid		20.00	20.00	20.00
AGGREGATE OF QUOTED INVESTMENTS (NON CURRENT)		120.00	120.00	170.00
TOTAL (NON CURRENT)		120.04	120.04	170.04
2.7.2 CURRENT INVESTMENTS				
A) INVESTMENT IN UNQUOTED MUTUAL FUNDS (INVESTMENT CARRIED AT FAIR VALUE THROUGH PROFIT OR LOSS):				
UTI LIQUID CASH PLAN				
NIL (PREVIOUS YEAR 699229.967) UNITS OF ₹ 1019.4457 PER UNIT.		-	71.28	-
CANARA ROBECO LIQUID FUND				
NIL (PREVIOUS YEAR 713603.548) UNITS OF ₹ 1005.5000 PER UNIT.		-	71.76	-
AGGREGATE OF UNQUOTED INVESTMENT (CURRENT)		-	143.04	-
B) INVESTMENT IN QUOTED TAX FREE BONDS OF (INVESTMENT CARRIED AT AMORTISED COST):				
(i) INDIAN RAILWAY FINANCE CORPORATION* (7 YEAR SECURED REDEEMABLE 6.30% TAX FREE BONDS 08 MAR., 2017)				
5,000 Bonds of face value of ₹ 100,000/- each , fully paid		-	-	50.00
(ii) INDIAN RAILWAY FINANCE CORPORATION (7 YEAR SECURED REDEEMABLE 6.32% TAX FREE BONDS 20 DEC., 2017)				
5,000 Bonds of face value of ₹ 100,000/- each , fully paid		-	50.00	-
AGGREGATE OF QUOTED INVESTMENTS (CURRENT)		-	50.00	50.00
TOTAL (CURRENT)		-	193.04	50.00
GRAND TOTAL		120.04	313.08	220.04
A AGGREGATE AMOUNT OF QUOTED INVESTMENTS		120.00	170.00	220.00
B MARKET VALUE OF QUOTED INVESTMENTS (INCLUDING INTEREST ACCRUED)**		127.19	178.56	229.67
C AGGREGATE AMOUNT OF UNQUOTED INVESTMENTS		0.04	143.08	0.04
D AGGREGATE AMOUNT OF IMPAIRMENT IN VALUE OF INVESTMENTS		-	-	-

* RECLASSIFIED FROM NON CURRENT TO CURRENT AT THE YEAR ENDED ON 01.04.2016.

** MARKET VALUE OF SOME OF THE BONDS ARE NOT AVAILABLE AS THESE BONDS ARE NOT FREQUENTLY TRADED, HENCE TAKEN AT AMORTISED COST.

*** EQUITY SHARES OF GLOBAL PROCUREMENT CONSULTANTS LIMITED ARE NOT TRADABLE AND AMOUNT OF INVESTMENT IN THE ENTITY IS NOT MATERIAL, HENCE INVESTMENT IS RECOGNISED AT COST.

REFER NOTE NO. 2.52

2.8 NON CURRENT LOANS

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
(SECURED, CONSIDERED GOOD)				
LOANS TO EMPLOYEES		8.19	9.61	8.96
(UNSECURED, CONSIDERED GOOD)				
LOANS TO EMPLOYEES		-	0.04	1.36
LOANS TO JV (RELATED PARTY)	2.44.2.2	7.00	-	-
TOTAL		15.19	9.65	10.32

2.9 OTHER NON CURRENT FINANCIAL ASSETS

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
SECURITY DEPOSITS		3.55	2.64	1.54
INTEREST ACCRUED (INCLUDING ACCRUED BUT NOT DUE) ON:				
- BANK DEPOSITS		1.87	2.50	1.21
- LOANS TO SRBWPL (RELATED PARTY)		0.76	-	-
RETENTION MONEY		16.90	15.23	11.03
AMOUNT RECOVERABLES		0.03	-	-
GOVT. OF MOZAMBIQUE RECEIVABLES	2.60	35.03	68.49	45.96
BANK DEPOSITS HAVING MATURITY OVER 12 MONTHS FROM REPORTING DATE:				
- OWNED FUND	2.14.3	29.91	105.88	108.29
- CLIENTS FUND	2.15.3	41.03	49.94	28.66
TOTAL		129.08	244.68	196.69

2.10 DEFERRED TAX ASSETS/ (LIABILITY) (NET)

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
DEFERRED INCOME TAX ASSETS:				
LEAVE ENCASHMENT AND OTHER PROVISIONS		16.11	21.44	33.13
PROVISION FOR DOUBTFUL DEBTS, SECURITY DEPOSITS/ EMD, ADVANCES ETC.		55.15	27.87	20.53
CARRY FORWARD LOSSES/BUSINESS LOSS (AS PER IT ACT, 1961)		-	0.02	0.02
UNABSORBED DEPRECIATION		16.17	32.49	-
PRELIMINARY EXPENSES		-	0.02	0.05
TOTAL DEFERRED INCOME TAX ASSETS - I		87.43	81.84	53.73
DEFERRED INCOME TAX LIABILITIES:				
PROPERTY, PLANT & EQUIPMENT		45.83	53.51	13.34
TOTAL DEFERRED INCOME TAX LIABILITIES - II		45.83	53.51	13.34
DEFERRED INCOME TAX ASSETS (NET)	2.68	41.60	28.33	40.39

2.11 OTHER NON CURRENT ASSETS

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
ADVANCE INCOME TAX (NET OF PROVISION)	2.68	76.57	107.95	69.81
PREPAID EXPENSES		0.47	1.08	1.21
PRE-PAYMENT TOWARDS LEASEHOLD ASSETS		7.18	7.62	8.04
DEFERRED COST TOWARDS STAFF LOAN		1.85	2.08	2.23
CAPITAL ADVANCE		32.94	11.44	17.34
DEFERRED COST TOWARDS GOVT OF MOZAMBIQUE RECEIVABLES		0.47	1.78	0.34
MAT CREDIT		15.47	7.09	0.97
TOTAL		134.95	139.04	99.94

2.12 INVENTORIES

(AT THE LOWER OF COST AND NET REALISABLE VALUE)

(₹ in crore)

PARTICULARS	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
(AS CERTIFIED BY MANAGEMENT)			
STORES & SPARES	1.90	2.58	2.11
STOCK IN TRADE*	7.48	47.84	10.96
TOTAL	9.38	50.42	13.07

*Includes inventory of ₹ 4.36 crore (previous year ₹ 38.83 crore, 01.04.2016 ₹ 5.74 crore) lying with third parties.

*Includes goods in transit ₹ 1.01 crore (previous year ₹ 3.83 crore, 01.04.2016 ₹ 1.66 crore).

2.13 CURRENT TRADE RECEIVABLES

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
UNSECURED				
CONSIDERED GOOD	2.44	467.70	461.50	534.39
CONSIDERED DOUBTFUL		82.83	63.53	41.74
		550.53	525.03	576.13
LESS: ALLOWANCES FOR EXPECTED CREDIT LOSSES		(82.83)	(63.53)	(41.74)
TOTAL		467.70	461.50	534.39

2.14 CASH AND BANK BALANCES-OWNED FUND

(₹ in crore)

PARTICULARS	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
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2.14.1 CASH AND CASH EQUIVALENTS

CASH IN HAND	0.03	0.03	0.03
CHEQUES IN HAND	1.09	0.34	0.18
BANK BALANCES IN :			
CURRENT ACCOUNTS	25.04	48.44	130.95
DEPOSITS #	119.00	215.92	241.77
TOTAL	145.16	264.73	241.98

2.14.2 OTHER BANK BALANCES

DEPOSITS ##	1,273.35	629.99	485.38
TOTAL	1,273.35	629.99	485.38

(₹ in crore)

	PARTICULARS	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
2.14.3	BANK BALANCE MORE THAN 12 MONTHS MATURITY-OWNED FUND (NOTE NO. 2.9)			
	DEPOSITS ###	29.91	105.88	108.29
	TOTAL	29.91	105.88	108.29
2.14.4	BOOK OVERDRAFT#### (NOTE NO. 2.28)	-	(1.68)	-
	TOTAL CASH & BANK BALANCE-OWNED FUND*	1,448.42	998.92	835.65

Includes flexi deposits and deposits having maturity within 3 months from the date of acquisition.

Having maturity over 3 months from the date of acquisition and upto 12 months from reporting date.

Having maturity over 12 months from reporting date.

Book overdraft due to issuance of cheques, which will be cleared against term deposits available in banks.

* Includes restricted cash and bank balances of ₹ 0.57 crore (previous year ₹4.25 crore, 01.04.2016 ₹ 6.49 crore) on account of bank balance held as margin money deposits against guarantees issued by banks.

2.15 CASH AND BANK BALANCES-CLIENTS FUND (₹ in crore)

	PARTICULARS	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
2.15.1	CASH AND CASH EQUIVALENTS			
	BANK BALANCES IN :			
	CURRENT ACCOUNTS	57.73	58.09	6.46
	DEPOSITS #	535.02	275.28	183.89
	TOTAL	592.75	333.37	190.35
2.15.2	OTHER BANK BALANCES			
	DEPOSITS ##	1,584.48	1,659.09	1,636.81
	TOTAL	1,584.48	1,659.09	1,636.81
2.15.3	BANK BALANCE MORE THAN 12 MONTHS MATURITY CLIENTS FUND (NOTE NO. 2.9)			
	DEPOSITS ###	41.03	49.94	28.66
	TOTAL	41.03	49.94	28.66
2.15.4	BOOK OVERDRAFT#### (NOTE NO. 2.28)	(7.73)	(26.58)	(3.58)
	TOTAL CASH & BANK BALANCE-CLIENTS FUND	2,210.53	2,015.82	1,852.24

Includes flexi deposits and deposits having maturity within 3 months from the date of acquisition.

Having maturity over 3 months from the date of acquisition and upto 12 months from reporting date.

Having maturity over 12 months from reporting date.

Book overdraft due to issuance of cheques, which will be cleared against term deposits available in banks.

2.16 CURRENT LOANS (₹ in crore)

	PARTICULARS	NOTE NO.	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
	(SECURED, CONSIDERED GOOD)				
	LOANS TO EMPLOYEES		3.67	3.94	3.90
	(UNSECURED, CONSIDERED GOOD)				
	LOANS TO JV (RELATED PARTY)	2.44.2.2	-	7.00	1.73
	LOANS TO EMPLOYEES		0.30	0.48	1.54
	TOTAL		3.97	11.42	7.17

2.17 OTHER CURRENT FINANCIAL ASSETS

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
GOVT. OF TANZANIA RECEIVABLES	2.61	59.04	58.72	60.09
LESS: ALLOWANCES FOR EXPECTED CREDIT LOSSES		(59.04)	-	-
AMOUNT RECOVERABLES		32.96	27.84	29.55
LESS: ALLOWANCES FOR EXPECTED CREDIT LOSSES		(16.65)	11.90	(16.43)
INTEREST ACCRUED (INCLUDING ACCRUED BUT NOT DUE) ON:				
- BANK DEPOSITS HAVING MATURITY: WITHIN 3 MONTHS FROM THE DATE OF ACQUISITION		0.09	0.29	0.35
OVER 3 MONTHS FROM THE DATE OF ACQUISITION AND UPTO 12 MONTHS FROM REPORTING DATE		35.18	39.69	41.59
- BONDS		5.89	7.47	8.36
- LOANS TO SRBWPL (RELATED PARTY)		-	0.14	0.31
RETENTION MONEY		14.23	7.21	7.53
GOVT. OF MOZAMBIQUE RECEIVABLES		35.87	36.20	36.99
ADVANCES TO RELATED PARTIES	2.44	-	0.07	1.04
SECURITY DEPOSITS		3.01	4.15	4.55
LESS: ALLOWANCES FOR EXPECTED CREDIT LOSSES		(0.49)	3.47	(0.76)
UNBILLED REVENUE		7.19	2.55	0.29
OTHER ADVANCES		-	-	-
TOTAL		117.28	167.71	173.46

2.18 CURRENT TAX ASSETS (NET)

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
INCOME TAX RECEIVABLES	2.68	36.82	10.35	38.66
TOTAL		36.82	10.35	38.66

2.19 OTHER CURRENT ASSETS

(₹ in crore)

PARTICULARS	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
PREPAID EXPENSES	5.65	4.94	3.40
OTHER ADVANCES	68.24	42.03	76.90
LESS: ALLOWANCES FOR EXPECTED CREDIT LOSSES	(0.35)	41.64	(0.38)
PRE-PAYMENT TOWARDS LEASEHOLD ASSETS	0.44	0.44	0.47
DEFERRED COST TOWARDS STAFF LOAN	0.79	0.84	1.00
DEFERRED COST TOWARDS GOVT OF MOZAMBIQUE RECEIVABLES	1.31	2.03	1.10
TOTAL	76.08	49.89	82.49

2.20 EQUITY SHARE CAPITAL

(₹ in crore)

PARTICULARS	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
2.20.1 AUTHORISED			
300,000,000 (PREVIOUS YEAR 300,000,000) EQUITY SHARES OF ₹ 10/- EACH	300.00	300.00	150.00
2.20.2 ISSUED, SUBSCRIBED AND FULLY PAID-UP			
200,000,000 (PREVIOUS YEAR 200,000,000) EQUITY SHARES OF ₹ 10/- EACH	200.00	200.00	100.00
	200.00	200.00	100.00

2.20.3 RECONCILIATION OF NUMBER OF EQUITY SHARES

	No. of Shares	(₹ in crore)	No. of Shares	(₹ in crore)	No. of Shares	(₹ in crore)
OPENING BALANCE	20,00,00,000	200.00	10,00,00,000	100.00	10,00,00,000	100.00
ADD/(LESS) DURING THE YEAR	-	-	10,00,00,000	100.00	-	-
CLOSING BALANCE	20,00,00,000	200.00	20,00,00,000	200.00	10,00,00,000	100.00

2.20.4 RIGHTS, PREFERENCES AND RESTRICTIONS ATTACHED TO EQUITY SHARES

THE COMPANY HAS ONE CLASS OF EQUITY SHARES HAVING A PAR VALUE OF ₹ 10 EACH. EACH SHAREHOLDER IS ELIGIBLE FOR ONE VOTE PER SHARE HELD IN CASE POLL IS DEMANDED BY THE MEMBERS IN ACCORDANCE WITH THE PROVISIONS OF THE COMPANIES ACT, 2013. IN THE EVENT OF LIQUIDATION, THE EQUITY SHAREHOLDERS ARE ELIGIBLE TO RECEIVE THE REMAINING ASSETS OF THE COMPANY AFTER DISTRIBUTION OF ALL PREFERENTIAL AMOUNTS, IN PROPORTION TO THEIR SHAREHOLDING.

2.20.5 EQUITY SHARES HELD BY EACH SHAREHOLDER MORE THAN 5% OF SHARES

	No. of Shares	No. of Shares	No. of Shares
PRESIDENT OF INDIA ACTING THROUGH MINISTRY OF RAILWAYS (Refer Note No. 2.56)	19,99,60,000 (99.98 %)	19,99,60,000 (99.98 %)	9,99,80,000 (99.98 %)

2.20.6 FULLY PAID-UP AGGREGATE NUMBER OF EQUITY SHARES ALLOTTED BY WAY OF BONUS SHARES DURING THE YEAR OF FIVE YEARS IMMEDIATELY PRECEDING BALANCE SHEET DATE.

	No. of Shares	No. of Shares	No. of Shares
NUMBER OF BONUS SHARES ISSUED IN 2012-13 : 6 CRORE OF ₹ 10/- EACH NUMBER OF BONUS SHARES ISSUED IN 2016-17 : 10 CRORE OF ₹ 10/- EACH (ISSUED TWICE: 5 CRORE EACH TIME)	16,00,00,000	16,00,00,000	6,00,00,000

2.21 OTHER EQUITY (REFER STATEMENT OF CHANGE IN EQUITY) (₹ in crore)

PARTICULARS	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
2.21.1 RESERVE & SURPLUS			
GENERAL RESERVE	2,006.92	1,836.71	1,783.95
2.21.2 OTHER COMPREHENSIVE INCOME			
REMEASUREMENT OF DEFINED BENEFITS	(1.11)	1.62	1.03
FOREIGN CURRENCY TRANSLATION RESERVE	0.87	(0.24)	0.11
		1.73	0.04
2.21.3 DISCONTINUED OPERATIONS	(0.52)	(0.52)	(0.42)
ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY (2.21.1+2.21.2+2.21.3)	2,006.16	1,837.92	1,784.60
2.21.4 NON-CONTROLLING INTERESTS	56.77	44.10	25.66
TOTAL	2,062.93	1,882.02	1,810.26

2.22 NON CURRENT BORROWINGS (₹ in crore)

PARTICULARS	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
SECURED TERM LOAN FROM INDIAN BANK*	47.65	75.76	110.54
TOTAL	47.65	75.76	110.54

Refer note no. 2.28 for current maturity of above term loan (payable within 1 year from reporting date).

* **The details of security for the secured term loan from Indian Bank are as follows:-**

- Hypothecation of all the movable assets pertaining to project including but not limited to plant and machinery, machinery spares, tools and accessories.
- Hypothecation charge on the Borrower's book debts, operating cash flows, receivables, commissions, revenues of whatsoever nature and where ever arising, present and future, intangibles, goodwill present and future, related to project.
- A first charge on the company's bank accounts related to project including but not limited to the Escrow Account (Escrow) opened with our Bank, where all cash inflows of the company related to the project shall be deposited and all proceeds shall be utilised in a manner and priority to be decided by the Lenders.

- d) Mortgage charges on the rights on the sub-leased land in Jaisalmer, Rajasthan for the purpose of the Project - to be executed by way of an equitable mortgage.

*** Terms of repayment of term loan are as under:-**

- a) Repayment of loan to be made in 144 monthly installments started from April 2016.
 b) Repayment of interest on term loan to be made monthly till closure of term loan.
 c) Term Loan can be prepaid as per the availability of cash generation without any pre-payment charges.

2.23 NON CURRENT TRADE PAYABLES

(₹ in crore)

PARTICULARS	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
CREDITORS FOR SUPPLIES AND SERVICES			
OTHER THAN MICRO, SMALL AND MEDIUM ENTERPRISES	-	-	0.66
TOTAL	-	-	0.66

2.24 OTHER NON CURRENT FINANCIAL LIABILITIES

(₹ in crore)

PARTICULARS	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
SECURITY DEPOSITS	122.26	108.46	99.62
TOTAL	122.26	108.46	99.62

2.25 NON CURRENT PROVISIONS

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
EMPLOYEE BENEFITS	2.42	2.61	97.55	89.89
WARRANTIES	2.49.1	9.28	15.13	9.97
TOTAL		11.89	112.68	99.86

2.26 OTHER NON CURRENT LIABILITIES

(₹ in crore)

PARTICULARS	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
CLIENTS ADVANCES	92.47	7.27	2.07
TOTAL	92.47	7.27	2.07

2.27 CURRENT TRADE PAYABLES

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
CREDITORS FOR SUPPLIES AND SERVICES				
MICRO, SMALL AND MEDIUM ENTERPRISES	2.58	0.61	0.70	0.60
OTHER THAN MICRO, SMALL AND MEDIUM ENTERPRISES		76.48	72.41	63.84
TOTAL		77.09	73.11	64.44

2.28 OTHER CURRENT FINANCIAL LIABILITIES

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
CURRENT MATURITY OF SECURED TERM LOAN FROM INDIAN BANK	2.22	7.67	7.67	10.05
CLIENTS DEPOSITS		1,823.24	1,723.85	1,742.13
SECURITY DEPOSITS		96.74	80.64	58.78
FOREIGN SERVICE CONTRIBUTION	2.62	5.64	5.62	1.93
SALARY PAYABLES		60.66	49.22	50.26
BOOK OVERDRAFT-OWNED FUND*	2.14.4	-	1.68	-
BOOK OVERDRAFT-CLIENTS FUND*	2.15.4	7.73	26.58	3.58
STAFF & OTHER CLAIMS		6.20	5.06	4.71
PAYABLE TO RELATED PARTIES		0.15	-	-
SUNDRY CREDITORS FOR OTHER EXPENSES	2.58	76.89	37.93	49.42
INTEREST ACCRUED AND DUE ON BORROWINGS		0.56	0.88	1.04
TOTAL		2,085.48	1,939.13	1,921.90

* Book overdraft due to issuance of cheques, which will be cleared against term deposits clients fund available in banks.

2.29 CURRENT PROVISIONS

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
EMPLOYEE BENEFITS	2.42	73.67	113.76	78.95
EXCISE DUTY		-	1.79	0.50
WARRANTIES	2.49.1	32.07	34.99	21.77
COMMITMENTS	2.49.1	-	-	3.43
TOTAL		105.74	150.54	104.65

2.30 CURRENT TAX LIABILITIES (NET)

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
INCOME TAX (NET OF ADVANCE TAX)	2.68	0.02	0.01	1.01
TOTAL		0.02	0.01	1.01

2.31 OTHER CURRENT LIABILITIES

(₹ in crore)

PARTICULARS	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
CUSTOMERS ADVANCES	331.67	225.51	93.26
STATUTORY LIABILITIES	27.53	21.36	18.27
ADVANCE AGAINST WIND MILL PROJECT	-	3.55	3.55
TOTAL	359.20	250.42	115.08

2.32 REVENUE FROM OPERATIONS

(₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2018	YEAR ENDED 31.03.2017
SALE OF SERVICES			
CONSULTANCY FEE (GROSS)		877.16	755.98
LESS: SERVICE TAX/GST		(111.56)	(97.16)
CONSULTANCY FEE (NET)	2.65	765.60	658.82
QUALITY ASSURANCE (GROSS)		292.21	199.13
LESS: SERVICE TAX/GST		(42.60)	(25.38)
QUALITY ASSURANCE (NET)		249.61	173.75
LEASE SERVICES (GROSS)		98.41	103.92
LESS: SERVICE TAX/GST		(6.13)	(10.64)
LEASE SERVICES (NET)		92.28	93.28
		1,107.49	925.85
SALE OF PRODUCTS			
EXPORT SALES		231.61	377.40
SALE OF POWER GENERATION		17.10	16.94
OTHERS			
TURNKEY CONSTRUCTION PROJECTS	2.41	146.64	31.27
TOTAL		1,502.84	1,351.46

2.33 OTHER INCOME

(₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2018	YEAR ENDED 31.03.2017
INTEREST EARNED ON:			
- DEPOSITS WITH BANK		86.82	80.88
- TAX FREE BONDS		11.30	15.14
- STAFF ADVANCES		1.48	1.79
- LOAN TO RELATED PARTIES		0.62	0.14
- OTHERS		4.25	8.63
		104.47	106.58
PROVISION NO LONGER REQUIRED		24.86	5.52
PROFIT ON SALE OF FIXED ASSETS		0.15	0.06
PROFIT ON SALE OF INVESTMENT IN JOINT VENTURE	2.60	-	71.47
DEFERRED INCOME TOWARDS GOVT OF MOZAMBIQUE RECEIVABLES		2.03	1.96
DIVIDEND FROM:			
- TRADE CURRENT INVESTMENTS		7.22	4.45
EXPORT INCENTIVES		10.97	14.01
RENT FROM INVESTMENT PROPERTIES		1.05	1.05
EXCHANGE VARIATION		6.94	1.79
MISCELLANEOUS INCOME		6.68	3.02
TOTAL		164.37	209.91

2.34 EMPLOYEE BENEFIT EXPENSES

(₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2018	YEAR ENDED 31.03.2017
SALARIES-DOMESTIC		283.67	246.39
SALARIES-ABROAD		4.91	3.58
SALARIES CONTRACT EMPLOYEES		25.59	23.53
FOREIGN SERVICE CONTRIBUTION	2.62	5.62	5.61
CONTRIBUTION TO PROVIDENT FUND & OTHER FUNDS	2.42	24.48	19.75
GRATUITY	2.42	10.60	40.63
POST RETIRAL BENEFITS (PENSION/MEDICAL)	2.42	29.13	24.27
STAFF WELFARE EXPENSES		18.50	16.01
LEAVE TRAVEL CONCESSION	2.42	0.01	0.06
PERFORMANCE RELATED PAYMENT		24.00	13.00
LEAVE ENCASHMENT	2.42	33.22	24.17
TOTAL		459.73	417.00

2.35.1 COST OF EXPORT SALES

(₹ in crore)

PARTICULARS	YEAR ENDED 31.03.2018	YEAR ENDED 31.03.2017
COST OF TRADED GOODS	153.88	252.59
CONSUMABLES	1.07	2.87
FREIGHT & FORWARDING	2.66	4.63
INSURANCE	0.12	0.05
FEES FOR SERVICES OBTAINED	6.33	15.73
PROVISION FOR WARRANTIES	5.35	19.57
UNWINDING WARRANTIES COST	2.66	0.66
TOTAL	172.07	296.10

2.35.2 COST OF TURNKEY CONSTRUCTION PROJECTS

(₹ in crore)

PARTICULARS	YEAR ENDED 31.03.2018	YEAR ENDED 31.03.2017
SUPPLIES & SERVICES	130.77	27.85
TOTAL	130.77	27.85

2.36 FINANCE COSTS

(₹ in crore)

PARTICULARS	YEAR ENDED 31.03.2018	YEAR ENDED 31.03.2017
ON TERM LOAN	6.87	11.33
ON ADVANCES	0.31	0.35
TOTAL	7.18	11.68

2.37 OTHER EXPENSES

(₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2018	YEAR ENDED 31.03.2017
PRINTING, STATIONERY AND DOCUMENTATION		3.67	3.89
BUSINESS PROMOTION		2.32	2.52
AUDITORS' REMUNERATION	2.37.1	0.28	0.20
AUDITORS' OUT OF POCKET EXPENSES	2.37.1	0.04	0.02
RATES & TAXES		4.72	4.01
OFFICE RENT		5.94	5.76
POSTAGE & TELECOMMUNICATION		5.37	4.15
OFFICE MAINTENANCE		8.98	8.27
REPAIRS TO MACHINERY/EQUIPMENTS		3.03	3.63
REPAIRS TO BUILDING		-	0.02
POWER AND FUEL CHARGES		4.69	4.64
STORES AND SPARES CONSUMED-LEASED	2.37.2	1.46	3.61
STORES AND SPARES CONSUMED-OTHERS	2.37.3	4.04	7.35
BOOKS AND PERIODICALS		0.15	0.14
INTERNAL AUDIT FEE		0.13	0.13
ADVERTISEMENT AND PUBLICITY		3.47	4.00
SUBSCRIPTION AND MEMBERSHIP FEE		0.38	0.29
LEGAL AND PROFESSIONAL FEE		2.41	1.79
INSURANCE CHARGES		0.70	3.34
BANK CHARGES		2.14	2.01
BAD DEBTS		1.91	3.42
FIXED ASSETS WRITTEN OFF		5.86	0.02
HIRE CHARGES OF EQUIPMENTS		0.02	-
VEHICLE RUNNING AND MAINTENANCE		0.86	0.98
MANPOWER DEVELOPMENT		1.66	1.20
LOSS ON SALE OF FIXED ASSETS		0.02	0.04
IMPAIRMENT FOR:			
- DOUBTFUL DEBTS, ADVANCES, SECURITY DEPOSITS ETC.		83.02	22.15
PROVISION FOR:			
- EXCISE DUTY BONDS		-	1.29
DIRECTORS' SITTING FEE		0.21	0.12
CORPORATE SOCIAL RESPONSIBILITY		10.06	9.20
OPERATING LEASE PAYMENTS		0.44	0.44
AMORTISED DEFERRED COST TOWARDS GOVT OF MOZAMBIQUE RECEIVABLES		2.03	1.96
OPERATION & MAINTENANCE COST		0.75	-
MISCELLANEOUS EXPENSES (COST OF TENDER DOCUMENTS, VISA CHARGES, ETC.)		3.84	4.06
TOTAL		164.60	104.65

2.37.1 AUDITORS' REMUNERATION

(₹ in crore)

PARTICULARS	YEAR ENDED 31.03.2018	YEAR ENDED 31.03.2017
(A) STATUTORY AUDITORS		
STATUTORY AUDIT FEE	0.11	0.08
TAX AUDIT FEE	0.03	0.03
LIMITED REVIEW AUDIT AND CONSOLIDATION FEE	0.07	0.04
OTHER SERVICES, i.e. CERTIFICATION ETC.	-	-
SUB TOTAL (A)	0.21	0.15
(B) BRANCH AUDITORS		
STATUTORY AUDIT FEE	0.02	0.02
TAX AUDIT FEE	0.01	0.01
LIMITED REVIEW AUDIT FEE	0.04	0.02
SUB TOTAL (B)	0.07	0.05
AUDITORS' REMUNERATION (A+B)	0.28	0.20
AUDITORS' OUT OF POCKET EXPENSES	0.04	0.02

2.37.2 STORES AND SPARES CONSUMED-LEASED

(₹ in crore)

PARTICULARS	YEAR ENDED 31.03.2018	YEAR ENDED 31.03.2017
STORES AND SPARES CONSUMED	0.85	3.23
CONSUMABLES	0.37	0.13
FREIGHT & FORWARDING INWARD	0.19	0.20
INSURANCE CHARGES	0.04	-
OTHER PROCUREMENT EXPENSES	0.01	0.05
TOTAL	1.46	3.61

2.37.3 STORES AND SPARES CONSUMED-OTHERS

(₹ in crore)

PARTICULARS	YEAR ENDED 31.03.2018	YEAR ENDED 31.03.2017
CONSUMABLES	4.00	6.60
FREIGHT & FORWARDING INWARD	0.04	0.75
TOTAL	4.04	7.35

2.38 SHARE OF PROFIT/(LOSS) OF JOINT VENTURES

(₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2018	YEAR ENDED 31.03.2017
COMPANHIA DOS CAMINHOS DE FERRO DA BEIRA, SA (CCFB), MOZAMBIQUE		-	(4.99)
SAIL-RITES BENGAL WAGON INDUSTRY PRIVATE LIMITED		(2.07)	(6.48)
BNV GUJARAT RAIL PRIVATE LIMITED		-	-
TOTAL	2.47.3.3	(2.07)	(11.47)

2.39 DEFERRED TAX (NET)

(₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2018	YEAR ENDED 31.03.2017
CREDIT/(CHANGE) RELATING TO TEMPORARY DIFFERENCES		13.27	(12.06)
TOTAL	2.68	13.27	(12.06)

DISCLOSURES AS PER INDIAN ACCOUNTING STANDARDS (IND AS):

2.40 The subsidiary companies considered in the financial statements are as follows:

Name of Subsidiary Companies	Country of Incorporation	% of Shareholding as on 31.03.18	% of Shareholding as on 31.03.17
• RITES (Afrika) (Pty) Limited	Botswana	100%	100%
• RITES Infrastructure Services Limited* (RISL)	India	100%	100%
• Railway Energy Management Company Limited (REMCL)	India	51%	51%

*Under liquidation

2.41 Disclosure on Construction Contracts (Indian Accounting Standard-11) is as follows:

(₹ in crore)

S. No.	Particulars	31.03.18	31.03.17
1.	Contract revenue recognized during the year	146.64	31.27
2.	Aggregate amount of Costs incurred up to reporting date	334.75	191.85
3.	Recognized profits/(loss) up to reporting date	0.97	(2.78)
4.	Amount of advances received	256.14	270.84

2.42 In case of holding company, disclosures on Employee benefits (Indian Accounting Standard-19) are as follows:

2.42.1 Defined Benefit Plan

2.42.1.1 Gratuity (Funded)

2.42.1.1.1 Changes in Present Value of the Benefit Obligation are as follows:

(₹ in crore)

Particulars	31.03.18	31.03.17
Present Value of obligation as at beginning of year	119.72	79.97
Interest Cost	8.95	6.26
Current Service Cost	7.28	4.99
Benefits paid	(7.25)	(5.95)
Actuarial (Gain)/Loss on obligation	5.36	(0.35)
Past Service Cost	-	34.80
Present Value of Obligation as at end of year	134.06	119.72

2.42.1.1.2 Changes in the Fair Value of Plan Assets are as follows:

(₹ in crore)

Particulars	31.03.18	31.03.17
Fair Value of Plan Assets at beginning of year	80.83	74.10
Actual Interest Income	7.29	6.81
Contributions	38.88	5.87
Benefits Paid	(6.76)	(5.95)
Fair value of Plan Assets at the end of year	120.24	80.83

2.42.1.1.3 The amount recognized in the Balance Sheet is as follows:

(₹ in crore)

Particulars	31.03.18	31.03.17
Defined Benefit Obligation at end of year	134.06	119.72
Fair value of Plan Assets at the end of year	120.24	80.83
Funded Status - (Surplus)/ Deficit	13.82	38.89
Net (Liability)/Asset recognized in Balance Sheet	(13.82)	(38.89)

2.42.1.1.4 Amount recognized in the Statement of Profit & Loss is as follows:

(₹ in crore)

Particulars	31.03.18	31.03.17
Current Service Cost	7.28	4.99
Net Interest on Net Defined Benefit Liability	2.91	0.46
Past Service Cost	-	34.80
Expenses recognized in Statement of Profit and Loss	10.19	40.25

2.42.1.1.5 Amount recognized in other Comprehensive Income is as follows:

(₹ in crore)

Particulars	31.03.18	31.03.17
Actuarial (Gains)/Losses on Liability	5.36	(0.35)
Actuarial (Gains)/Losses on Assets	(1.25)	(1.01)
Other Comprehensive (Income)/Expense	4.11	(1.36)

2.42.1.1.6 The principal actuarial assumptions are as follows:

Particulars	31.03.18	31.03.17
Discounting rate (%)	7.50%	7.47%
Future salary increase (%)	9.00%	8.00%

The significant actuarial assumptions for the determination of the defined obligations are discount rate and expected salary increase. The sensitivity for actuarial assumptions have been computed by varying respective actuarial assumption used for valuation of the defined benefit obligation by 1%, while holding all other assumptions constant.

If the discount rate increases (decreases) by 1%, the defined obligations would decrease by ₹ 4.35 crore (increase by ₹ 4.64 crore) as on 31st March, 2018 and if the expected salary growth increases (decreases) by 1%, the defined benefit obligations would increase by ₹ 4.68 crore (decrease by ₹ 4.42 crore) as on 31st March, 2018.

However, the actual change in assumptions would not necessarily behave in isolation to each other. The defined benefit obligations would change accordingly.

The Company is expected to contribute ₹ 13.82 crore to defined benefit plan obligations towards gratuity during the year 2018-19. Remeasurement (gain)/loss of defined employee benefit plans in Other Comprehensive Income (OCI) for the year ended 31.03.2018 and 31.03.2017 are ₹ 4.11 crore and ₹ (1.36) crore respectively.

The defined benefit obligation shall mature as follows:

Year ending March, 31	Defined benefit obligations (₹ in crore)
2019	12.65
2020	26.38
2021	12.50
2022	11.64
2023	9.86
2024	10.21
2024 onward	50.83

2.42.1.2 Gratuity (Funded)-Contract Employees

2.42.1.2.1 Changes in Present Value of the Benefit Obligation are as follows:

(₹ in crore)

Particulars	31.03.18	31.03.17
Present Value of obligation as at beginning of year	2.01	1.65
Interest Cost	0.15	0.13
Current Service Cost	0.26	0.26
Benefit paid	(0.25)	(0.49)
Actuarial (Gain)/Loss on obligation	0.09	0.46
Present Value of obligation as at end of year	2.26	2.01

2.42.1.2.2 Changes in the Fair Value of Plan Assets are as follows:

(₹ in crore)

Particulars	31.03.18	31.03.17
Fair Value of plan Assets at beginning of year	-	-
Actual Interest income	0.03	-
Contributions	2.01	-
Benefits paid	-	-
Fair value on Plan Assets at end of year	2.04	-

2.42.1.2.3 The amount recognized in the Balance Sheet is as follows:

(₹ in crore)

Particulars	31.03.18	31.03.17
Defined Benefit Obligation at end of year	2.26	2.01
Fair value of Plan Assets at the end of year	2.04	-
Funded Status - (Surplus)/ Deficit	0.22	2.01
Net (Liability)/ Asset recognized in Balance Sheet	(0.22)	(2.01)

2.42.1.2.4 Amount recognized in the Statement of Profit & Loss is as follows:

(₹ in crore)

Particulars	31.03.18	31.03.17
Current Service Cost	0.26	0.26
Net Interest on Net Defined Benefit Liability	0.15	0.13
Expenses recognized in the statement of Profit & Loss	0.41	0.39

2.42.1.2.5 Amount recognized in Other Comprehensive Income is as follows:

(₹ in crore)

Particulars	31.03.18	31.03.17
Actuarial (Gains)/ Losses on Liability	0.09	0.46
Actuarial (Gains)/Losses on Assets	(0.03)	-
Other Comprehensive (Income)/Expense	0.06	0.46

2.42.1.2.6 The principal actuarial assumptions are as follows:

Particulars	31.03.18	31.03.17
Discounting rate (%)	7.50%	7.47%
Future salary increase (%)	4.50%	4.00%

2.42.1.2.7 The significant actuarial assumptions for the determination of the defined obligations are discount rate and expected salary increase. The sensitivity for actuarial assumptions have been computed by varying respective actuarial assumption used for valuation of the defined benefit obligation by 1%, while holding all other assumptions constant.

If the discount rate increases (decreases) by 1%, the defined obligations would decrease by ₹0.28 crore (increase by ₹ 0.31 crore) as on 31st March, 2018 and if the expected salary growth increases (decreases) by 1%, the defined benefit obligations would increase by ₹ 0.32 crore (decrease by ₹ 0.30 crore) as on 31st March, 2018.

However, the actual change in assumptions would not necessarily behave in isolation to each other. The defined benefit obligations would change accordingly.

2.42.1.3 Provident Fund (Funded)

All eligible employees of the company are entitled to receive benefits under the Provident Fund, a defined benefit plan, set up through a Trust named as RITES Contributory Provident Fund Trust. Both employee and employer contribute monthly at a determined rate as specified under the law to the Trust. The obligation of the company is limited to such contribution and to make good the shortfall, if any, between the returns from the investments of the trust and the notified interest rate. Short fall, if any, is recognised as an expense during the year. As per actuarial valuation, present value of the expected future earnings on the fund is higher than the expected amount to be contributed to the individual members based on the expected guaranteed rate of interest, resulting in no liability on the company.

The company contributed ₹ 23.78 crore and ₹ 19.44 crore to the provident fund during the year ended 31st March, 2018 and 31st March, 2017 respectively.

2.42.1.4 Other Benefits

2.42.1.4.1 Other Benefits (Funded):- Leave Encashment and Medical Leave- Regular Employees

2.42.1.4.1.1 Changes in Present Value of the Benefit Obligation are as follows:

(₹ in crore)

Particulars	Leave Encashment (Regular Employee)		Medical Leave (Regular Employee)	
	31.03.18	31.03.17	31.03.18	31.03.17
Present Value of obligation as at beginning of year	59.11	52.88	51.24	46.93
Interest Cost	4.42	4.23	3.83	3.68
Current Service Cost	5.67	3.30	3.60	2.93
Benefits paid	(16.43)	(11.59)	(1.53)	(1.36)
Actuarial (Gain)/Loss on obligation	13.42	10.29	2.11	(0.94)
Present Value of Obligation as at end of year	66.19	59.11	59.25	51.24

2.42.1.4.1.2 Changes in the Fair Value of Plan Assets are as follows:

(₹ in crore)

Particulars	Leave Encashment (Regular Employee)		Medical Leave (Regular Employee)	
	31.03.18	31.03.17	31.03.18	31.03.17
Fair Value of Plan Assets at beginning of year	-	-	-	-
Actual Interest Income	0.39	-	0.34	-
Contributions	59.11	-	50.88	-
Benefits Paid	-	-	-	-
Fair value of Plan Assets at the end of year	59.50	-	51.22	-

2.42.1.4.1.3 The amount recognized in the Balance Sheet is as follows:

(₹ in crore)

Particulars	Leave Encashment (Regular Employee)		Medical Leave (Regular Employee)	
	31.03.18	31.03.17	31.03.18	31.03.17
Defined Benefit Obligation at end of year	66.19	59.11	59.25	51.24
Fair value of Plan Assets at the end of year	59.50	-	51.22	-
Funded Status - (Surplus)/ Deficit	6.69	59.11	8.03	51.24
Net (Liability)/ Asset recognized in Balance Sheet	(6.69)	(59.11)	(8.03)	(51.24)

2.42.1.4.1.4 Amount recognized in the Statement of Profit & Loss is as follows:

(₹ in crore)

Particulars	Leave Encashment (Regular Employee)		Medical Leave (Regular Employee)	
	31.03.18	31.03.17	31.03.18	31.03.17
Current Service Cost	5.67	3.30	3.60	2.93
Net Interest on Net Defined Benefit Liability	4.42	4.23	3.83	3.68
Net Actuarial (gain)/loss recognized in the year	13.02	10.29	1.77	(0.94)
Expenses recognized in the statement of Profit & Loss	23.11	17.82	9.20	5.67

2.42.1.4.1.5 The principal actuarial assumptions are as follows:

Particulars	Leave Encashment (Regular Employee)		Medical Leave (Regular Employee)	
	31.03.18	31.03.17	31.03.18	31.03.17
Discounting rate (%)	7.50%	7.47%	7.50%	7.47%
Future salary increase (%)	9.00%	8.00%	9.00%	8.00%

2.42.1.4.1.6 Sensitivity Analysis of the defined benefit obligation:

(₹ in crore)

Particulars	Increase (Decrease) in present value of obligation as on 31.03.2018	
	Leave Encashment (Regular Employee)	Medical Leave (Regular Employee)
Impact due to Increase of 1% discount rate	(5.66)	(4.19)
Impact due to Decrease of 1% discount rate	6.15	4.48
Impact due to Increase of 1% in Salary	6.12	4.20
Impact due to Decrease of 1% in Salary	(5.72)	(4.52)

2.42.1.4.2 Other Benefits (unfunded):- Leave Encashment (Contract employee), LTC (Deputation employee) and Long Service Award (Regular employee).

2.42.1.4.2.1 Present value of the defined benefits plan obligations:

(₹ in crore)

Particulars	Leave Encashment (Contract Employee)		LTC (Deputation employee)		Long Service Award (Regular employee)	
	31.03.18	31.03.17	31.03.18	31.03.17	31.03.18	31.03.17
Opening Balance	0.86	0.69	0.13	0.15	1.58	1.54
Interest Cost	0.06	0.05	0.01	0.01	0.12	0.12
Current Service Cost	0.53	0.17	0.01	0.01	0.11	0.10
Benefit paid	(0.53)	(0.51)	(0.04)	(0.08)	(0.25)	(0.28)
Actuarial (Gain) / Loss on obligation	0.30	0.46	-	0.04	(0.10)	0.10
Closing Balance	1.22	0.86	0.11	0.13	1.46	1.58

2.42.1.4.2.2 Total expenses recognized in the Statement of Profit & Loss are as follows:

(₹ in crore)

Particulars	Leave Encashment (Contract Employee)		LTC (Deputation employee)		Long Service Award (Regular employee)	
	31.03.18	31.03.17	31.03.18	31.03.17	31.03.18	31.03.17
Current Service Cost	0.53	0.17	0.01	0.01	0.11	0.10
Interest Cost	0.06	0.05	0.01	0.01	0.12	0.12
Actuarial (Gain)/Loss	0.30	0.46	-	0.04	(0.10)	0.10
Expenses recognized in the statement of Profit & Loss	0.89	0.68	0.02	0.06	0.13	0.32

2.42.1.4.2.3 The principal actuarial assumptions used at the Balance Sheet date are as follows:

Particulars	Leave Encashment (Contract employee)		LTC (Deputation employee)		Long Service Award (Regular employee)	
	31.03.18	31.03.17	31.03.18	31.03.17	31.03.18	31.03.17
Discount rate (%)	7.50%	7.47%	7.50%	7.47%	7.50%	7.47%
Future salary increase (%)	4.50%	4.00%	9.00%	8.00%	-	-

2.42.1.4.2.4 Sensitivity Analysis of the defined benefit obligation:

(₹ in crore)

Particulars	Increase (Decrease) in present value of obligation as on 31.03.2018	
	Leave Encashment (Contract employee)	LTC (Deputation employee)
Impact due to Increase of 1% discount rate	(0.18)	(0.01)
Impact due to Decrease of 1% discount rate	0.20	0.01
Impact due to Increase of 1% in Salary	0.19	-
Impact due to Decrease of 1% in Salary	(0.18)	-

2.42.2 Defined Contribution Plans

2.42.2.1 Post Retirement Benefits (Pension & Medical)

All eligible employees are entitled to benefit under defined contribution plans towards pension under EPFO scheme, post retirement pension fund and medical schemes as defined contribution plans. The company has no obligations other than the contribution payable to such funds/schemes. The company recognizes such contributions as expenses when an employee renders the related service.

During the year, company contributed/ provided ₹ 17.26 crore (previous year ₹ 12.33 crore) towards post retirement pension fund, ₹ 4.13 crore (previous year ₹ 4.01 crore) towards pension under EPFO and ₹ 11.87 crore (previous year ₹ 11.94 crore) towards medical schemes.

2.43 Disclosures on Operating Segments (Indian Accounting Standard-108) are as follows:

Operating segments are defined as components of the Group for which discrete financial information is available which is being evaluated regularly by the Chief Operating Decision Maker (CODM) in deciding how to allocate resources and assessing performance. The company's chief operating decision maker is the Chief Executive Officer and Chairman & Managing Director.

2.43.1 The group has identified five operational reportable segments based on operations being carried out which are as under:-

- Consultancy Services
- Turnkey Construction Projects
- Export of rolling stock, equipments and spares
- Leasing of railway rolling stock & equipments
- Power Generation

2.43.2 Geographical wise revenue segment is disclosed as under:

- Revenue within India from consultancy includes quality assurance & project management services, turnkey construction projects, power generation and domestic lease rental services to clients located inside India.
- Revenue from outside India includes services rendered, export sales of rolling stock & spare parts and lease rental services to the clients located outside India.

2.43.3 The accounting principles used in the preparation of the financial statements are consistently applied to record revenue & expenditure in individual segment, as set out in the note of significant accounting policies.

2.43.4 Revenue and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reporting segment have been allocated on the basis of attributed direct cost. All other expenses which are not attributable or allocable to the segments have been disclosed as un-allocable expenses.

2.43.5 Assets and liabilities used in the Group's business are not identified to any of the reportable segments as these are used interchangeably between segments. Depreciation, amortisation & impairment on Property, Plant & Equipment and Intangible Assets cannot be allocated to a specific segment. The Group believes that it is currently not practicable to provide segmental disclosure relating to total assets, total liabilities and depreciation, amortisation & impairment since a meaningful segregation of the available data could be onerous.

2.43.6 Operational Segments:

Year ended 31.03.2018

(₹ in crore)

Description	Consultancy Services		Leasing		Export Sale	Turnkey Const. Projects-Domestic	Power Generation	Total
	Domestic	Abroad	Domestic	Abroad				
Revenue	949.36	65.85	82.54	9.74	231.61	146.64	17.10	1502.84
Identifiable operating expenses	547.89	36.52	51.16	4.37	180.00	142.91	18.88	981.73
Segmental profit/(loss) from operations	401.47	29.33	31.38	5.37	51.61	3.73	(1.78)	521.11
Add: Interest Income*								104.47
Add: Other Income **								59.90
Less: Un-allocable Expenses								154.55
Share of Profit/ (Loss) of Joint Ventures								(2.07)
Net Profit Before Tax								528.86
Less: Income Tax (including Deferred Tax)								165.68
Net Profit After Tax								363.18
Loss from discontinued operation (net of tax)								-
Profit for the period								363.18
Additional Information:								
Depreciation and amortisation								36.34
Non-cash expenses/ (Income) other than depreciation and amorisation								90.79
Reversal of provisions								24.86
Profit on sale of PPE								0.15
Loss on sale of PPE								0.02
Profit on sale of investment								-

Year ended 31.03.2017

(₹ in crore)

Description	Consultancy Services		Leasing		Export Sale	Turnkey Const. Projects-Domestic	Power Generation	Total
	Domestic	Abroad	Domestic	Abroad				
Revenue	803.48	29.09	70.91	22.37	377.40	31.27	16.94	1351.46
Identifiable operating expenses	512.53	12.16	44.50	11.95	311.73	38.08	21.71	952.66
Segmental profit/(loss) from operations	290.95	16.93	26.41	10.42	65.67	(6.81)	(4.77)	398.80
Add: Interest Income*								106.58
Add: Other Income **								103.33
Less: Un-allocable Expenses								92.63
Share of Profit/(Loss) of Joint Ventures								(11.47)
Net Profit Before Tax								504.61
Less: Income Tax (including Deferred Tax)								167.49
Net Profit After Tax								337.12
Loss from discontinued operation (net of tax)								(0.10)
Profit for the year								337.02
Additional Information:								
Depreciation and amortisation								38.26
Non-cash expenses/ (Income) other than depreciation and amortisation								26.88
Reversal of provisions								5.52
Profit on sale of PPE								0.06
Loss on sale of PPE								0.04
Profit on sale of investment								71.47

2.43.7 Geographical Segment

(₹ in crore)

Description	Year ended 31.03.2018				Year ended 31.03.2017			
	India	Abroad		Total	India	Abroad		Total
		Asia	Africa			Asia	Africa	
Revenue	1195.64	220.64	86.56	1502.84	922.60	373.91	54.95	1351.46
Identifiable operating expenses	760.84	175.38	45.51	981.73	616.82	307.22	28.62	952.66
Segmental profit from operations	434.80	45.26	41.05	521.11	305.78	66.69	26.33	398.80
Add: Interest Income*				104.47				106.58
Add: Other Income **				59.90				103.33
Less: Un-allocable Expenses				154.55				92.63
Share of Profit/(Loss) of Joint Ventures				(2.07)				(11.47)
Net Profit Before Tax				528.86				504.61
Less: Income Tax (including Deferred Tax)				165.68				167.49

(₹ in crore)

Description	Year ended 31.03.2018				Year ended 31.03.2017			
	India	Abroad		Total	India	Abroad		Total
		Asia	Africa			Asia	Africa	
Net Profit After Tax				363.18				337.12
Loss from discontinued operations (net of tax)				-				(0.10)
Profit for the period				363.18				337.02
Additional Information:								
Depreciation and amortisation				36.34				38.26
Non-cash expenses/ (Income) other than depreciation and amortisation				90.79				26.88
Reversal of provisions				24.86				5.52
Profit on sale of PPE				0.15				0.06
Loss on sale of PPE				0.02				0.04
Profit on sale of investment				-				71.47

* Interest income includes interest on bank deposits, bonds, staff advances, loans, income tax refunds etc.

** Other income includes provision no longer required, profit on sale of assets, export incentives, rental income from investment properties, dividend on trade current & non-current investments, exchange gain etc.

Note: No Impairment and its reversal has been recognized in Other Comprehensive Income (OCI) during the year ended 31.03.2018 and year ended 31.03.2017.

2.43.8 Revenue from major customers for the year ended 31.03.18 is ₹ 599.53 crore and ₹ 574.27 crore for the year ended 31.03.17 is given below:

(₹ in crore)

Description	Year ended 31.03.2018					Year ended 31.03.2017				
	Consul-tancy	Export Sales	Turnkey Construction Projects-Domestic	Power Genera-tion	Total	Consul-tancy	Export Sales	Turnkey Construction Projects-Domestic	Power Genera-tion	Total
Customer 1	232.76	-	143.47	17.10	393.33	163.71	-	28.11	16.94	208.76
Customer 2	-	206.20	-	-	206.20	-	365.51	-	-	365.51
Total	232.76	206.20	143.47	17.10	599.53	163.71	365.51	28.11	16.94	574.27

Note: PSUs under the same Ministry have not been considered as one customer.

2.44 Related Party Disclosures (Indian Accounting Standard-24) are as follows:-

Subsidiary Companies

Name of Subsidiaries	Country	Holding as on	
		31.03.18	31.03.17
M/s RITES (Afrika) (Pty) Ltd. (RAPL)	Botswana	100%	100%
M/s RITES Mohawarean Arabia Co. Ltd. (RMAC)*	Saudi Arabia	76%	76%
M/s RITES Infrastructure Services Ltd. (RISL)**	India	100%	100%
M/s Railway Energy Management Company Ltd. (REMCL)	India	51%	51%

* RITES Mohawarean Arabia Company Ltd. (RMAC), a subsidiary company with 76% stake, is under liquidation. Investment in equity of ₹ 0.47 crore made by the holding company has already been received from RMAC.

** RITES Infrastructure Services Ltd. (RISL) is under liquidation. Prior to initiating process of liquidation, all assets and liabilities have been taken over by Holding Company on 30.09.2016.

2.44.1.1 Joint Ventures

Name of Joint Ventures	Country	Holding as on	
		31.03.18	31.03.17
M/s SAIL-RITES Bengal Wagon Industry Private Limited	India	50%	50%
M/s BNV Gujarat Rail Private Limited	India	26%	26%

2.44.1.2 Other Related Parties

Name of Other Related Parties	Country	Nature of Relationship
RITES Contributory Provident Fund Trust	India	Post- Employment Benefit Plan of RITES
RITES Ltd. Superannuation Pension Trust	India	Post- Employment Benefit Plan of RITES
RITES Ltd. Retired Employees Medical Trust	India	Post- Employment Benefit Plan of RITES
RITES Employees Group Gratuity Cum Life Insurance Scheme Trust	India	Post- Employment Benefit Plan of RITES

2.44.1.3 Key Management Personnel

Chairman & Managing Director (Chief Executive Officer)

Mr. Rajeev Mehrotra

Whole Time Directors

Mr. Arbind Kumar, Director Projects

Mr. Ajay Kumar Gaur, Director Finance (Chief Finance Officer)

Mr. Mukesh Rathore, Director Technical

Government Nominee Directors

Mr. A.P. Dwivedi, Director

Mr. Ravindra Nath Misra, Director (Upto 31st August, 2017)

Mr. Bhupendra Kumar Agarwal, Director (From 26th September, 2017)

Non-Executive (Independent) Directors

Dr. Vidya Rajiv Yeravdekar

Mr. Anil Kumar Goel

Mr. Satish Sareen

Dr. Pramod Kumar Anand (From 19th September, 2017)

Ms. Geethakumary (From 15th March, 2018)

Dr. Rajendra N. Goyal (From 15th March, 2018)

Company Secretary

Mr. P.T. Mittal, Company Secretary & GM (Legal) (Upto 31st March, 2018)

Mr. Ashish Srivastava, Company Secretary (From 1st April, 2018)

2.44.2 Transactions and Balances with Related Parties

Outstanding balances from the related parties are unsecured and considered good which are due in ordinary course of business and are being realized within reasonable time.

2.44.2.1 Subsidiary Companies

Transactions with Subsidiary Companies:

(₹ in crore)

Particulars	RAPL		RISL*		REMCL	
	Year ended		Year ended		Year ended	
	31.03.18	31.03.17	31.03.18	31.03.17	31.03.18	31.03.17
Investment	-	-	-	-	-	10.20
Recoverable/ Advances	-	-	(0.58)*	(6.92)	(2.43)	0.48
Consultancy Fee / Income from Construction Turnkey Projects	1.57	0.21	-	0.03	5.54	4.80
Interest Received	-	-	-	-	1.06	-
Dividend Received	0.03	-	-	-	1.88	-

Balances with Subsidiary Companies:

(₹ in crore)

Particulars	RAPL		RISL*		REMCL	
	As on		As on		As on	
	31.03.18	31.03.17	31.03.18	31.03.17	31.03.18	31.03.17
Investments	0.01	0.01	0.05	0.05	35.70	35.70
Recoverable /Advances	-	-	-	0.32	1.17	4.09
Receivables	0.05	0.21	-	0.26	0.86	-

* RITES Infrastructure Services Limited (RISL) is under liquidation. Prior to initiating process of liquidation, all assets & liabilities have been taken over by RITES on 30th September, 2016 and during the year holding company has written off ₹ 0.58 crore recoverable from RISL.

2.44.2.2 Joint Ventures

Transactions with Joint Ventures:

(₹ in crore)

Particulars	SAIL-RITES Bengal Wagon Industry Private Ltd.		BNV Gujarat Rail Private Limited	
	Year ended		Year ended	
	31.03.18	31.03.17	31.03.18	31.03.17
Investments (equity)	-	1.73	-	0.01
Recoverable (Payable)/Advances	(0.23)	0.08	-	-
Operating Income (Consultancy Fee/ Income from Construction Turnkey Projects/Export Sales/ Leasing Service)	-	3.06	-	-
Loans given*	-	7.00	-	-
Interest on Loans given*	0.62	0.14	-	-

Balances with Joint Ventures:

(₹ in crore)

Particulars	SAIL-RITES Bengal Wagon Industry Private Ltd.		BNV Gujarat Rail Private Limited	
	As on		As on	
	31.03.18	31.03.17	31.03.18	31.03.17
Investments (equity)	24.00	24.00	0.01	0.01
Recoverable (Payable)/ Advances	(0.15)	0.07	-	-
Receivables	-	0.01	-	-
Loans*	7.00	7.00	-	-
Interest accrued on loan given*	0.76	0.14	-	-

* With a moratorium period of 30 months upto July 2019 for principal and interest.

Note: Holding Company has invested in M/s BNV Gujarat Rail Private Limited during the year 2016-17. Venture Company is incorporated in the year 2016-17 but no operation has started till 31st March, 2018.

2.44.2.3 Transactions with other related parties (Post-Retirement Benefits Trusts/Plans):

Transactions regarding Post-Retirement Benefit Plans, as mentioned vide note no. 2.44.1.2, are indicated vide note 2.42.

2.44.2.4 Transactions with Key Managerial Personnel:

(₹ in crore)

Description	Year ended 31.03.18	Year ended 31.03.17
Compensation to CMD, Whole Time Directors & Company Secretary:		
• Short Term Employee Benefits	2.18	2.71
• Post-employment Benefits	0.53	0.37
• Other Long Term Benefits	0.21	0.31
Sub-Total	2.92	3.39
Sitting fee to Non-Executive (Independent Directors)	0.21	0.12
Total	3.13	3.51

2.44.3 Government related entities

Government of India (GOI) is holding 100% equity shares of the company, which are held by President of India through Ministry of Railways and its nominees. GOI controls the company through Ministry of Railways (Refer note no.2.56).

The Group has made various transactions with the Ministry of Railways and with entities being controlled or jointly controlled or having significant influence of the Ministry of Railways. The transactions with them are as under:

Significant Transactions with Government related entities:

(₹ in crore)

Particulars	Year ended 31.03.18	Year ended 31.03.17
Revenue	465.00	280.65
Equity Investment	-	9.80
Procurements	50.37	190.27
Consumables	0.37	9.07
Freight	-	4.05
Training Exp.	0.02	0.12
Redemption of Tax Free Bonds	50.00	50.00
Other receivables (advances)	0.40	0.05
Repayment of advance	3.55	-
Interest payment on advance	1.02	-

Significant balances with Government related entities:

(₹ in crore)

Particulars	As on 31.03.18	As on 31.03.17
Capital Advances	4.80	5.96
Other Advances	45.80	27.52
Payables	4.08	4.16
Advance Received	9.96	4.79
Clients Funds Received	101.83	75.49
Receivables	162.36	126.28
Tax Free Bonds	120.00	170.00
Advance against Renewable Projects	-	3.55

2.45 Disclosures on Leases (Indian Accounting Standard-17) are as follows:

Operating Lease (Cancelable)

2.45.1.1 The holding company has leasing arrangement of locomotives in domestic and overseas markets, Company is also providing services of its experts for maintenance of these locomotives for which lease rent is received from the clients as per terms of the contracts.

2.45.1.2 Detail of the leased assets: New & In-Service Locomotives (refer note no. 2.1)

(₹ in crore)

Description	Year ended 31.03.18	Year ended 31.03.17
Gross carrying amount	235.56	202.89
Accumulated depreciation	63.83	42.46
Net carrying amount	171.73	160.43
Depreciation provided for the year	21.37	21.78

2.45.2.1 Description of lease arrangement of Scope Office Complex

Holding company has leased 545 sq. m. area of furnished accommodation to Railway Board, Indian Railways on lease rent basis receivable every month. The lease arrangement is upto 30th September, 2018.

2.45.2.2 Details of the leased assets: Office Premises*

(₹ in crore)

Description	Year ended 31.03.18	Year ended 31.03.17
Gross carrying amount	1.56	1.56
Accumulated depreciation	0.28	0.24
Net carrying amount	1.28	1.32
Depreciation provided for the period	0.04	0.05

* Leased assets include building, air conditioners, AC plant, furniture and fixture.

2.45.3 The Group has not sub-leased any of the assets taken on lease.

2.45.4 Operating Leases for Holding Company's offices, staff residential premises and vehicles are renewable / cancelable as laid down in the respective agreements. The total of minimum lease payments recognized in the Statement of Profit & Loss for the year is ₹ 30.62 crore (previous year ended 31.03.2017 ₹ 31.84 crore).

2.45.5 There are no provisions relating to contingent rent.

2.46 Disclosure on Earning Per Share (EPS) (Indian Accounting Standard-33) are as follows:

(₹ in crore)

Particulars	Year ended 31.03.18	Year ended 31.03.17
A Net Profit available for Equity Shareholder from continuing operation (₹ in crore)	348.34	328.48
B Net Profit/(Loss) available for Equity Shareholder from discontinuing operation (₹ in crore)	-	(0.10)
C Net Profit available for Equity Shareholder from continuing and discontinuing operation (₹ in crore)	348.34	328.38
D Weighted average number of Equity Shares	20,00,00,000	20,00,00,000
E Earning Per Share from continuing operation (Basic & Diluted) (A)/(D)	17.42	16.42
F Earning Per Share from discontinuing operation (Basic & Diluted) (B)/(D)	-	-
G Earning Per Share from continuing and discontinuing operation (Basic & Diluted) (C)/(D)	17.42	16.42
H Face value per equity share	₹ 10/-	₹ 10/-

2.47 **Disclosure of Interest in Other Entities (Indian Accounting Standard-112) are as follows:**

2.47.1 **Disclosure in respect of subsidiary that has non-controlling interests:**

2.47.1.1 Dividend to non-controlling interest by subsidiary company (refer note no. 2.55.2)

2.47.1.2 Summarised financial information of the subsidiary that has non-controlling interests are as under:

(₹ in crore)

Description of Subsidiary that have non -controlling interest	Railway Energy Management Company Limited (REMCL)	
	31.03.2018	31.03.2017
Fixed Assets (Net)/Non-Current Assets	158.97	157.55
Current Assets, Loans & Advances	40.45	41.04
Current Liabilities & Provisions	15.16	21.04
Non Current Liabilities and provisions	68.42	87.55
Capital	70.00	70.00
Retained Earnings /(losses)	45.84	19.99
Total Revenue	68.80	58.49
Expenditure including tax	38.52	40.86
Profit After tax	30.28	17.63
Additional information:		
Cash and Cash Equivalents	1.49	12.96
Current financial liabilities (excluding trade and other payables and provisions)	9.59	17.57
Non- Current financial liabilities (excluding trade and other payables and provisions)	47.65	75.76
Depreciation and Amortisation	6.15	6.14
Interest Income	2.49	2.63
Interest Expense	7.50	12.04
Income tax expenses or (income)	8.98	10.31

2.47.2 The Holding Company has following Joint Arrangements:

Name of Joint Arrangements	Nature of Interest/Relationship with Joint Arrangements	Principal Place of Business of Joint Arrangements	Proportionate ownership interest or participating share
Geoconsult - RITES	RITES has formed a Joint venture with M/s. Geoconsult-ZT-GmbH (Austria) for detailed design consultancy and construction supervision of about 11 kms long railway tunnel in J&K State. Both the venturers contributed in the seed money as agreed for operational and execution purposes.	India	13%
Geoconsult - RITES, NRT-1	RITES has formed a Joint venture with M/s. Geoconsult-ZT-GmbH (Austria) for detailed design consultancy and construction supervision of Tunnel No.1 (3.1 km long) on Udampur - Katra Section for the USBRL project in the state of J&K.	India	16%
Geoconsult ZT GmbH - RITES	RITES has formed a Joint venture with M/s. Geoconsult ZT GmbH (Austria) for detailed design and construction supervision of Tunnel No.10 (Approx. Length 3.3 km) in connection with Jiribam-Tupul new railway line project in the state of Manipur.	India	39.40%

Name of Joint Arrangements	Nature of Interest/Relationship with Joint Arrangements	Principal Place of Business of Joint Arrangements	Proportionate ownership interest or participating share
Geoconsult - RITES (JV)	RITES has formed a Joint venture with M/s. Geoconsult India Pvt. Ltd. for instrumentation, monitoring and design of remedial works as per requirement for vulnerable locations for two monsoon seasons in Lumding-Silchar BG Rail Line.	India	35.01%
RICON	RITES has formed a Joint Venture with M/s. IRCON International Ltd. to secure and execute contracts to be awarded by M/s Companhia Dos Caminhos de Ferro Da Beira, SA, Mozambique to RICON for rendering Management Support Services, Consultancy Works, Project Management, Construction Supervision, Supply of Materials, Rolling Stock and equipment, Works Contracts, Leasing of Equipments / Rolling Stocks etc.	India	51%
SAIL-RITES Bengal Wagon Industry Private Limited	RITES has formed a Joint Venture with SAIL for manufacturing Wagons at SGW, Kulti, West Bengal.	India	50%
BNV Gujarat Rail Private Limited	RITES has formed a Joint Venture with Shapoorji Pallonji Roads Private Limited and PCM Cement Concrete Private Limited to set up, own, operate, finance and maintain the Bhuj-Naliya-Vayor rail connectivity project in Kutch district of the state of Gujarat	India	26%

2.47.3 Disclosures in respect of Joint Ventures:

2.47.3.1 Investment is measured by using equity method.

2.47.3.2 Summarised financial information of the Joint Ventures is as under:

(₹ in crore)

Description / JVs	SAIL-RITES Bengal Wagon Industry Private Limited		BNV Gujarat Rail Private Limited*	
	Year ended 31.03.18	Year ended 31.03.17	Year ended 31.03.18	Year ended 31.03.17
Fixed Assets (Net)/Non Current Assets	97.37	103.60	-	-
Current Assets, Loans & Advances	23.09	18.43	0.04	0.05
Current Liabilities & Provisions	50.72	39.34	0.01	-
Non Current Liabilities and provisions	44.23	53.03	-	-
Capital	48.00	48.00	0.05	0.05
Retained Earnings /(losses)	(22.49)	(18.34)	(0.02)	-
Revenue	83.97	9.22	-	-
Expenditure including tax	88.12	22.19	0.01	-
Profit/(Loss) After tax	(4.14)	(12.97)	(0.01)	-
Additional information:				
Cash and Cash Equivalents	0.40	1.17	0.04	0.05
Current financial liabilities (excluding trade and other payables and provisions)	37.05	28.70	-	-
Non- Current financial liabilities (excluding trade and other payables and provisions)	44.23	53.03	-	-
Depreciation and Amortisation	6.78	5.83	-	-
Interest Income	0.02	0.22	-	-
Interest Expense	7.35	6.10	-	-

* BNV Gujarat Rail Private Limited was incorporated in financial year 2016-17, but no operation was started till 31.03.2018.

2.47.3.3 Reconciliation of Company's interest in Joint Ventures:

(₹ in crore)

Description / JVs	SAIL-RITES Bengal Wagon Industry Private Limited		BNV Gujarat Rail Private Limited	
	As on 31.03.18	As on 31.03.17	As on 31.03.18	As on 31.03.17
Net Assets				
Net Assets of Joint Venture	25.51	29.66	0.03	0.05
Proportionate share in Joint Venture (%)	50%	50%	26%	26%
Share of interest in net assets of Joint Venture	12.76	14.83	0.01	0.01
Carrying amount of interest in Joint Venture	12.76	14.83	0.01	0.01
	Year ended 31.03.18	Year ended 31.03.17	Year ended 31.03.18	Year ended 31.03.17
Net Profits				
Net Profit/(Loss) After Tax of Joint Venture	(4.14)	(12.97)	(0.01)	-
Proportionate share in net profit of Joint Venture (%)	50%	50%	26%	26%
Share of interest in net profit of Joint Venture	(2.07)	(6.49)	-	-
Amount of interest in net profit of Joint Venture	(2.07)	(6.49)	-	-

- i) There is no restriction on the ability of Joint Ventures to transfer funds to the company in the form of cash dividends or to repay loans and advances made by the company.
- ii) Holding Company has invested in M/s BNV Gujarat Rail Private Limited during the year 2016-17. Venture Company is incorporated in the year 2016-17 but no operation has started till 31st March, 2018.

2.47.3.4 All the investments in Joint Ventures are non-tradable in market.

2.47.4 Summarised financial information of the Joint Operations:

(₹ in crore)

Description / JVs	RICON		Geoconsult-RITES		Geoconsult - RITES, NRT-1		Geoconsult ZT GmbH - RITES		Geoconsult-RITES (JV)	
	Year ended 31.03.18	Year ended 31.03.17	Year ended 31.03.18	Year ended 31.03.17	Year ended 31.03.18	Year ended 31.03.17	Year ended 31.03.18	Year ended 31.03.17	Year ended 31.03.18	Year ended 31.03.17
Fixed Assets (Net)/Non Current Assets	-	-	-	-	-	-	0.01	0.61	-	0.28
Current Assets, Loans & Advances	21.75	21.43	5.92	5.59	3.74	3.92	1.69	0.96	1.50	0.71
Current Liabilities & Provisions	0.73	0.75	4.10	3.65	3.52	3.42	2.44	1.85	0.84	0.57
Retained Earnings /(losses)	21.02	20.68	1.82	1.94	0.21	0.50	(0.74)	(0.28)	0.66	0.42
Revenue	0.51	0.65	0.10	0.18	0.11	0.22	0.65	1.79	5.93	2.77
Expenditure including Tax	0.17	0.24	0.22	0.08	0.40	0.11	1.11	2.66	5.27	2.34
Profit/(Loss) After tax	0.34	0.41	(0.12)	0.10	(0.29)	0.11	(0.46)	(0.87)	0.66	0.43
Additional information:										
Cash and Cash Equivalents	0.01	1.22	0.10	0.52	0.17	0.51	-	0.19	0.19	0.24
Depreciation and Amortisation	-	-	-	-	-	-	0.01	0.02	-	-
Interest Income	0.51	0.62	0.10	0.09	0.11	0.10	0.01	-	-	-
Income tax expenses or (income)	0.15	0.17	-	0.06	-	0.03	-	-	0.40	0.22

2.47.5 Holding Company jointly participated in the followings projects with other entities:

Project Name	Name of entities
General Consultancy to Delhi Metro Rail Corporation Ltd. for Delhi Mass Rapid Transit System Project-Phase-III.	M/s Oriental Consultants Co. Ltd. M/s Parsons Brickerhoff International INC. M/s Tonichi Engineering Consultants INC.
General Consultancy to Bangalore Metro Rail Corporation Ltd. for Bangalore Metro.	M/s Oriental Consultants Co. Ltd. M/s Parsons Brickerhoff International INC. M/s Systra SA
General Consultancy to Metro Link Express for Gandhinagar & Ahmedabad (MEGA) Company Ltd. for Mass Rapid Transit System project at Ahmedabad.	M/s Systra SA France (Lead). M/s Oriental Consultants Global Co. Ltd., Japan. M/s AECOM Asia Company Ltd., HongKong.
General consultancy to Nagpur Metro Rail Corporation Ltd. for Nagpur Metro.	M/s Systra, France M/s AECOM Asia Co. Ltd. M/s EGIS Rail S.A.
General consultancy to Pune Metro Rail Corporation Ltd. for Pune Metro.	M/s Systra, France M/s AECOM Asia Co. Ltd. M/s EGIS Rail S.A.
Detailed design consultancy services for power supply & distribution system, 750 V DC, 3rd rail traction electrification & SCADA system of Metro Link Express for Ghandhinagar & Ahmedabad (MEGA) Company Ltd. for mass Rapid Transit System Project at Ahmedabad.	M/s TUV SUD South Asia Pvt. Ltd. (TUV)
DPR for MRTS between Ahmedabad and Dholere for DMICDC.	M/s Stanley Consultants INC.
Consulting Services for feasibility & detailed Design of Road Tunnels in Shimla and other parts of Himachal Pradesh.	M/s Geo-Consult-ZT GmbH (Austria) M/s Secon Pvt. Ltd., India
1. Taj International Airport project work at Agra. 2. Feasibility report /DPR for development and operation of airport at Singrauli, M.P.	M/s KPMG
Development of six lane supervision cable Greenfield bridge over river Ganga from Kacchi Dargah on NH-30 to Bidupur in District Vaishali on NH-103.	M/s IDFC Limited M/s Infrastructure Development Corporation (Karnataka) Limited (IDeCK)
Preparation of feasibility report for proposed six lane bridge over river Brahmaputra connecting Narengi (near Guwahati) with Kurua (at North Bank) with a road link up to Dumnichowki on NH-52, Assam.	M/s STUP Consultants Pvt. Limited M/s Gifford India Pvt. Limited
Project Management Consultancy for river morphological analysis and design of river training and bank protection works in the state of Uttarakhand.	M/s DHI (India) Water & Environment Pvt. Ltd.
Consultancy for feasibility studies for package-2 (Mumbai-Chennai) of Diamond Quadrilateral Network of High Speed Rail Corridors.	M/s Systra M/s Ernst & Young LLP
Consultancy services for the construction of Cargo Complex Parallel Taxiway and Modification of Old Terminal Building at PARO International Airport, Bhutan.	M/s PRCS, Bhutan
TEFR Study for Development of Integrated Multimodal Logistics Hub (IMLH) at Nangal Chaudhary in Haryana.	M/s KPMG M/s LnT IEL

2.48 Group has carried out the assessment on impairment of assets in terms of IND AS 36 "Impairment of Assets" accordingly impairment losses or reversal, if any, has been recognized during the year in the Statement of Profit & Loss.

2.49 In case of Holding Company Disclosures on Provisions, Contingent Liabilities and Contingent Assets (Indian Accounting Standard-37) are as follows:

2.49.1 Provision includes mainly towards warranty which has been made for fulfillment of warranty obligation after export sale of rolling stocks/ locomotives & spares. Estimation of such provision is based on past experience, nature of rolling stock exported to various clients and period specified in the agreements with them. Actual expenditure may vary during the warranty period as per the requirements.

(₹ in crore)

Items	Carrying amount 01.04.17	Additional Provision made during the period	Provisions used during the period	Unused amount reversed during the period	Increase/ (decrease) in discounted amount	Carrying amount as on 31.03.18
Warranties	50.12	8.10	4.71	14.81	2.66	41.36

(₹ in crore)

Items	Carrying amount 01.04.16	Additional Provision made during the year	Provisions used during the year	Unused amount reversed during the year	Increase/ (decrease) in discounted amount	Carrying amount as on 31.03.17
Warranties	31.74	23.78	1.84	4.21	0.65	50.12
Commitments	3.43	-	-	3.43	-	-

Effect of change in the discount rate:

As per the agreements with the customers, warranty periods are varying from two to five years, i.e. extending beyond one year, require discounting to work out net present value of such provisions made towards warranty.

Discount rate is based on the average of interest rates in Fixed Deposits with banks during the reporting period. Average interest rate for the year 2017-18 is of 6.74% vice 7.50% for the year 2016-17. The effect of interest rate change on the above provisions is ₹ 0.24 crore.

2.49.2 Contingent liabilities and commitments to the extent not provided for include:

2.49.2.1 Contingent Liabilities

(a) Claims against holding company not acknowledged as debts as certified by the Management are ₹ 672.49 crore (previous year ₹ 491.60 crore). These include:

- Claims (excluding interest) amounting to ₹ 639.48 crore (previous year ₹ 458.76 crore) against the company by the sub-contractors / other agencies including award against the company pending in courts. The management does not foresee any liability on the company as the same are contested by the company for and or on behalf of the clients.
- Other claims (excluding interest) amounting to ₹ 33.01 crore (previous year ₹ 32.84 crore) are contested by the company and the company has made counter claims of ₹ 63.00 crore (previous year ₹ 63.00 crore) on the executing agency (refer note no.2.59.1). The company is subject to legal/arbitration proceedings and claims, which have arisen in the ordinary course of business. Management doesn't reasonably expect that when these cases ultimately conclude and determined, will have any material and adverse effect on the company's results of operations or financial conditions.
- Claims against the company not acknowledged as debts as certified by the Management includes 8 no. of cases amounting to ₹ 39.07 crore which has been settled after the decision of the respective appellate authority and 13 nos. of cases for an amount of ₹ 277.95 crore added during the year.

(b) Other money for which group is contingently liable:

- In case of Holding company, excise bonds amounting to ₹ Nil crore (previous year ₹ 4.89 crore) are outstanding against export obligations with Central Excise Department. Out of this, bonds value of ₹ Nil crore (previous year ₹ 3.59 crore) are due for release by the department.
- Demands on account of taxes viz. VAT, Service Tax & Income Tax amounting to ₹ 2.64 crore (previous year ₹ 1.34 crore) are contested by the holding company.
- In case of REMCL, an amount of ₹ 1.62 crore (previous year ₹ 1.21 crore) on account of transmission and wheeling charges towards generation of electric energy from wind mill plant.

2.50 Commitments

Estimated amount of contracts remaining to be executed on capital account as certified by the management and not provided for:

- In case of holding company, ₹ 164.44 crore (previous year ended 31.03.2017 ₹ 3.35 crore) including ₹ 144.80 crore against booking of office space from NBCC at Nauroji Nagar, New Delhi.
- In case of REMCL, ₹ Nil (previous year ₹ 0.03 crore).

2.51 In case of Holding Company Disclosures on Investment Property (Indian Accounting Standard-40) are as follows:

2.51.1 Amounts recognized in the Statement of Profit and Loss are as follows:

(₹ in crore)

Particulars	Year ended 31.03.18	Year ended 31.03.17
Rental income	0.99	0.99
Direct proportionate operating expenses relating to rental income (including repair & maintenance)	0.19	0.25
Profit before depreciation	0.80	0.74
Depreciation for the period	0.04	0.05
Profit from investment property	0.76	0.69

2.51.2 Fair Value

Market value of investment property as on 31.03.2018 is ₹ 2.62 crore based on valuations performed by an external independent valuer and management considered no significant change in the value.

Methods & assumptions for valuation:

The valuation is carried out by Independent agency on the basis of present construction/replacement cost of similar structures/constituents without considering the value of furniture, fixture & fitting, office equipments, etc.

There is no Capital Commitment in respect of investment property.

2.52 Financial Instruments of Group

2.52.1 Financial Instruments by category

The carrying value and fair value of financial instruments categories-wise as on 31st March, 2018 are as under:

(₹ in crore)

Particulars	Total carrying value	Amortised Cost	Financial assets/liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI	
			Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory
Financial Assets:						
Cash and Bank Balance**	3658.95	-	-	3658.95	-	-
Investments: Equity*	0.04	-	-	0.04	-	-
Tax Free Bonds	120.00	120.00	-	-	-	-
Trade Receivables**	467.70	467.70	-	-	-	-
Loans**	19.16	19.16	-	-	-	-
Other Financial Assets**	175.42	175.42	-	-	-	-
Total	4441.27	782.28	-	3658.99	-	-
Financial Liabilities:						
Borrowing	55.32	55.32	-	-	-	-
Trade Payables**	77.09	77.09	-	-	-	-
Other Financial Liabilities**	2192.34	2192.34	-	-	-	-
Total	2324.75	2324.75	-	-	-	-

The carrying value and fair value of financial instruments categories-wise as on 31st March, 2017 are as under:
 (₹ in crore)

Particulars	Total carrying value	Amortised Cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/ liabilities at fair value through OCI	
			Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory
Financial Assets:						
Cash and Bank Balance**	3014.74	-	-	3014.74	-	-
Investments:						
Equity*	0.04	-	-	0.04	-	-
Tax Free Bonds	170.00	170.00	-	-	-	-
Liquid Plan of Mutual Funds	143.04	-	-	143.04	-	-
Trade Receivables**	461.50	461.50	-	-	-	-
Loans**	21.07	21.07	-	-	-	-
Other Financial Assets**	256.57	256.57	-	-	-	-
Total	4066.96	909.14	-	3157.82	-	-
Financial Liabilities:						
Borrowing**	83.43	83.43	-	-	-	-
Trade Payables**	73.11	73.11	-	-	-	-
Other Financial Liabilities**	2011.66	2011.66	-	-	-	-
Total	2168.20	2168.20	-	-	-	-

* In case of holding company, equity shares includes ₹ 0.04 crore of Global Procurement Consultants Limited (GPCL) which are not tradable and amount of investment in the entity is immaterial, hence investment is recognised at cost and same is considered as its fair value.

** The carrying amounts of trade receivables, trade payables, cash and cash equivalents, short term loans, other current financial assets and liabilities are considered to be same as their amortised cost due to their short-term nature. As per practice, Security Deposits and Retention money represent source of protection with respect to contract performance rather than a source of financing, hence shown at transaction value.

2.52.2 Fair value hierarchy & valuation techniques

To provide an indication about the reliability of method used in determining fair value, group has classified its financial instruments into three levels prescribed under the Indian Accounting Standard (Ind AS-113) on fair value measure.

Level 1 : Quoted prices in active markets for identical assets or liabilities.

Level 2 : Fair value of financial instruments that are not traded in an active markets is determined using valuation techniques and observable Inputs for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 : Inputs for the assets or liabilities that are not based on observable market data (observable inputs).

Fair value hierarchies of assets and liabilities as on 31st March, 2018 are as follows:

(₹ in crore)

Particulars	As on 31.03.2018	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Financial Assets:				
Cash and Bank Balance	3658.95	3658.95	-	-
Investments:				
- Equity*	0.04	-	-	0.04
- Liquid plan of Mutual Funds**	-	-	-	-

Fair value hierarchies of assets and liabilities as on 31st March, 2017 are as follows:

(₹ in crore)

Particulars	As on 31.03.2017	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Financial Assets:				
Cash and Bank Balance	3014.74	3014.74	-	-
Investments:				
- Equity*	0.04	-	-	0.04
- Liquid plan of Mutual Funds**	143.04	-	143.04	-

* In case of holding company, equity shares includes ₹ 0.04 crore of Global Procurement Consultants Limited (GPCL) which are not tradable and amount of investment in the entity is immaterial, hence investment is recognised at cost and same is considered as its fair value.

** Liquid plan of mutual funds are valued at NAV.

2.53 Financial Risk Management

The Group's activities are exposed to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Group's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from few customers.

2.53.1 Market Risk of Holding company

The Company operates internationally and a major portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk for its sales and services in the Middle East and South Asian countries. The exchange rates between the rupee and foreign currencies have changed substantially in recent years which may also fluctuate substantially in the future. However, company has currency risk management policy and exchange fluctuations are regularly monitored by the risk management committee to mitigate this risk. Policy covers various aspects of currency risk management, benchmarking, hedging and risk appetite, permissible instruments, hedging policy, structure of the risk management committee and treasury group, reporting procedures etc.

Analysis of foreign currency risk from financial instruments is as follows:

Particulars	As at 31.03.2018	As at 31.03.2017
	US Dollar (Figure in Millions)	
Cash & Cash equivalents	0.02	3.15
Trade Receivables	3.78	13.42
Other financial assets	22.03	2.54
Trade Payable	3.17	12.74
Other financial liabilities	30.44	0.09
Net assets/(liabilities)	(7.78)	6.28

For the year ended 31st March, 2018 and year ended 31st March, 2017, every percentage increase/decrease in the exchange rate between the INR & US Dollar has affected the Company's incremental margins by approximately (0.98%) (previous year 2016-17 0.82%) each.

Sensitivity analysis is computed based on the changes in the income and expenses in foreign currency upon conversion into functional currency, due to exchange rate fluctuations between the previous reporting period and the current reporting period.

2.53.2 Credit Risk of Group

Credit Risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. Primarily exposure to the credit risk is from trade receivables amounting to ₹ 550.53 crore (previous year ₹ 525.03 crore) and unbilled revenue amounting to ₹ 7.19 crore (previous year ₹ 2.55 crore) which are typically unsecured. Credit risk is being managed by continuously monitoring the outstanding dues from the customers. Trade Receivables towards export sales are generally managed by establishing Letter of Credit with the customer. Further most of the clients of the company are Government or Government Undertakings; hence credit risk is bare minimum. Company has impaired, as a prudent measure, the trade receivables towards expected credit loss as per company accounting policy to the extent of ₹ 82.83 crore (previous year ₹ 63.53 crore).

No significant credit risk on cash and bank balances including clients' funds amounting to ₹ 3658.95 crore (previous year ₹ 3014.74 crore) is expected as holding company and its Indian Subsidiaries parks surplus funds with Schedule Banks having good credit adequacy ratio and least NPA as determined by RBI and guidelines of the respective companies. Holding Company and its Indian Subsidiaries has parked its owned funds in fixed deposits of ₹ 1422.26 crore (previous year ₹ 951.79 crore) with Schedule banks with negligible credit risks.

Non-Strategic Investments primarily include investments in liquid mutual fund units of ₹ Nil crore (previous year ₹ 143.04 crore) and tax free bonds of ₹ 120 crore (previous year ₹ 170 crore) issued by Public Sector Undertaking where risk is minimal.

Company has given loans to employees and one of its joint ventures. House building, Multi-purpose loans etc. to the employee are secured by way of insurance and mortgage of the house properties or hypothecation of vehicles in line with the policies of the company. The loan provided to the joint venture is long term. The risk of default in respect of these loans is considered negligible.

2.53.3 Liquidity Risk of Group

Group's principal sources of liquidity are "cash and cash equivalents" and the cash flow that is generated from operations. Group has outstanding bank borrowings of ₹ 55.32 crore (previous year ₹ 83.43 crore). Group has a working capital of ₹ 1679.44 crore (previous year ₹ 1418.30 crore) including cash and bank balance (owned funds) of ₹ 1448.42 crore (previous year ₹ 998.92 crore) and current investment ₹ Nil crore (previous year ₹ 193.04 crore). Group believes that the working capital is sufficient to meet its requirements, accordingly no liquidity risk is perceived by the company.

2.54 In case of Group Company, Disclosures on Accounting Policies, Change in Accounting Estimates and Errors (Indian Accounting Standard-8) related with Holding Company are as follows

2.54.1 Prior Period Transactions:

(₹ in crore)

Nature	31.03.18	31.03.17
Fees	5.40	4.31
Supplies & Services	1.36	4.15
Employee Benefits	0.06	0.01
Others	(7.01)	2.99
Total	(0.19)	11.46

2.54.2 Correction of Prior Period transactions with impact on profit.

2.54.2.1 Impact on Balance Sheet Items is as follows:

(₹ in crore)

Prior period for the period	31.03.18			31.03.17
Line Items	Impact on 2016-17	Prior to 01.04.16	Total	Prior to 01.04.16
PPE	-	-	-	(1.82)
Capital WIP	(0.59)	(0.33)	(0.92)	(2.19)
Current Trade Receivables	(4.01)	(1.30)	(5.31)	(5.37)
Cash and Bank Balances-Owned Fund	6.34	3.43	9.77	-
Other Current Assets	-	(0.10)	(0.10)	(0.74)
Other non-current assets	-	-	-	0.44
Other Current Financial Assets	-	-	-	0.22
Total Assets	1.74	1.70	3.44	(9.46)
Current Trade Payables	1.99	0.80	2.79	2.38
Other Current Financial Liabilities	0.37	0.01	0.38	0.09
Other Current Liabilities	-	0.08	0.08	(0.47)
Total Liabilities	2.36	0.89	3.25	2.00
Net Assets (Equity)	(0.62)	0.81	0.19	(11.46)

2.54.2.2 Impact on Statement of Profit & Loss Items is as follows:

(₹ in crore)

Prior Period for the Year ended 31.03.2018	
Line Items	Impact on 2016-17
Revenue from Operations	(4.01)
Other Income	6.34
Total Revenue	2.33
Supplies & services	0.73
Employee Benefit Exp.	0.15
Travel	0.02
Cost of export sale	-
Cost of turnkey Construction projects	-
Finance Costs	0.35
Transmission and Whelling Charges	0.02
Other Expenses	1.68
Total Expenditure	2.95
Profit/(Loss) Before Tax	(0.62)

Prior period items have been re-stated for the year ended on 31.03.2017. However, there is no impact of provision for taxation on account of prior period re-statement.

Aforesaid prior period figures are crystallized during the year 2017-18 though these are prior period transactions and tax benefit on such transactions is available in the year ended 31st March, 2018. However, these figures are re-stated as per IND AS 8 to the respective years on which no tax benefit is available on these respective years due to the reasons given above. The tax impact on such transactions is of ₹0.07 crore which is not considered in EPS calculation for the same reason as stated above.

2.54.3 Impact of Prior Period errors/omissions in Earning Per Share (Basic & Diluted):

Particulars	2016-17
Impact on Profit attributable to Equity Share Holders (₹ in crore)	(0.62)
Weighted average nos. of Equity Shares	20,00,00,000
Impact on Earning Per Share (Basic & Diluted)	₹ (0.03)

2.54.4 Impact of Change in Accounting Policy in Holding Company:

Impact of change in accounting policy, in respect of gratuity for contract employees and leave encashment including medical leave for regular employees, are as under:

During the year, gratuity for contract employees has been funded by making contribution of ₹ 2.01 crore to Gratuity Trust Fund which is being administrated by Life Insurance Corporation of India (LIC) and leave encashment including medical leave for regular employees has also been funded by making contribution of ₹ 110 crore through insurance policies from insurance companies approved by Insurance Regulatory Development Authority (IRDA).

2.55 Disclosures on Presentation of Financial Statements (Indian Accounting Standard-1) are as follows:

2.55.1 Capital Management

Capital management objectives are to ensure group's ability to continue as a going concern to provide an adequate return to shareholders. Group objectives when managing capital are to safeguard the ability to continue as a going concern in order to provide returns for shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Group determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are primarily being met through operating cash flows generated.

2.55.2 Subsequent Event -Dividend in case of Holding and its Indian subsidiary

Dividends declared by the Holding and Subsidiary Companies are based on Net Worth or Profits After Tax as reported in the financial statements of the Holding & Subsidiary Companies and guidelines issued by DPE/ Presidential directives.

Dividend paid by the Holding company during the financial year ended 31.03.2018 is ₹ 148 crore which includes final dividend of ₹ 78 crore (₹ 3.90 per equity share to 20 crore equity shares) for the financial year 2016-17 and interim dividend of ₹ 70 crore (₹ 3.50 per equity share to 20 crore equity shares) for the financial year 2017-18.

The Board of Directors of holding Company proposed a final dividend of ₹ 40 crore (₹ 2 per share to 20 crore equity shares) in respect of the year ending 31.03.2018 subject to approval of shareholders in Annual General Meeting. If approved, the dividend would result in a cash outflow of ₹ 48.22 crore inclusive of dividend distribution tax of ₹ 8.22 crore.

In case of REMCL, dividend paid during the financial year 2017-18 is ₹ 3.68 crore (i.e. dividend of ₹ 0.525 per share to 7 crore equity shares) for the financial year 2016-17.

The Board of Directors of the subsidiary Company proposed a final dividend of ₹ 9.09 crore (₹ 1.298 per share to 7 crore equity shares) in respect of the financial year 2017-18 subject to approval of shareholders in Annual General meeting. If approved, the dividend would result into cash outflow of ₹ 10.96 crore inclusive of dividend distribution tax of ₹ 1.87 crore.

2.56 Other Disclosures

Consequent upon the Govt. of India decision to disinvest 2.52 crore of shares of the holding company, shares of the holding company were listed on NSE and BSE on 2nd July, 2018 and the proceeds have been realized by Govt. of India.

2.57 Information on CSR expenditure

2.57.1 In case of holding company:

- Gross amount required to be spent including advances given during the year 2017-18 ₹ 9.90 crore (previous year 2016-17 ₹ 9.20 crore).
- Expenditure incurred including advance on CSR during the year on:

(₹ in crore)

Particulars		Amount Paid		Yet to be Paid		Total	
		2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
(i)	Construction/ acquisition of any asset	7.71	5.21	-	-	7.71	5.21
(ii)	On purposes other than (i) above	2.19	3.99	-	-	2.19	3.99
	Total	9.90	9.20	-	-	9.90	9.20

2.57.2 In case of subsidiary company (REMCL):

(a) Gross amount required to be spent including advances given during the year 2017-18 ₹ 0.22 crore (previous year 2016-17 ₹ Nil).

(b) Expenditure incurred including advance on CSR during the year on:

(₹ in crore)

Particulars	Amount Paid		Yet to be Paid		Total	
	2017-18	2016-17*	2017-18	2016-17*	2017-18	2016-17*
(i) Construction/ acquisition of any asset	-	-	-	-	-	-
(ii) On purposes other than (i) above	0.16	-	-	-	0.16	-
Total	0.16	-	-	-	0.16	-

*Upto financial year 2016-17, provisions of Section 135(1) of Companies Act, 2013 were not applicable.

(c) Unspent amount of ₹ 0.06 crore shall be carried forward to next financial year which will be spend on CSR activities.

2.58 In case of Holding Company, details of dues to micro, small and medium enterprises as defined under The Micro, Small and Medium Enterprises Development Act, 2006* are given on the basis of information available with the management.

(₹ in crore)

S. No.	Particulars	As at 31.03.2018	As at 31.03.2017
a	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting period <ul style="list-style-type: none"> Principal amount due to micro and small enterprises Interest due on above 	2.57 -	1.93 -
b	The amount of interest paid by the buyer in terms of Section 16 of The Micro, Small and Medium Enterprises Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting period.	-	-
c	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under The Micro, Small and Medium Enterprises Development Act, 2006.	-	-
d	The amount of interest due and remaining unpaid at the end of each accounting period.	-	-
e	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of The Micro, Small and Medium Enterprises Development Act, 2006.	-	-

*The Holding Company has initiated the process of identification of suppliers registered under The Micro, Small and Medium Enterprises Development Act, 2006, by obtaining confirmations from all suppliers. Information has been collated only to the extent of information received.

2.59 In a pre-closed contract in the year 2005-06, holding company raised claims of ₹ 233.93 crore (previous year ₹ 233.93 crore) against a client and the client raised counter claims of ₹ 469.10 crore (previous year ₹ 469.10 crore).

The arbitrator on 19th January, 2011 rejected the aforesaid counter claims of the client and awarded ₹ 88.31 crore in favour of the holding company against claims of ₹ 233.93 crore. Holding Company filed an appeal before the appellate authority on 21st March, 2011 against the said award. Further on 16th September, 2011, the appellate authority awarded ₹ 231.68 crore with interest in favour of the holding company. Client filed a petition in the Civil Court of Ranchi on 31st July, 2011 & thereafter amendment filed by the client for setting aside the aforesaid award of the appellate authority. Argument is concluded and order is passed in favour of

holding company on 22nd November, 2017, wherein the petition filed by Client is dismissed and preliminary objections filed by holding company is allowed by the Civil Court. Holding Company has asked our Advocate to furnish further course of action to recover the said awarded amount. In response, the advocate has drafted the writ petition which is likely to be filed before Jharkhand High Court shortly. The awarded amount has not been recognized.

- 2.59.1 The executing agency also raised claims (excluding interest) of ₹ 184.41 crore (previous year ₹ 184.41 crore) against the holding company before the arbitration tribunal at Ranchi and holding company also raised counter claims of ₹ 644.53 crore (previous year ₹ 644.53 crore) against the executing agency for the contract which became void due to commitment of fraud by the agency, thus terminated. Both the parties had concluded their arguments before the Tribunal and award was published on 18th October, 2016 in favour of the holding company. As per the award, holding Company was to ₹ 63 crore from executing agency effective from the date of publication of award i.e. 18th October, 2016. Executing agency had the right to file the objection before the Jharkhand High Court, Ranchi within four months of receipt of copy of award. As per information of the Tribunal, agency received the copy of award on 1st March, 2017. The executing agency filed the arbitration appeal before Jharkhand High Court on 25th May, 2017. The matter was fixed for argument on 2nd February, 2018 which could not take place and the next date of hearing is yet to be fixed. In view of the above, holding company has not recognized the award amount in the books of account.

Further, holding Company has to pay ₹ 25.92 crore to executing agency after receiving the said amount from the client. The said amount of ₹ 25.92 crore is included in the contingent liabilities.

- 2.59.2 In case of holding company, cumulative interest up to 31.03.2018 due from the executing agency of ₹ 25.98 crore (previous year ₹ 23.97 crore) on mobilization advance of ₹ 16.80 crore has not been recognized as income due to uncertainty as regard to realizability. This includes Interest of ₹ 2.01 crore for the year (previous year ₹ 2.02 crore).
- 2.60 A joint venture company named CCFB was incorporated in Mozambique in 2004 for rehabilitation, operation and management of Beira Rail Corridor, Mozambique by entering into a 25 years concessioning agreement with the Government of Mozambique. Company invested a sum of ₹ 6.01 crore in equity in the said joint venture company for a 26% share. Other shareholders are IRCON & CFM, Mozambique with 25% & 49% share respectively. The company extended a shareholder loan of ₹ 87.89 crore (equivalent to US\$ 19.79 million) inclusive of interest accrued which was converted to principal as per agreement, out of which company received repayment of part loan amounting to ₹ 4.44 crore (equivalent to US\$ one million) during the year 2012-13.
- 2.60.1 On 8th December, 2011, Government of Mozambique (GoM) unilaterally terminated the concessioning agreement and took over the project which in the opinion of the company was unlawful and against the provisions of the agreement. Consequently, CCFB initiated arbitration proceeding against the said decision of GoM.
- 2.60.2 Dispute has been amicably settled with Government of Mozambique (GoM) on 21st October, 2015 through settlement agreement. As per schedule of payment of the settlement agreement, upfront payment of USD 17.07 million was received during financial year 2015-16 and LC was also established by GoM during financial year 2016-17. Further, 1st and 2nd installment of USD 5.655 million each as per schedule of payment has also been received in financial year 2016-17 and 2017-18 respectively and balance two installments of USD 5.655 million each are due in the financial year 2018-19 and financial year 2019-20 as per schedule of payment.
- 2.60.3 In view of receipt of payments and establishment of LC duly confirmed by Scheduled Bank in India, company transferred its shareholding in CCFB to CFM, a nominated agency of GoM on 22nd September, 2016 and consequently, profit of ₹ 71.47 crore on such transfer of equity shares has been recognized in Statement of Profit and Loss for financial year 2016-17.
- 2.61 Under the settlement agreement with Government of Tanzania, last three installments out of six installments of principal amounting to ₹ 59.04 crore (equivalent to US\$ 9.19 million) {previous year is ₹ 58.72 crore (equivalent to US\$ 9.19 million)} are still outstanding despite of continuous follow up and legal notice issued to Government of Tanzania and therefore the company has made a provision for the same during the financial year 2017-18. Company is also contemplating invoking arbitration clause as per provision of settlement deed. Interest on principal and on delayed payments of ₹ 20.88 crore (equivalent to US\$ 3.25 million) {previous year is ₹ 17.66 crore (equivalent to US\$ 2.76 million)} have not been recognized.
- 2.62 In case of holding company, Foreign Service Contribution is recognized on accrual basis in the Statement of Profit and Loss Account as per the deputation terms with parent organizations in respect of officers taken on deputation from other organizations.
- 2.63 In case of holding company, lease deeds are pending for execution in respect of the office building at Central Metro Railway Building, 56, C.R. Avenue, Kolkata of ₹ 3.46 crore (previous year ₹ 3.46 crore), the physical testing laboratory at 52 A&B, C.R. Avenue, Kolkata of ₹ 1.24 crore (previous year ₹ 1.24 crore) and office building at DLF Cybercity, Bhubaneswar of ₹ 5.64 crore (previous year ₹ 5.64 crore).

- 2.63.1 In case of Holding Company, Northern Railway has leased a plot in Wazirpur Northern Railway colony, Delhi for construction of residential flats to RITES Ltd. for a period of thirty years. The lease period has been expired in the month of March, 2015. The extension of lease has been sought from Northern Railway and the same is under consideration.
- 2.63.2 Holding Company has purchased a freehold land for construction of office building at Gomati Nagar Extension, Lucknow from Lucknow Development Authority (LDA) and was registered in the financial year 2010-11 at a total cost of ₹ 4.22 crore including registration charges. The physical possession of the land has not been given to RITES due to some disputes regarding acquisition of land by LDA. LDA has for the first time disclosed about the dispute and legal issue in respect of the plot vide their letter dated 29th May, 2017. Hon'ble Court has cancelled the acquisition of land by LDA. LDA assured to allot alternate land to RITES. Pending allotment of alternative land to RITES, the amount shown as freehold land under Property, Plant & Equipment has been transferred to capital advance.
- 2.63.3 A demand has been received during the year from West Bengal Housing Infrastructure Development Corporation Ltd (WBHIDC) for delay in submission of building plan in respect of land purchased from WBHIDC for office complex. Accordingly a sum of ₹1.09 crore has been provided in the books of accounts. Company is taking up the issue with authority for waiver of the demand.
- 2.63.4 It was decided by the holding company to wind up one of its wholly owned subsidiaries, RITES Infrastructure Services Ltd. (RISL) and accordingly, all assets and liabilities were transferred to the parent company during the financial year 2016-17. Despite of best efforts, bidders could not be located to take up these Multi Functional Complexes (MFCs) on lease, so it was decided by the holding company to hand over these MFCs to Ministry of Railways free of cost to avoid expenses towards maintenance and security of these MFCs. These MFCs have already been handed over to Ministry of Railways except one which is also likely to be handed over to them shortly. Accordingly, carrying cost of ₹ 5.84 crore of these MFCs has been charged off/write off during the current financial year 2017-18.
- 2.64 In case of REMCL, company has installed 26 MW Wind Mill plant at Jaisalmer, Rajasthan for utilisation of energy generated from Wind Mill Plant by WCR for a period of 25 years in accordance with Power Purchase Agreement (PPA) signed between West Central Railways (WCR) and REMCL. The Wind mill Plant was commissioned on 16th October, 2015 and since then energy generated from Wind Mill Plant is being continuously utilized by WCR up to 9th January, 2017 at three Traction Sub Stations (TSS) (Bharatpur, Hindaun & Ramganj Mandi) in Rajasthan as a consumer of Rajasthan DISCOM Jaipur Vidyut Vitran Nigam limited (JVVNL).
- With effect from 10th January, 2017, status of WCR has been changed from consumer to "deemed distribution licensee" in Rajasthan. WCR started taking power at Six TSS as a deemed distribution licensee through open access route from M/s JITPL which includes 3 TSS (Bharatpur, Hindaun & Ramganj) where WCR was taking Wind power from REMCL. Due to change in status of WCR from consumer to deemed distribution utility licensee, accountal/methodology for utilization of energy generated by Wind Mill Plant have gone unchanged. They (WCR) are contesting that after starting of open access connection at above mentioned three TSSs, existing connection have been disconnected from M/s JVVNL & final energy bill of M/s JVVNL have been passed with the set-off of wind power up to Dec'16 and thereafter the Kota division has paid the due amount of metered supply during Jan. & Feb., 17 to M/s JITPL and hence WCR has not been agreed to pay bills for energy generated from Wind Mill Plant for the period from January, 2017 to March, 2017.
- In present circumstances, there is uncertainty regarding realisation of revenue. As per Ind AS-18 when there is uncertainty as to realisability, recognition of revenue is postponed until such uncertainty is removed. Therefore revenue amounting to ₹ 2.63 crore for the period 01.04.2017 to 26.04.2017 (previous period from January, 2017 to March, 2017 to ₹ 4.51 crore) has been postponed and not recognised during the current reporting period. In this regard, a petition has been filed in Rajasthan Electricity Regulatory Commission (RERC) for realization of the wind energy charges during this period (i.e. 10.01.2017 to 26.04.2017) as this power was fed into the state grid.
- Wheeling and Transmission charges payable to Rajasthan state utilities are directly paid by WCR and deduction for the same is made by WCR in gross bill and only net amount i.e. after deduction towards wheeling & transmission is paid to REMCL on monthly basis. Therefore Wheeling & Transmission charges for the corresponding period i.e. from 01.04.2017 to 26.04.2017 (previous period from January 2017 to March 2017) which are payable to Rajasthan state utilities has not been recognized and shown as contingent liability under note no. 2.49.2.1.
- 2.65 In case of holding company, in one of the overseas project, fee of ₹ 11.22 crore upto 31st March 2018 (previous year ₹ 15.78 crore) has not been recognized as works have not been carried out by the contractors to the satisfaction of the client and the realisability of the fee based on the works done seems to be uncertain.
- 2.66 Sundry creditors, customers advances, amounts recoverable, security deposits receivable/payable are subject to confirmation.

2.67 In case of Holding Company, information as regard to loans, investments made as required under section 186 (4) of the Companies Act, 2013 have been given vide note no. 2.7 & 2.8.

2.68 Disclosures on Income Taxes (Indian Accounting Standard-12) are as follows:

2.68.1 Income tax expense in the consolidated statement of profit and loss comprises:

(₹ in crore)

Particulars	Year ended 31.03.18	Year ended 31.03.17
	Consolidated Total	Consolidated Total
Income Tax Expenses:		
- Current Taxes	172.21	147.79
- Earlier Years (Net)	5.29	7.95
Total - A	177.50	155.74
OCI	1.45	(0.31)
Total	178.95	155.43
Deferred Taxes(Net) - B	(13.27)	12.06
Total(A+B)	165.68	167.49

Entire deferred income tax for the year ended 31st March, 2018 and previous year ended on 31st March, 2017 relates to origination and reversal of temporary differences.

2.68.2 Reconciliation of the Income Tax expenses to the computed expected tax expenses for the year by applying the applicable statutory income tax rate to the Profit Before Taxes is as follows:

(₹ in crore)

Particulars	Year ended 31.03.18	Year ended 31.03.17
	Consolidated Total	Consolidated Total
Profit Before Income Tax on Normal Business	525.44	434.01
Dividend Income	-	-
Profit Before Income Tax on Capital Gains	-	71.47
	525.44	505.48
Enacted Tax Rates in India on Normal Income	34.61%	34.61%
Enacted Tax Rates in India on LTCG	23.07%	23.07%
Special Enacted Tax Rates in India on Dividend	17.30%	17.30%
Computed Expected Tax Expense*	176.78	174.94
Tax effect of Exempted Non-Operating Income	(0.71)	(0.02)
Additional Tax Effect due to Income from HP	(0.11)	(0.11)
Additional Tax Effect due to Income LTCG	-	(3.25)
Tax Effect Due to Indexation	-	(1.86)
Additional Tax Effect due to Income from Dividend	(0.01)	-
Effect of Non-Deductible Expenditures	23.86	28.40
Tax effect due to Non-Taxable Income	(28.38)	(38.35)
Tax effect due to Restatement of Prior Period Adjustments	0.54	(2.71)
Tax Reversals & Others	(6.29)	10.45
Income Tax Expense for the period	165.68	167.49

* Computed expected tax expense for the respective years including tax expense calculated on income of RITES at the rates mentioned herein and tax expense calculated on income of subsidiaries and joint ventures at the different from rates mentioned herein.

2.68.3 REMCL is taxable Under section - 115JB (MAT) of the income tax act. The enacted tax rates on normal income is 21.34% and 21.34% for the year ended 31st March, 2018 and previous year ended on 31st March, 2017 respectively.

The enacted tax rate of RAPL is 22% for the year ended 31st March, 2018 and previous year ended on 31st March, 2017 respectively.

The consolidated statement includes unabsorbed business loss and unabsorbed depreciation of REMCL for the year ended 31st March, 2018 is ₹ Nil & ₹ 56.08 crore (previous year ₹ 0.06 crore & ₹ 93.88 crore) respectively.

- 2.68.4 The following table provides the details of income tax assets and liabilities as of March 31, 2018 and March 31, 2017

(₹ in crore)

Particulars	Year ended 31.03.18	Year ended 31.03.17
	Consolidated Total	Consolidated Total
Income Tax Assets	327.18	294.41
Less: Current income tax liabilities	(172.21)	(147.79)
Net Current Income Tax Assets/(Liability) at the year end	154.97	146.62

- 2.68.5 The gross movement in the current income tax asset/(liability) for the year ended March 31, 2018 and March 31, 2017 is as follows:

(₹ in crore)

Particulars	Year ended 31.03.18	Year ended 31.03.17
	Consolidated Total	Consolidated Total
Net current income tax asset/(liability) at the beginning	146.62	147.85
Tax Impact due to change in Deferred Tax (Net)	13.27	(12.06)
Income Tax paid during the year	172.58	166.57
Current income tax expense (Ref. Note 2.68.1)	(175.09)	(157.28)
Income Tax on Other Comprehensive Income	-	-
Translation Difference/Exchange Variation (Ref. Note 2.68.1)	(2.41)	1.54
Net Current Income Tax Asset/(Liability) at the end	154.97	146.62

- 2.68.6 The tax effects of significant temporary differences that resulted in deferred income tax asset and liabilities are as follows:

(₹ in crore)

Particulars	As at	
	March 31, 2018	March 31, 2017
	Consolidated Total	Consolidated Total
Deferred Income Tax Assets:		
Accrued Compensation to Employees	16.12	21.45
Provisions for Doubtful Debts, Security Deposits/EMD, Advances Etc.	55.15	60.41
Total Deferred Income Tax Assets - I	71.27	81.86
Deferred Income Tax Liabilities:		
Depreciation on Property Plant & Equipment, Furniture & Fixtures, Loco & Coaches	29.67	53.53
Total Deferred Income Tax Liabilities - II	29.67	53.53
Deferred Income Tax Assets after set off	41.60	28.33

2.68.6.1 Deferred tax assets and liabilities have been offset wherever the company has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

2.68.6.2 The ultimate realisation of deferred income tax assets is dependent upon the generation of future taxable income during the period in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income and tax planning strategies in making the assessment.

Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Group will realise the benefits of those deductible differences. The amount of deferred income tax assets considered realisable, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

2.68.7 The gross movement in the deferred income tax account for the year ended March 31, 2018 and previous year ended on March 31, 2017 are as follows:

(₹ in crore)

Particulars	March 31, 2018	March 31, 2017
	Consolidated Total	Consolidated Total
Net deferred income tax asset/(liability) at the beginning	28.33	40.39
Credit/(Change) relating to temporary differences	13.27	(12.06)
Temporary differences on Other Comprehensive Income	-	-
Net Deferred Income Tax Asset/(Liability) at the end	41.60	28.33

2.68.7.1 The composition of deferred assets relating to temporary differences during the year ended March 31, 2018 and previous year ended on March 31, 2017 are primarily on account of property plant and equipment, Trade receivables and compensation to employees, Pre-paid Expenses and WIP.

2.68.8 In case of BNV Gujarat Rail Private Limited, in the absence of virtual certainty of availability of taxable business income and capital gains in near future against which the deferred tax assets can be adjusted, the Company has not recognised the deferred tax assets on unabsorbed business losses and capital losses.

2.69 Other disclosure of Group

2.69.1 In case of SRBWIP, Company has following borrowing facilities:-

2.69.1.1 Term Loan:

(₹ in crore)

Bank Name	Sanction Amount	Outstanding as at 31 st March, 2018	Current portion	Long term	Repayment Term
DENA Bank	72.00	52.72	9.60	43.12	Repayable in 30 quarterly installments of ₹ 2.40 crore each with total period of 10 years after moratorium period of 3.5 years. Repayment of term loan has started from 01.04.2016, as per the modification in terms sanction. Interest is payable at Base Rate of Bank i.e. 8.60% at the time of sanction.

(₹ in crore)

Bank Name	Sanction Amount	Outstanding as at 31 st March, 2017	Current portion	Long term	Repayment Term
DENA Bank	72.00	62.32	9.60	52.72	Repayable in 30 quarterly installments of ₹ 2.40 crore each with total period of 10 years after moratorium period of 3.5 years. Repayment of term loan has started from 01.04.2016, as per the modification in terms sanction. Interest is payable at Base Rate of Bank i.e. 10.45% at the time of sanction.

This is secured a) by way of first charge on Hypothecation of goods, book debts and other moveable assets of the Company and b) by way of first charge on Building of the Company situated at Kulti, Burdwan, West Bengal.

2.69.1.2 Other Borrowings:

(₹ in crore)

Particulars	31 st March, 2018	31 st March, 2017
Cash credit from Dena Bank	11.75	4.24
Unsecured Loan from RITES Limited*	7.76	7.14
Unsecured Loan from SAIL	7.76	7.14
Total	27.27	18.52

* With a moratorium period of 30 months upto July 2019 for principal and interest.

- 2.69.2 In case of SRBWIPL, sales revenue for rehabilitation of BOXNR wagons have been accounted for based on the Basic Price (including CRRM) specified in the order by the Eastern Railway. The CRRM generated in the process of rehabilitation of wagons is booked under current assets at the time of raising of bills at value specified in the work order.
- 2.69.3 In case of SRBWIPL, free supply materials from Railways against the order for manufacture of new BOXNHL wagons are kept within the factory premises for utilising the same in manufacture of new wagons, against which an indemnity bonds has been given by the joint venture company in favour of Railways.
- 2.69.4 In case of REMCL, company has borrowed term loan of ₹ 120.59 crore from Indian Bank for setting up 26 MW Wind Mill plants at Jaisalmer. The entire amount of loan was borrowed during the financial year 2015-16 and company has incurred interest cost of ₹ 6.87 crore during the year ended 31st March, 2018 (during the financial year 2016-17 ₹ 11.33 crore).
- 2.70 The financial statements are presented in ₹ crore. Those items which are required to be disclosed but can't be presented in the financial statement due to rounding off to the nearest ₹ crore are given as follows:-

Balance sheet items of holding company

(Figures in ₹)

Description	Note No.	As at 31.03.2018	As at 31.03.2017
Non-current investment	2.7		
(i) Moru Mahal Co-operative Society Ltd.		250.00	250.00
(ii) Amit Industrial Co-operative Society Ltd.		500.00	500.00

- 2.71 Assets & Liabilities have been translated at closing exchange rate and profit & loss items have been translated at average exchange rate.

Currency	INR			
	31.03.2018		31.03.2017	
	Closing rate	Average rate	Closing rate	Average rate
1 Pula (Botswana)	6.688761	6.274198	6.147897	6.18329

(Source Oanda.com)

- 2.72 Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Revised Schedule-III of the Companies Act, 2013:

Information for the year ended 31.03.2018

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in Other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ in crore)	As % of consolidated net assets	Amount (₹ in crore)	As % of consolidated net assets	Amount (₹ in crore)	As % of consolidated net assets	Amount (₹ in crore)
Holding Company								
RITES LTD.	99.34	2191.66	96.69	336.81	138.58	(2.73)	96.45	334.08
Subsidiaries								
Indian								
RITES Infrastructure Services Ltd. (RISL)	-	-	-	-	-	-	-	-
Railway Energy Management Company Limited (REMCL)	5.25	115.84	8.69	30.28	-	-	8.74	30.28
Foreign								
RITES(Afrika) (Pty) Limited (RITES-Afrika)	0.11	2.34	0.02	0.07	-	-	0.02	0.07
Minority Interests in all subsidiaries	(2.57)	(56.77)	(4.26)	(14.84)	-	-	(4.28)	(14.84)
Joint Ventures								
Indian								
SAIL-RITES Bengal Wagon Industry Private Limited (SRBWPL)	0.58	12.76	(0.59)	(2.07)	-	-	(0.60)	(2.07)
BNV Gujarat Rail Private Limited	-	0.01	-	-	-	-	-	-
Total Eliminations	(2.71)	(59.68)	(0.55)	(1.91)	(38.58)	0.76	(0.33)	(1.15)
TOTAL	100	2206.16	100	348.34	100	(1.97)	100	346.37

Information for the year ended 31.03.2017

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in Other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ in crore)	As % of consolidated net assets	Amount (₹ in crore)	As % of consolidated net assets	Amount (₹ in crore)	As % of consolidated net assets	Amount (₹ in crore)
Holding Company								
RITES LTD.	99.87	2035.33	100.77	330.93	89.39	0.59	100.75	331.52
Subsidiaries								
Indian								
RITES Infrastructure Services Ltd. (RISL)	(0.03)	(0.58)	(0.03)	(0.10)	-	-	(0.03)	(0.10)
Railway Energy Management Company Limited (REMCL)	4.42	89.99	5.37	17.63	-	-	5.36	17.63
Foreign								
RITES (Afrika) (Pty) Limited (RITES-Afrika)	0.10	2.12	0.01	0.02	-	-	0.01	0.02
Minority Interests in all subsidiaries	(2.16)	(44.10)	(2.63)	(8.64)	-	-	(2.63)	(8.64)
Joint Ventures								
Indian								

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in Other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ in crore)	As % of consolidated net assets	Amount (₹ in crore)	As % of consolidated net assets	Amount (₹ in crore)	As % of consolidated net assets	Amount (₹ in crore)
SAIL-RITES Bengal Wagon Industry Private Limited (SRBWIPL)	0.73	14.83	(1.97)	(6.48)	-	-	(1.97)	(6.48)
BNV Gujarat Rail Private Limited	-	0.01	-	-	-	-	-	-
Total Eliminations	(2.93)	(59.68)	(1.52)	(4.98)	10.61	0.07	(1.49)	(4.91)
TOTAL	100	2037.92	100	328.38	100	0.66	100	329.04

COMMENTS BY CAG

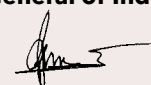
COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF RITES LIMITED FOR THE YEAR ENDED 31 MARCH, 2018.

The preparation of consolidated financial statements of RITES Limited for the year ended 31 March, 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the Management of the company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139 (5) read with section 129(4) of the Act are responsible for expressing opinion on the financial statements under Section 143 read with section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 30 July, 2018.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) read with section 129(4) of the Act of the consolidated financial statements of RITES Limited for the year ended 31 March, 2018. We conducted a supplementary audit of the financial statements of Railway Energy Management Company Limited and SAIL-RITES Bengal Wagon Industry Private Limited, but did not conduct supplementary audit of the financial statements of Subsidiaries and Jointly Controlled Entities (as per Annexure) for the year ended on that date. Further, section 139(5) and 143(6)(b) of the Act are not applicable to RITES (Afrika) (Pty) Limited being private entities incorporated in Foreign country under the respective laws, for appointment of their Statutory Auditor nor for conduct of supplementary audit. Accordingly, C&AG has neither appointed the Statutory Auditors nor conducted the supplementary audit of these companies. 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 auditors' report.

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



(B.R. Mondal)

**Principal Director of Audit
Railway Commercial, New Delhi**

Place: New Delhi
Dated: 9th August, 2018

ANNEXURE

LIS OF SUBSIDIARIES, ASSOCIATE COMPANY AND JOINT VENTURES OF RITES LIMITED, NEW DELHI FOR WHICH SUPPLEMENTARY AUDIT WAS NOT CONDUCTED UNDER SECTION 143(6)(A) READ WITH SECTION 129(4) FOR THE COMPANIES ACT, 2013 FOR THE YEAR 2017-18.

Subsidiaries

1. RITES Infrastructure Services Limited (under Liquidation)

Joint Ventures:

2. BNV Gujarat Rail Pvt. Ltd.

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/JOINT VENTURES FOR THE YEAR ENDED 31ST MARCH, 2018

(Statement pursuant to first proviso to sub-section 3 of section 129 of the Companies Act, 2013 read with rule 5 of the Companies (Accounts) Rules, 2014)

PART "A" : SUBSIDIARIES

(₹ in crore)

1	Sl. No.	1		2	3	
2	Name of the subsidiary	RITES (Afrika) (Pty) Limited		RITES Infrastructure Services Limited (RISL)**	Railway Energy Management Company Limited (REMCL)***	
3	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Botswana Pula (BWP)*		INR	INR	
		31.03.2018	31.03.2017	31.03.2017	31.03.2018	31.03.2017
4	Share Capital	0.01	0.01	0.05	70.00	70.00
5	Reserves & Surplus	2.34	2.11	-0.63	45.84	19.99
6	Total Assets	3.12	2.59	-	199.42	198.59
7	Total Liabilities	0.78	0.47	0.58	83.58	108.60
8	Investments	-	-	-	-	-
9	Operating Turnover	5.09	1.45	0.03	65.63	55.67
10	Profit before taxation	0.09	0.03	-0.10	39.26	27.94
11	Provision for taxation	0.02	0.01	-	8.98	10.31
12	Profit after taxation	0.07	0.02	-0.10	30.28	17.63
13	Proposed Dividend	-	-	-	9.09	-
14	% of shareholding	100%	100%	100%	51%	51%

* As on 31.03.2018: 1BWP= ₹ 6.688761; Average Rate 1BWP= ₹ 6.274198, As on 31.03.2017: 1BWP= ₹ 6.147897; Average Rate 1BWP= ₹ 6.18329

** RISL is under liquidation and is not considered for consolidation during 2017-18.

*** REMCL figures are inclusive of non-controlling interest.

Note: RITES Mohawarean Arabia Company Ltd.(RMAC) in Saudi Arabia is under liquidation, hence its financial statements are not considered for consolidation. Investment in equity of ₹ 0.47 crore were made by the holding company has already been received from RMAC.

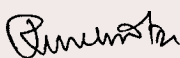
PART "B" : JOINT VENTURES

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Joint Ventures

1	Sl. No.	1		2	
2	Name of Joint Ventures	SAIL-RITES Bengal Wagon Industry Private Limited (SRBWPL)		BNV Gujarat Rail Private Limited	
3	Latest Audited Balance Sheet Date	31.03.2018	31.03.2017	31.03.2018	31.03.2017
4	Shares of Joint Ventures held by the company on the year end:				
4(i)	No.	2,40,00,000	2,40,00,000	13000	13000
4(ii)	Amount of investment in Joint Venture (₹ in crore)	24.00	24.00	0.01	0.01
4 (iii)	Extent of Holding/Profit Sharing %	50%	50%	26%	26%
5	Description of how there is significant influence	There is significant influence due to percentage (%) of share capital/ profit sharing and joint control.			

1	Sl. No.	1	2
2	Name of Joint Ventures	SAIL-RITES Bengal Wagon Industry Private Limited (SRBWIPL)	BNV Gujarat Rail Private Limited
6	Reason why the joint venture is not consolidated	Not Applicable	
7	Net worth attributable to shareholding as per latest audited Balance Sheet (₹ in crore)	12.76	14.83
8	Profit/Loss for the year		
8 (i)	Considered in Consolidation (₹ in crore)	(2.07)	(6.48)
8 (ii)	Not Considered in Consolidation	-	-


Ajay Kumar Gaur
 Director Finance and
 Chief Finance Officer
 DIN:05333257

For and on behalf of the Board

Rajeev Mehrotra
 Chairman & Managing Director
 and Chief Executive Officer
 DIN: 01583143


Ashish Srivastava
 Company Secretary
 M.No: FCS 5325

For AGI WAL & ASSOCIATES, Chartered Accountants
 Firm Registration No. 000181N

Place : Delhi
Date : 30th July, 2018


(P.C. AGI WAL) Partner
 Membership No. 080475

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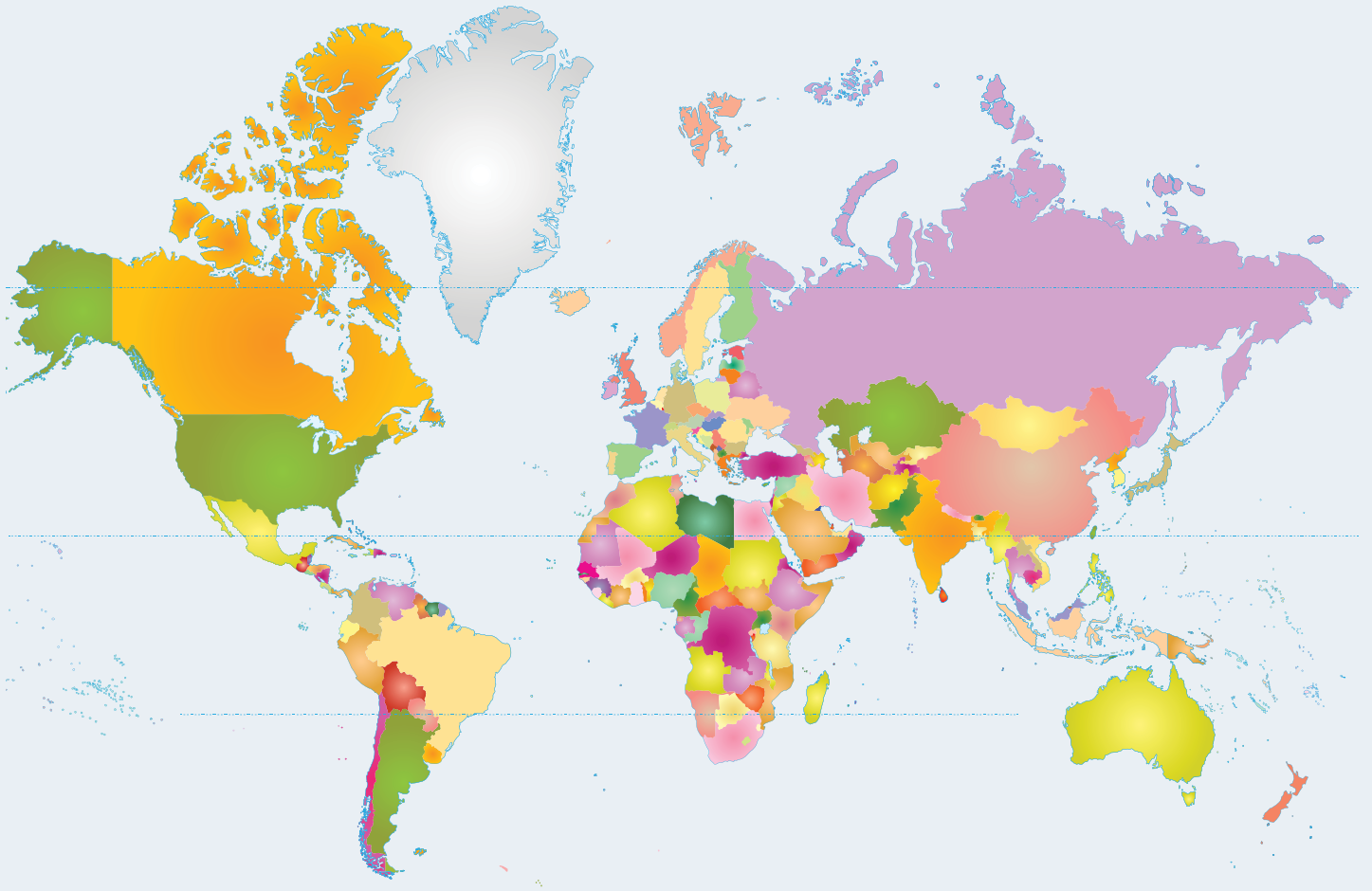
M/s Agiwal & Associates Delhi

BRANCH AUDITORS

M/s S.K. Bhattachariya & Co. Kolkata
M/s Pratap B. Sheth & Co. Mumbai
M/s Venkat and Vasani Chennai

BANKERS

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ICICI Bank
Indian Bank
Indusind Bank
HDFC
State Bank of India
Kotak Mahindra Bank
Yes Bank
IDFC



Afghanistan
Algeria
Angola
Australia
Austria
Bangladesh
Benin
Bhutan
Botswana
Brazil
Brune
Burkina Faso
Cambodia
Cameron
Canada
Chile
China

Colombia
Cuba
Czech
Djibouti
Egypt
Ethiopia
Finland
Gabon
Ghana
Guinea
Guyana
Indonesia
Iran
Iraq
Italy
Jamaica
Japan

Jordan
Kenya
Laos
Libya
Malawi
Malaysia
Mali
Mauritius
Mexico
Mozambique
Myanmar
Namibia
Nepal
Netherlands
Nigeria
Peru
Philippines

Poland
Republic of Congo
Romania
Russia
Rwanda
Saudi Arabia
Senegal
Seychelles
Singapore
South Korea
South Africa
Spain
Sri Lanka
Sudan
Swaziland
Syria
Tanzania

Thailand
Togo
Tunisia
Turkmenistan
UAE
Uganda
UK
Ukraine
USA
Uzbekistan
Vanuatu
Vietnam
Yemen
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