राइट्स लिमिटेड
(भारत सरकार का प्रतिष्ठान)
RITES LIMITED
(Schedule 'A' Enterprise of Govt. of India)

Date: July 05, 2019

To:	To:
Listing Department, National Stock Exchange of India Limited, 'Exchange Plaza', C-1, Block G, Bandra - Kurla Complex, Bandra (E), Mumbai - 400 051	Corporate Relationship Department, BSE Limited, Rotunda Building, P J Towers, Dalal Street, Fort, Mumbai - 400 001
Scrip Code- RITES	**Scrip Code**- 541556

Sub: Annual Report for the Financial Year 2018-19 and AGM Notice

Dear Sir/ Madam,

Pursuant to provisions of Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, enclosed please find herewith Annual Report for the financial year 2018-19.

We also enclose herewith Notice convening 45th Annual General Meeting of the members of the Company, scheduled to be held on Tuesday, July 30, 2019 at 10:00 A.M. at Zoravar Hall - Manekshaw Centre, Khyber Lines, Delhi Cantonment, New Delhi - 110010, to transact the business as set out therein.

The Annual Report for the financial year 2018-19 including the Notice of the AGM is available at the following link:

http://ritesltd.com/index.php?page=page&id=16&name=Financial%20Status&mid=18

Kindly take this information on record and acknowledge the same.

Thanking You,

Yours faithfully,
For RITES Limited

राइट्स लिमिटेड गुड़गाँव Gurgaon RITES LIMITED

(Ashish Srivastava)
Company Secretary & Compliance Officer
Membership No. - FCS 5325

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RITES LTD.

ANNUAL REPORT 2018-2019

RITES
THE INFRASTRUCTURE PEOPLE

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.

RITES BOARD OF DIRECTORS





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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 Srivastava
Corporate Office: RITES Bhawan, Plot No.1, Sector – 29, Gurugram – 122001, (Haryana) Phone No. : +91 1242571666, Fax: +91 1242571660	**Website:** www.rites.com **E-mail ID:** cs@rites.com

Registrar & Share Transfer Agent:
Link Intime India Private Limited
Communication address of the RTA
Noble Heights Ist Floor, Plot No. NH2 CSC, C-1 Block Near Savitri Market Janakpuri,
New Delhi - 110058
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. 2018-19

Statutory Auditor:

M/s J.C. Bhalla & Co.
B-5, Sector – 6,
Noida – 201301 (U.P.)
Phone No. : +91 120 4241000, Fax : +91 120 – 4241007
E-Mail: taxaid@jcbhalla.com

Branch Auditors:

1. **M/s S. N. Guha & Co.**
   12, Waterloo Street, Kolkata – 700069
   Phone No. : +91 33 22488032/8033 & 22101134
   Fax : +91 33 22488033
   Email : snguha23@dataone.in
   snguha1949@gmail.com
2. **M/s Pratap B. Sheth & Co.**
   D-25, Rameshwar, 1167, Murar Road
   Mulund (West) , Mumbai – 400 080
   Phone +91 22 2591 6420/2561 2639,
   Mob: 9322247031
   Email : pbshethco@gmail.com
3. **M/s Nisar & Kumar**
   Flat IIC Royal Court No. 41,
   Venkat Narayana Road, T. Nagar,
   Chennai – 600017
   Phone No. : +91 44 24313811, 42083811
   Mobile : 9840276525
   E-mail : nisarandkumar@gmail.com

Bankers:

Axis Bank
HDFC Bank
ICICI Bank
IDFC First Bank
Indian Bank
IndusInd Bank
Kotak Mahindra Bank
State Bank of India
Yes Bank
Exim Bank

BOARD OF DIRECTORS



Chairman & Managing Director and Chief Executive Officer

Mr. Rajeev Mehrotra

WHOLE TIME DIRECTORS



Mr. Ajay Kumar Gaur
Director Finance
and
Chief Finanacial Officer



Mr. Mukesh Rathore
Director Technical



Mr. Gopi Sureshkumar Varadarajan
Director Projects
(From 27th September, 2018)



Mr. Arbind Kumar
Director Projects
(Upto 31st August, 2018)

GOVERNMENT NOMINEE DIRECTORS



Mr. A.P. Dwivedi



Mr. Alok Kumar Tewari
(From 30th May, 2019)



Mr. Bhupendra Kumar Agarwal
(Upto 30th April, 2019)

NON-EXECUTIVE (INDEPENDENT) DIRECTORS



Dr. Pramod Kumar Anand



Ms. Geethakumary



Dr. Rajendra N. Goyal



Dr. Vidya Rajiv Yeravdekar
(Upto 31st March, 2019)



Mr. Anil Kumar Goel
(Upto 31st March, 2019)



Mr. Satish Sareen
(Upto 31st March, 2019)

SENIOR EXECUTIVES



Mr. Alok Garg
ED-Transport Infra



Mr. P.K. Gupta
ED-Regional Projects



Mr. Virendra Singh
ED-Expotech



Mr. Y.K. Sharma
ED



Mr. Anil Vij
ED-Technical Services



Mr. Piyush Kansal
ED-Urban Infra



Mr. Ved Prakash
ED-Corporate Services



Mr. A.K. Mathur
ED-P&C



Mr. Rakesh Kapoor
ED-Airport



Mr. S.C. Singhal
ED-Quality Assurance



Mr. H.L. Chaudhary
ED-Rail Infra
(Upto 31st May, 2019)



Mr. Pankaj Agrawal
ED-Quality Assurance
(Upto 31st May, 2019)



Mr. Ashish Srivastava
Company Secretary

FINANCIAL PERFORMANCE OF A DECADE AT A GLANCE

(₹ in Crore)

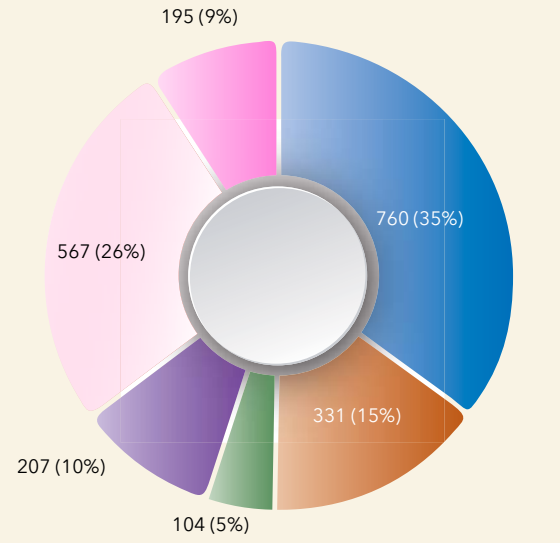
Particulars	09-10	10-11	11-12	12-13	13-14	14-15	15-16	16-17	17-18	18-19
Total Income (including other income)	623	881	934	1076	1246	1166	1278	1507	1587	**2164**
Expenditure (including increase/decrease in stock)	457	518	678	731	860	710	762	1019	1102	**1487**
Operating Margin	99	180	158	222	233	305	324	281	332	**482**
Depreciation	12	12	14	16	20	26	32	32	30	**32**
Profit Before Tax	166	363	256	345	386	456	516	488	485	**677**
Profit After Tax	112	244	164	245	264	306	339	331	332	**445**
Earning Per Share (EPS)-Basic & Diluted (₹)**	5.60	12.20	8.22	12.27	13.18	15.31	16.97	16.55	16.59	**22.23**
Dividend	23	49	33	50	53	62	77	146	148	**215**
General Reserve	655	836	961	1095	1297	1528	1778	1834	1999	**2184**
Fixed Assets (Net Block) (Property, Plant & Equipment and Intangible Assets)	128	146	162	185	209	217	262	261	263	**339**
Inventories	37	78	62	26	17	7	11	50	9	**105**
Foreign Exchange Earnings	94	242	310	342	444	189	233	422	308	**278**
Share Capital	40	40	40	100	100	100	100	200	200	**200**
Capital Employed	538	689	602	781	853	1122	1506	1658	1968	**2132**
Government Investment*	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	**0.10**
Net Worth	695	876	1001	1195	1397	1628	1878	2035	2199	**2384**
Profit Before Tax to Capital Employed (in %)	31	53	43	44	45	41	34	29	25	**32**
Operating Margin to Capital Employed (in %)	18	26	26	28	27	27	22	17	17	**23**
Profit After Tax to Share Capital (in %)	280	610	410	245	264	306	339	166	166	**222**
Profit After Tax to Net Worth (in %)	16	28	16	21	19	19	18	16	15	**19**
Expenditure to Income (in %)	73	66	73	68	69	61	60	68	69	**69**
Number of Employees ***	3002	3134	3294	3247	3226	3227	3153	3200	3267	**3233**
Income per Employee	0.21	0.28	0.28	0.33	0.39	0.36	0.41	0.47	0.49	**0.67**
Foreign Exchange Earning per Employee	0.03	0.08	0.09	0.11	0.14	0.06	0.07	0.13	0.09	**0.09**
Current Ratio (Current Assets/Current Liabilities)	1.33	1.29	1.23	1.32	1.32	1.52	1.57	1.58	1.66	**1.67**
Investments	62	112	143	318	231	238	274	373	180	**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 years has been computed on enhanced equity.
***Average Employees during the year.

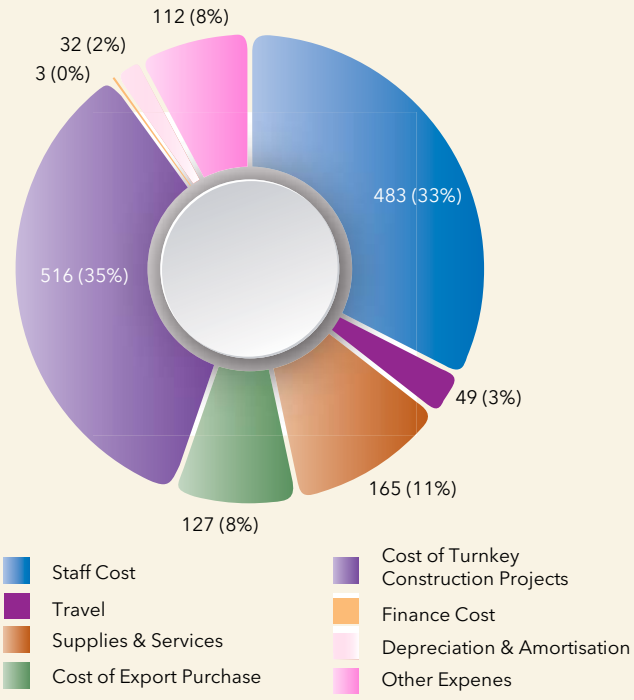
1 Crore = 10 Million 1 US$ = ₹ 68.15 (31.03.2019)

FINANCIAL INDICATORS

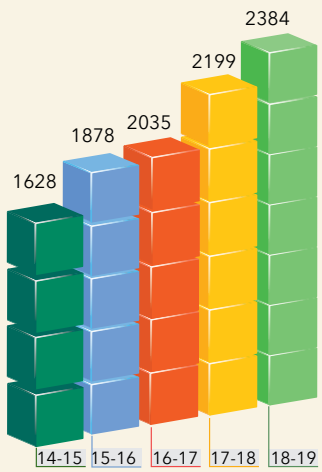
Earning (₹ 2164 Crore)



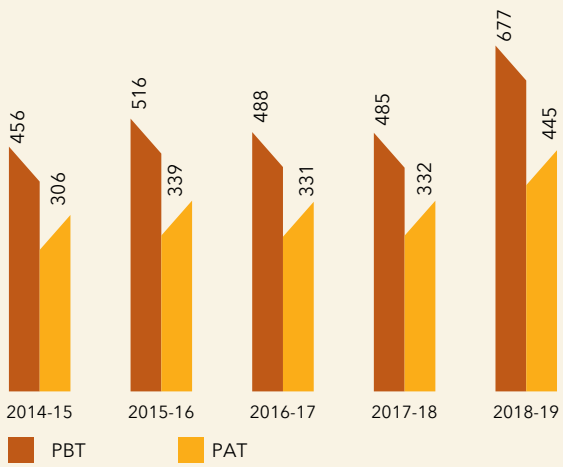
Spending (₹ 1487 Crore)



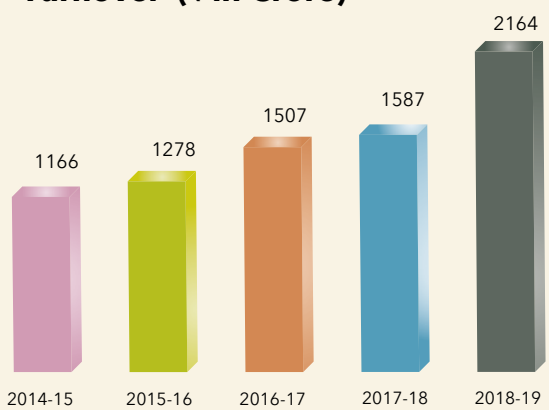
Net worth (₹ in Crore)



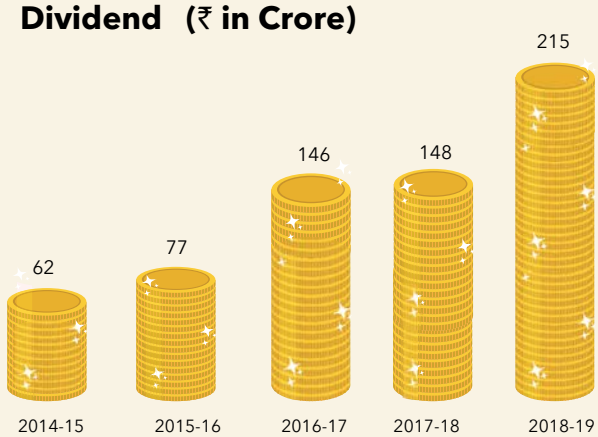
Profit Before/After Tax (₹ in Crore)



Turnover (₹ in Crore)



Dividend (₹ in Crore)





CHAIRMAN & MANAGING DIRECTOR'S MESSAGE

Your company is uniquely positioned to capture growing business opportunities in transport infrastructure space.

Dear Shareholders,

It gives me immense pleasure to present you the Annual Report of your company for the Financial Year 2018-19. This has been a landmark year in the history of the company, as we crossed the annual total revenue of ₹ 2000 crore, with improved profitability and highest order book. Your company was listed with stock exchanges in July 2018 and since then, stakeholders' interest in our performance and operations has been increasing. I am delighted to highlight that your company has ranked among top 500 listed companies in India in terms of market capitalization. The management has given a focused attention on project delivery and performance improvement.

It is a matter of pride that for last 45 years, your company has successfully handled business of engineering consultancy services and maintained a sustained growth, while increasing our footprints in mega infrastructure projects in India and abroad.

Results & Progress

I am pleased to share with you that during FY 2018-19, RITES achieved its highest ever total standalone revenue of ₹ 2164 crore, up by 36.4% over FY2017-18. Similarly, the operational revenue, excluding other income, has increased by 37.3% and reached ₹ 1969 crore in FY2018-19. Profit before Tax and Profit after Tax in FY 2018-19 have been ₹ 677 crore and ₹ 445 crore respectively, up by 39.6% and 34.0% over FY 2017-18.

Key business segments continued to register growth over FY 2017-18, with consultancy income going up by 13.3%, leasing up by 12.3% and turnkey revenue up by 287%. Exports revenue during the FY2018-19 was ₹ 207 crore.

On Consolidated Accounts basis, the total revenue has been ₹ 2240 crore in FY 2018-19 as compared to ₹ 1,651 crore in FY 2017-18, recording a substantial increase of 35.7%. As a result of better utilization of human resources, expansion of International Consultancy business, improved efficiency from subsidiary and Joint Venture and economies of scale in turnkey business; our consolidated PBT and PAT now stand at ₹ 730 crore and ₹ 490 crore respectively for FY 2018-19, with an increase of 40.8% and 37.3% over FY2017-18.

These outstanding results were achieved by your company despite increased competition from domestic and foreign consultancy companies. Going forward, I am confident that we would continue to deliver growth, set new benchmarks for the company and continue to meet expectations of all stakeholders.

The audited accounts of the Company for the FY 2018-19 along with the Directors' Report, Report of Auditors and Comments of Comptroller and Auditor General of India have already been circulated to you.

Subsidiary and Joint Venture of RITES

RITES subsidiary company, REMCL has once again shown an excellent performance in FY 2018-19. Its revenue has increased to ₹ 83 crore i.e. up by 20.7% and PAT at ₹ 41 crore was up by 36.7%. The company has successfully facilitated procurement of 1322 MW power for Indian Railways in FY 2018-19.

Our wagon manufacturing Joint Venture, SRBWPL, has achieved a profit of ₹ 16 crore with revenue of ₹ 217 crore during FY19. During the year, SRBWPL plant has achieved a milestone of 100% capacity utilization by producing 100 wagons in the month of January 2019.

Dividend

Excellent financial results have encouraged your Directors to recommend a final dividend of ₹ 80 crore for FY 2018-19. This is in addition to the earlier two interim dividends of ₹ 95 crore and ₹ 80 crore, which were paid to the esteemed shareholders in January 2019 and March 2019

respectively. This final dividend takes the dividend payout (on accrual basis) of company to 57% for the FY2018-19 based on the standalone PAT of FY2018-19.

Order Book

Your company has ended FY 2018-19 with its highest ever order book of ₹ 6,097 crore, recording an increase of 27% over FY 2017-18. In view of the healthy order book and large investments taking place in infrastructure projects in India and overseas, 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, exports and loco leasing segments. Management focus would continue to be on timely execution of these orders with quality standards.

Outlook

Your company has again been able to achieve "Excellent" rating in its performance evaluation under Memorandum of Understanding (MOU) with Government of India for FY2017-18. With an outstanding performance in FY2018-19, your company has become eligible to be rated as "Excellent" for the FY2018-19 also, which will be notified by Department of Public Enterprises in due course.

Your company has signed MOU with the Government of India for setting performance target for excellent rating showing 16.8% revenue growth in FY2019-20 over FY2018-19. I am confident that my team at RITES would scale up the efforts and ensure that we achieve such enhanced performance targets.

Transport Infrastructure and RITES

The opportunities ahead in the key infrastructure sectors, where your company is actively working in India and abroad, are enormous. Your company with wide consultancy expertise in transport infrastructure space is uniquely positioned to capture these opportunities and contribute its bit towards the growth of our society.

In India, the capital expenditure in projects in railways, highways, metros, airports, ports have been getting about 20-30% increase in budget allocation for investments on year on year basis since last 4-5 years. Next 5 years also are expected to see massive infrastructure build up in the country, with key emphasis on railways, roads, urban transportation and airports etc.

Also, in several countries where we pursue business interests, to meet the increased mobility requirements, there is increased attention towards expansion of rail and road network, establishment of Light Rail System (metro rail) to improve suburbs connectivity with cities and acquiring 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 is uniquely positioned to capture growing business opportunities in transport infrastructure space.

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. Govt. of India is undertaking to improve Railways Infrastructure to increase the speed of trains to 160kmph and your company is associated in this effort by way of providing consultancy and technical support.

Your company continues to maintain its growth in the highway, metro rail and airport sectors, despite stiff competition. With 56 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, your company executed a number of prestigious projects of national importance, which include state-of-art Bogibeel Rail cum Road Bridge near Dibrugarh in Assam, Integrated Check Posts at Birganj in Nepal and Moreh in Manipur, first phase of Ahmedabad Metro (in consortium), 30 kms of track electrification between Vijaypur-Maksi, comprehensive review of suburb rail services for Bangalore City etc. Your company also successfully submitted the appreciation report on three new Dedicated Freight Corridors (East-West, North-South and East-Coast DFC combined route length of 5771 kms) etc.

General consultancy work for Nagpur Metro, Project Management Consultancy work for Phase-I of Western DFC, new Rail line construction projects in Gooty Dharmavaram and Pendra - Anuppur sections, Railway siding works for NTPC at khargone, Raigarh and Meja, Redevelopment of Varanasi & Ayodhya Railway Stations, 40 Nos Rail over Bridges (ROBs) on eastern DFC and DPR for conversion of freight yards into SMART yards achieved significant progress during the year apart from several other projects.

Further, RITES secured various new projects which include General Consultancy for Pune Metro, pre-feasibility for Gurgaon Metro, Project Management Consultancy assignments for Passenger Terminal at Srinagar Airport, Modernization of Railway Stations & 373 RCC bridges in West Bengal and leasing of 6 locomotives to SAIL, Bhilai steel plant besides modernization and capacity augmentation of railway workshop projects at Dalmianagar, Kurduwadi, New Bongaigaon and Lumding etc.

Select Foreign Projects

Your company has also been engaged in technical services for Metro project in Mauritius, Project Management

Consultancy for Trident port in Mauritius, supply of Diesel-Electric Multiple Units (DMU) train sets, Broad Gauge locomotives and AC & Non-ACs coaches to Sri Lanka, Feasibility study and Detail design work for Railway Line in Ghana, Integrated Check Posts at Biratnagar in 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 accords highest importance to transparency, accountability and equality in all facets of its operations. Your company is implementing the percepts of Corporate Governance in letter and spirit.

With emphasis on transparency, several initiatives were implemented over the years. 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 like Skill India, Swachh Bharat Mission, Start Up India, Make in India including MSMEs, Digital India, promotion of Solar Ecosystem by formulating its business or governance objectives in line with the Govt. of India plans.

Skill India Mission

In line with "Skill India Mission" initiative during FY2018-19, to create convergence across sectors and states in terms of skill training, your company has provided training to 134 apprentices in the non-technical and non-engineering categories which is 13.4% of total manpower in identified trades.

Promoting MSMEs

During the year, your Company procured goods worth ₹ 42.3 crore from Medium, Small and Micro Enterprises including those belonging to SC/ST and women categories.

Renewal Energy

Your company through its subsidiary REMCL, is promoting the use of renewable energy in Indian Railways. It has established a 26MW windmill plant in Rajasthan and is pursuing a pilot project of 2MW solar power system along the Railway track. Your company is also procuring power from renewable sources in order to meet the Railways' obligation of use of 10% of electricity from renewable sources.

Digital India

In line with the Digital India initiative and to enhance transparency, improve efficiency of our operations, several key initiatives have been implemented in last few years which include company-wide 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 ₹ 10.23 crore on various CSR activities during the FY 2018-19.

Acknowledgment

One of the greatest privileges I have as CMD of RITES is seeing firsthand, the incredible impact our company has on the people of India and other developing countries through various infrastructure and mobility projects we are associated with and for the same, I am thankful to all the stakeholders of the company.

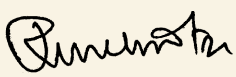
I express my gratitude to our esteemed Shareholders, my colleagues on the Board of Directors and to the Chairman, Members and Officers of the Railway Board, for their valuable support, advice and co-operation. We are particularly grateful to the Ministries of Railways, Road, Transport and Highways, Commerce, Finance, External Affairs and Urban Development, Health and other Ministries, Regulators 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 am proud of the tireless efforts by RITES team of officers and staff for delivering this performance and valuable 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

DIRECTORS' REPORT



Hon'ble Prime Minister Shri Narendra Modi inaugurates Ahmedabad metro (RITES, a member of General Consultancy Consortium)

To,

The Members,

The Directors of your company have immense pleasure in presenting the 45th Annual Report of the company together with the audited Financial Statements and Auditors' Report for the year ended 31st March, 2019.

FINANCIAL HIGHLIGHTS

The financial performance of the Company for the year 2018-19 is given below:

(₹ in Crore)

Particulars	Standalone		Consolidated	
	2018-19	2017-18	2018-19	2017-18
Financial Results:				
Total Income	**2164**	1587	**2240**	1651
Operating Turnover	**1969**	1434	**2048**	1497
Other Income	**195**	153	**192**	154
Operating Expenditure	**1487**	1102	**1518**	1130
Profit Before Tax (PBT):	**677**	485	**730***	519*
Income Tax including Deferred Tax	**232**	153	**240**	162
Profit After Tax (PAT)	**445**	332	**490**	357
Appropriations:				
Dividend including Dividend Distribution Tax	**258**	178	**259**	178
Transfer to General Reserve	**-**	104	**-**	114

**including Net Profit/ (Loss) of share in Joint Ventures.*

BUSINESS PERFORMANCE

During the year, company was engaged in a number of prestigious domestic projects, which included:

Execution of Railway Workshop projects on turnkey basis including setting up of Wagon POH facilities at Bikaner workshop, N.W.Rly, Kurduwadi Workshop, C.Rly.; new Wagon POH workshop at Dalmianagar, E.C.Rly.; Facilities for Refurbishment of LHB coaches at New Bongaigaon Workshop, N.F.Rly., Freight





Hon'ble Prime Minister Shri Narendra Modi dedicated the Bogibeel bridge in Assam to the nation - the longest rail cum road bridge of Indian Railways in India (Consultancy services by RITES)

train maintenance facility at Sarla, E.Co.Rly., DMU/ MEMU maintenance depot at Lumding, N.F.Rly and facilities for LHB coaches at Jodhpur workshop, NW Rly besides Supply and commissioning of M&P for Flash Butt Welding plant & Bridge Workshop at Sabarmati, and for Central Periodic Overhauling workshop for track machines at Vatva for National High Speed Rail Corporation Limited (NHSRCL).

DPR for strategically important roads under Bharatmala scheme in Gujarat, West Bengal, Punjab & Haryana, Authority Engineer for construction of Vijayawada – Machilipatnam section of NH-9 in AP & Baharagora - Singhara section of NH-6 in Odisha, DPR & PMC Services for 373 RCC bridge construction and Redevelopment of Kalighat Temple complex in West Bengal, Consultancy Services for development of Greenfield international airport at Bhiwadi, Rajasthan and development of airports at Chitrakoot & Kushinagar, Uttar Pradesh.

Detailed Project Reports of Rail Based Mass Transit Systems for Gorakhpur, Allahabad, Chennai, Vijayawada, Jammu, Srinagar, Thane, Nagpur, Mumbai, Kanpur and Agra, General Consultancy for Metro Rail System of Delhi, Ahmedabad, Nagpur & Pune, Detailed Design Consultancy for Power Supply & Distribution system for Ahmedabad Metro & Bangalore Metro phase-II, Independent Quality Monitoring agency for Noida Metro Rail Corporation Ltd.

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, Kasargod, Gaya, Allahabad, IIT Kharagpur, NIT Meghalaya (ii) Railway Station Development project – Ayodhya and Varanasi (iii) National Automotive Testing and R&D Infrastructure Project (NATRiP) - Ministry of Heavy Industries (iv) Rail Infrastructure for DVC, NTPC, CIL and others at different locations (v) Construction of Integrated check posts at Biratnagar along Indo-Nepal border and Moreh along Indo - Myanmar border, (vi) Construction supervision of Srinagar (J&K) airport (vii) Independent Engineer Services for Paradip Port Trust, (viii) Construction of double line electrified track with Signalling and Telecommunication system and related infrastructure for Western Dedicated Freight Corridor (1477 km) from Dadri to JNPT Mumbai. (ix) Detailed design consultancy and construction supervision of Railway Tunnels on Jiribam – Tupal section of New Railway line project in Manipur, N.F.Rly (x) Consultancy for capacity enhancement through Semi – High speed and High Speed Railway Line for Railway Board, (xi) Detailed design of alignment for Delhi – Ghaziabad – Meerut Line for RRTS Corridor for NCRTC.

During the year, RITES has successfully commissioned Passenger Ropeways at Shri Mata Vaishno Devi (SMVD) shrine at Bhawan, J&K and Passenger Ropeway at Namchi, Sikkim besides providing project management services for Ropeway projects at Jammu (J&K), Rajgir & Banka (Bihar), Sholingur & Ayyarmalai (Tamilnadu) and Guwahati (Assam), all of which are at an advanced stage of completion.



Hon'ble Minister of Railways & Commerce, Shri Piyush Goyal, Shri Vinod Kumar Yadav (CRB/Railway Board) with CMD RITES and senior officials at the launch of Rail Development projects

RITES continued to provide its services for the various projects on turnkey construction basis for Indian Railways:

- Construction of doubling of track between Gooty and Dharmavaram section, South Central Railway, Route length (90.20 kms) and Anuppur to Pendra Road, third line in South East Central Railway, Route length (50.10 Kms).
- Railway electrification work of Sawai Madhopur – Jaipur – Ringas Section of North Western Railway, Route length (188 kms) and Vijaypur - Maksi section of West Central Railway, Route length (188 kms) including S&T and civil works.
- Redevelopment of Varanasi Railway Station at Varanasi (UP), including planning ,designing & construction of Station Building (extension), FOBs, platform improvement, Lifts, Escalators, & face lifting of existing Station Building etc.
- Construction of New Railway Station building, FOBs, HVAC system, Solar Panel, staff quarter etc at Ayodhya.
- Setting up of Wagon POH workshops at Bikaner Dalmianagar and Kurduwadi.
- Provision of facilities for LHB coaches at New Bongaigaon & Jodhpur.
- Setting up of DEMU car shed at Lumding and setting up of ROH Depot at Sarla.

During the year company has completed other important projects also namely: (i) Design and designer's association & services during construction for " state of Art 4.94 km long "Rail cum Road Bridge across river Brahmaputra at Bogibeel near Dibrugarh, Assam" for NF Rly which has been commissioned on 25th December, 2018 by the Hon'ble Prime Minister and (ii) Feasibility Study of Mumbai - Chennai High Speed Railway line (1300 km) and Final Location Survey and GT Investigations for Mumbai - Ahmedabad High Speed Railway line (508 km) for National High Speed Railway Corporation (NHRCL), using Aerial LiDAR survey (iii) Final Alignment Design and GAD of critical bridge of Mumbai – Ahmedabad High Speed Railway Line for JIC led Japanese Consortium.

During the year, company was also engaged in a number of prestigious international assignments covering export, leasing and consultancy services, which included supply of two sets of DEMU (26 coaches) and two locomotives to Sri Lanka Railways against contracts secured last year to manufacture and supply 6 sets of DEMUs and 10 Broad Gauge AC-AC Diesel Electric Locomotives, Detailed Design Consultancy Services for a standard Gauge Railway line between Tema and Akosombo, in Ghana; Feasibility Study of a diversion on proposed Tema-Akosombo Standard Gauge Railway line in Ghana; Detailed Project Report of East Bank – East Coast road linkage project, Georgetown in Guyana (South America), Construction Supervision of Tshesebe to Masunqa Road in Botswana, finalisation of Detailed Project Report for Trident port for National Coast Guard, Mauritius and Construction Supervision Services for Metro Express project for Govt. of Mauritius.

RITES is providing warranty Services for YDM 4 Meter Gauge Locomotives supplied to Myanma Railways, warranty maintenance and support services for state of art LHB BG passenger coaches supplied to Bangladesh and expert services for maintenance of Locomotives supplied to CFM/Mozambique.

During the year, company has secured new business for supply of 160 Broad Gauge passenger coaches to Sri-Lanka and Locomotives spares to Myanmar Railways.



CMD addressing the participants at the 14th CII – EXIM Bank Conclave on India Africa Project Partnership

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 has 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 expanded its reach through its subsidiaries and JV Companies by venturing into the business of wagon manufacturing and is also developing 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 52 locomotives to domestic non railway customers. Demand of shunting locomotives on lease by non-railway customers is growing day by day. Apart from wet leasing, company was engaged in maintenance of over 139 diesel locomotives & 1539 wagons owned by customers like NTPC, NSPCL, WBPDCL, SAIL & APCPL.

As a matter of diversification (i) RITES has expanded its operations in emerging sectors and is currently undertaking projects in renewable energy, power procurement through its subsidiary Railway Energy Management Company Limited (REMCL) - a Joint Venture Company of RITES and Indian Railways. REMCL has successfully implemented power procurement through open access for Railways in 12 entities across the country, covering 65% of energy requirement resulting in the annualized saving of about ₹ 4000 crore to Indian Railways. REMCL is working out energy saving potential in the 6 production units of Indian Railways. Railway Energy Management Company Limited has also provided PMC services for setting up of wind farm of 10.5 MW of Southern Railway in the state of Tamil Nadu and



CMD addressing the stakeholders at the Investors' Meet , 2019

this plant has been commissioned in January, 2019. Further, REMCL is working on harnessing 2 MW Solar Power along the track of Indian Railways as a pilot project. (ii) SAIL RITES Bengal Wagon Industry Pvt. Ltd. - joint venture on 50:50 basis (SRBWIPL) has shown significant improvement in its operation and achieved the milestone of utilizing the full capacity of manufacturing 100 wagons per month by producing 101 new BOXNHL wagons in January 2019; SRBWIPL manufactured 696 new BOXNHL wagons and rehabilitated 313 BOXNR wagons during current financial year and (iii) Company has taken up execution of workshop projects on turnkey basis besides supply, installation and commissioning of Machinery & Plant for upgradation / modernization of Railway Workshops.

IPO AND LISTING OF SHARES

The Government of India announced the divestment 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). The Company's public issue received an overwhelming response and was subscribed multiple times. The shares got listed on July 2, 2018 on National Stock Exchange of India Limited and BSE Limited. The offer price of the issue was ₹ 185/- per share (Retail investors and employees were given a discount of ₹ 6/- per share.)

Listing of equity shares will help to enhance the company's visibility and brand image and provide liquidity to the shareholders. Listing has also provided public an opportunity to own the equity shares of the company and infrastructure growth in India.



RITES team at NSE after listing of RITES equity shares



CMD with H E Dr Mahamudu Bawumia, Vice President, Republic of Ghana at the 14th CII – EXIM Bank Conclave on India Africa Project Partnership

COST RECORDS AND COST AUDIT

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of section 148(1) of the companies act, 2013 are not applicable for the business carried out by the company.

CAPITAL STRUCTURE

The paid-up share capital of the company remained at ₹ 200 crore as against Authorized 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 ₹ 80 crore in addition to interim dividends of ₹ 175 crore paid during the year 2018- 19. The total dividend for financial year 2018-19 is ₹ 255 crore (i.e. ₹ 12.75 per share) which is 127.5% of paid up share capital of the company. The total dividend payout for the year works out to be ₹ 215 crore which includes ₹ 40 crore final dividend for financial year 2017-18 and ₹ 175 crore interim dividends for the financial year 2018-19.

DIVIDENDS DISTRIBUTION POLICY

As per Regulation 43A of SEBI (LODR), 2015, the top five hundred listed entities based on market capitalization (calculated as on March 31 of every financial year) shall formulate a dividend distribution policy which shall be disclosed in their annual reports and on their websites. Considering the fact that the Company, as of 31st March 2019, is amongst the top 500 listed entities as per the criteria, the Board of Directors of the Company has formulated and adopted the Dividend Distribution Policy ('DDP').

As per the DDP, the Board's endeavour is to ensure a regular dividend income for the members and long term capital appreciation for all stakeholders of the Company. The Company would ensure to strike the right balance between the quantum of dividend paid and amount of profits retained in the business for various purposes. The Board of Directors will refer to the Policy while declaring/recommending dividends on behalf of the Company. Through this Policy, the Company would endeavour to maintain a consistent approach to dividend pay-out plans, subject to the applicable laws and conditions.

The Dividend Distribution Policy is annexed to this report as **Annexure – D** and is also available on the Company's website i.e. www.rites.com.

DEPOSITS

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

RESERVES

No amount was transferred to the reserves as the Board of Directors decided to retain an amount of ₹ 231.98 crore as retained earnings for the financial year 2018-19 after appropriations.

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.



MoU signed with RUMS Rewa Solar Project for procuring solar energy for Railways

I. Steps taken or impact on conservation of energy:

Indian Railways (IR) has planned various initiatives towards decarburization of its energy envelop through RITES Limited. It will help in reducing carbon footprint and improving finances through reduction in cost of energy. For both Corporate buildings, solar power panels have been mounted on roof tops to generate electricity from solar power. Automated heating, Ventilation and air conditioning have been planned for corporate office, 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 implemented 120 MW of solar roof top and 42 MW of wind plant out of which 40 MW has been commissioned, the carbon-di-oxide emissions will be reduced by 1.98 Lakhs tonne/year.

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 knowhow not only in the area of the transportation but also in the technological innovation that brings 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 commitments, to compete with the domestic and international competitors, to improve the quality of service to the client .

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



Testing of Metro Bogies



CMD with H.E. Mr. Michael A.N.N. Oquaye, Ghana - High Commissioner at MoU signing function

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. The study of onboard and wayside equipments and other advanced technologies installed on international railways systems will increase availability of rakes and ultimately increase in revenues.

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: No Technology imported

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 taken place, and the reasons thereof: Not applicable

IV. The expenditure incurred on Research and Development:

RITES has received Consultancy Contract for Study on 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 the recommended standards for diesel locomotives progressively. Under this project, TERI will be assessing the health impact due to locomotive emissions.

RITES has received Consultancy work for Conversion of Railway freight yard into Smart Yards at three locations of Indian Railways. At present, there is no technology intervention in freight wagon maintenance from rolling-in examination to yard maintenance to wagon turnout. This is a first work of this kind in which technological initiatives are being taken to upgrade existing freight maintenance yards into Smart maintenance yards in line with established railroads globally.

The Smart yard is a new concept of freight examination in Indian Railways with infusion of state-of-the-art technology for defect detection like ABD, WILD and Vision equipments leading to Predictive maintenance instead of Corrective maintenance. Mobile maintenance at yard will minimize sick marking; improve quality/ reliability of repair leading to increased wagon out for loading.

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 ₹ 278.17 crore (previous year ₹ 307.50 crore) and foreign exchange outgo were ₹ 34.02 crore (previous year ₹ 21.25 crore) respectively. This resulted in net foreign exchange earnings of ₹ 244.15 crore (previous year ₹ 286.25 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, Government of India has disinvested 12.6% (25,200,000 equity shares) of its shareholding by



RITES Director Finance, Mr Ajay Gaur with Mr.Miguel. Jose. Matabel (Chairman CFM Board, Mozambique)

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 achieve this objective, the Vigilance Cell carries out preventive and punitive actions with greater emphasis in the preventive functions. Following activities were undertaken during the Financial Year 2018-19:

- Preventive checks were conducted regularly in vulnerable areas of the Company. Total of 27 surprise checks in the field of material inspection and 2 preventive checks at project sites including documents scrutiny and Joint Checks were conducted at Kolkata, Mumbai, Delhi, Howrah, Jalandhar, Dhanbad, Ghaziabad, Faridabad, Dehradun, Haridwar, Moradabad 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, nine System Improvements were recommended by Vigilance and implemented by technical authorities.
- 6 CTE type Examinations were taken up at Hyderabad, Raigarh (Chhattisgarh), Katra (J&K), Bokaro (Jharkhand), Pandicherry (Puducherry) & Chatara (Jharkhand). During these Intensive Examinations, high value procurement / contracts are scrutinized and checked comprehensively and necessary recommendations are 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, Delhi, Mumbai and Hyderabad.

  • RITES Vigilance had scrutinized Annual Property Return files of 300 executive employees during 2018-19.
- As per the Guidelines of Central Vigilance Commission, Vigilance Awareness Week was observed in RITES with a theme of "Eradicate Corruption – Build a New India" during 29th October to 3rd November, 2018. On the opening day i.e. 29th October, 2018, pledge was administered to the employees at Corporate Office. During the 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 creating awareness amongst employees. An essay competition on the theme and debate on the topic "Is it possible to eradicate corruption" among RITES employees were also organized. A 'Gram-Sabha' was organized at Tajpur Khurd





CMD congratulating the team members of SAIL-RITES Bengal Wagon Industry Pvt. Ltd (SRBWIPL) on rolling out 1000th wagon from Kulti Workshop for Indian Railways

Village in Delhi 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 "Eradicate Corruption- Build A New India". Detailed report on the observance of Vigilance Awareness Week – 2018 has been sent to Railway Board & CVC.

- Vendor's Meet chaired by Chief Vigilance Officer was organized at Kolkata, Jalandhar, Faridabad and Mumbai to develop awareness for eradication of corruption amongst vendors/ contractors.



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 our related party disclosures. (The details of contracts entered into with related parties in prescribed format AOC-2 is placed at **Annexure – I**).

SUBSIDIARIES AND JVS

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 April 27, 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. Further, the Company has two overseas subsidiaries namely (i) RITES (Afrika) (Pty) Limited, Botswana; and (ii) RITES Mohwarean Arabia Company Limited (RMAC), Saudi Arabia. RMAC is under liquidation and investment made by the company has already been recovered.



Management Interactive session with staff members

The Company also has two joint ventures namely SAIL RITES Bengal Wagon Industry Private Limited (a 50:50 JV Company) and BNV Rail Gujarat Private Limited (26% stake in JV).

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 section 197(12) of the 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's risk management committee as on 31st March, 2019 comprises of Shri Anil Kumar Goel, Shri Satish Sareen, Shri Ajay Kumar Gaur, Dr. Pramod Kumar Anand and Shri A.P. Dwivedi. Further, the committee has been reconstituted by the Board w.e.f. May 01, 2019 comprising of Directors Shri Pramod Kumar Anand, Independent Director (Chairman), Ms. Geethakumary (Member) Independent Director, Dr. Rajendra Nath Goyal, (Member) Independent Director, Mr. Ajay Kumar Gaur, Director Finance (Member) and Mr. A.P. Dwivedi, Government Nominee Director (Member).

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, the company regularly monitors exchange fluctuations to mitigate this risk. The 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 27th August, 2018.

Company's Risk Management Strategy also includes enhancement of competency in new areas of business, protection of physical assets and strengthening of Cyber Security.



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 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 in bilingual form.

Rajbhasha Fortnight was organized successfully in RITES corporate office from 14th September to 28th September, 2018. 'HINDI DIWAS' message by CMD was issued timely to all the officials of RITES located all over India. Competitions like Noting and Drafting, Essay, Poetry recital, Hindi typing and Elocution were organized during this period and Hindi workshop, Table Training and inspections of different departments were also conducted. Winners of various competitions were awarded cash prices and certificates by CMD. Rajbhasha Fortnight was organized in various project and inspection offices also. CMD delivered his speeches on various occasions in Hindi.

Successful inspection of inspection office/northern region/Laxmi Nagar/New Delhi was done on 03.07.2018 by the second sub- committee of Committee of Parliament on Official Language. All the documents related to the inspection were prepared and the coordination work was successfully executed by RITES Ltd.

During the year Progressive use of Hindi and workshops/table training in different Departments/ Offices were conducted. Various incentive schemes regarding the use of Hindi were implemented. The quarterly meetings of Official Language Implementation Committee were held regularly wherein 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 meetings of OLIC, Railway Board and Town Official Language Implementation Committee, Gurugram.

Shri Rakesh Kapoor/Group General Manager/ Vigilance/RITES Ltd. was awarded Rail Mantri Rajbhasha Rajat Padak for commendable contribution in the progressive use of Official Lanuage Hindi. Besides, Shri Ajay Kumar Verma DEO, Inspection office / Northern Region/ Laxmi Nagar/ New Delhi was awarded third prize in Railway Board's "Rail Yatra Puraskar Yojna – 2018".

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 (2018-19). 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 2019-20.



Signing of MOU with Indian Railways - CMD with Shri S.K. Mishra, Secretary Railway Board

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 2018-19, 78 employees were inducted against regular posts (including 6 absorption cases), out of which 36 belong to SC/ST/ OBC/ differently abled category. Similarly during the year 119 employees were inducted against contractual position, out of which 64 belong to SC/ ST/OBC/ differently abled category.

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 too.

ISO 9001-2015 CERTIFICATION

To ensure quality in its operations and continually improve the processes, the Company has got its Quality Management System Certification upgraded to ISO 9001:2015. Apart from standardization of the activities, the QMS addresses the risks associated with the area of operation of RITES and covers all the activities and divisions of the Company. The Certificate has been awarded to RITES by NVTQC (under ANAB accreditation).

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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and 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 there under, the 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.**

BUSINESS RESPONSIBILITY REPORT (BRR)

Fulfilment of environmental, social and governance responsibilities is part of RITES' business culture. RITES is fortunate to be among the top 500 listed entities which mandates the inclusion of the Business Responsibility Report (BRR) as part of the Annual Report for the top 500 listed entities based on market capitalization. In compliance, the BRR



Planting saplings for promotion of green corridors around RITES Corporate Office

disclosures are integrated into the Annual report and aimed at describing RITES' initiatives in discharging responsibilities from an environmental, social and governance perspective. The BRR is attached as **Annexure - C** which forms part of this report.

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. Annual Return is also placed as **Annexure II** of this report.

INTERNAL CONTROL SYSTEMS AND ITS ADEQUACY

RITES has 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 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.

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, is done by the 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, 2019, Company had twelve Directors comprising of four Functional Directors, two Government Nominees Directors and six Independent Directors. The Board met eleven (11) times during the year 2018-19.

The following Directors held office during the year:

WHOLE-TIME DIRECTORS:

Shri Rajeev Mehrotra (DIN: 01583143)	Chairman and Managing Director
Shri Ajay Kumar Gaur (DIN: 05333257)	Director Finance
Shri Mukesh Rathore (DIN: 07669150)	Director Technical
Shri Arbind Kumar (DIN: 05343323)	Director Projects (upto 31.08.2018)
Shri Gopi Sureshkumar Varadarajan (DIN: 08241385)	Director Projects (from 27.09.2018)

GOVERNMENT NOMINEE DIRECTORS:

Shri B.K. Agarwal (DIN: 07956187)	Director (upto 30.04.2019)
Shri A.P. Dwivedi (DIN: 07122333)	Director
Shri Alok KumarTewari (DIN: 06694407)	Director (from 30.05.2019)



Board Members at RITES 44th Annual General Meeting

INDEPENDENT DIRECTORS:

Dr. Vidya Rajiv Yeravdekar (DIN: 02183179)	Director (upto 31st March 2019)
Shri Anil Kumar Goel (DIN: 00672755)	Director (upto 31st March 2019)
Shri Satish Sareen (DIN: 01874068)	Director (upto 31st March 2019)
Dr. P.K. Anand (DIN: 00298962)	Director
Ms. Geethakumary (DIN: 08087165)	Director
Dr. R.N. Goyal (DIN: 08087148)	Director

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

Shri Rajeev Mehrotra	Chairman & Managing Director and Chief Executive Officer
Shri Ajay Kumar Gaur	Director (Finance) and Chief Financial Officer
Shri Mukesh Rathore	Director (Technical)
Shri Arbind Kumar	Director (Projects) (upto 31.08.2018)
Shri Gopi Sureshkumar Varadarajan	Director (Projects) (from 27.09.2018)
Shri Ashish Srivastava	Company Secretary

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. Hence, Shri Mukesh Rathore (DIN: 07669150) and Shri A.P. Dwivedi (DIN :07122333) 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 of the Board 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 Directors hereby confirm that:

(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 all 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 & specialization, 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.

DPE in collaboration with ONGC has developed a Knowledge Management Portal for all CPSEs to share their best practices in various processes/ systems. It is a platform for enabling individuals, teams & organizations to collectively and systematically create, share and apply knowledge, to better achieve their objectives. The system can be accessed through https://samanvay.cpse.in/profiles/login.

RITES has already uploaded the relevant document in the form of best practices, lessons learnt, success stories, Standard Operating Procedures, Safety and Environment activities, CSR, Articles, Archived Tenders, Standard Manuals etc.

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 Gurugram and 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 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. RITES Corporate office is in process of adopting 100% illumination through energy efficient LED. Automated heating, ventilation and air conditioning have been planned for corporate office, which leads to substantial conservation of energy. 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 endeavors to impart environmental awareness among the masses.

Cleanliness drive was carried out at Gurugram 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 ₹ 10.23 crore was spent during 2018-19 against the mandatory requirement of ₹ 10.10 crore. Good image of RITES has been built among the community. The underprivileged and economically weaker sections have also benefitted 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 implementation of CSR & Sustainability policy and to assist the Board of Directors to formulate suitable policies & strategies in this regard. Currently, CSR Committee comprises of Ms. Geethakumary, Independent Director as Chairperson, Shri R.N. Goyal, Independent Director, Shri A.P Dwivedi, Govt Nominee Director and Shri Ajay Kumar Gaur, Director Finance as members. A report on CSR projects for the financial year 2018-19 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 FY 2018-19 are as follows:

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. **Empowerment of women through Skill Development Training Programmes by Setting up of Cutting and Tailoring Centre for training in Khora Colony, District Ghaziabad U.P.**

   RITES has provided infrastructure facilities like furniture & fixtures / tools and equipment etc. for setting up skill development training Centre at Khora Colony Ghaziabad U.P. for programme for under privileged women. The programme was primarily designed to equip disadvantaged women with knowledge and skills in Cutting & Tailoring so that they can become employable and income generators for better life. The Skill Development Training Centre has generated unparalleled level of interest among the trainees, local residents and the district administration.



Valedictory session at Skill Development Training Centre in Khora colony Ghaziabad, U.P.

2. **Empowerment of women through Skill Development Training Programmes by Setting up of Cutting & Tailoring centre and computer Centre in Mewat, Haryana.**



CMD at the Inaugural function of Skill Development Training Centre in Mewat Haryana



CMD visited Training cum Production Centre at Mewat Haryana

RITES has provided infrastructure facilities like furniture & fixtures / tools and equipment etc. for setting up skill development training Centre at Chhapera Village, Nuh Tehsil, Mewat Haryana.

The objective of setting up the center is to give the socio-economic backwardness of Nuh, a women-centric approach of development aimed at bringing about the desired social change and community development in the target area. This project has been able to instill impetus among trainees towards finding employment, entrepreneurial thinking and inclination towards setting up micro-enterprises.



Skill Development Training Centre at Chhapera Village, Nuh Tehsil, Mewat Haryana.

3. Skill Development and Livelihood Generation for rural women through upcycling Textile Waste by establishing Training cum Production center in District Mewat Haryana.

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

4. Setting up of infrastructure facilities by providing Furniture, Sewing Machines etc. for running Skill development training Programmes for Deprived young girls/ Women in Stitching & Tailoring and Beautician training in Village Ralawata, Tehsil Kishangarh, Ajmer, Rajasthan.

RITES has contributed for infrastructure facilities like, Furniture, Sewing Machines etc. for running Skill development training Programmes with the aim to provide comprehensive training to



Skill Development Training Centre in Tehsil Kishangarh, Ajmer, Rajasthan



A visit of RITES team at SOS Children's village in Faridabad, Haryana

women to develop skills and to sustain in society through income source generation so that they can also contribute in their families to increase living standard .After learning these skills they can run their own small business in villages and contribute to economic growth of the Nation.

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.

5. Sponsorship of 3 Family homes, at Faridabad, Haryana & Bhubaneswar, Orissa and Supporting Higher Education for 25 youth in Faridabad, Delhi & Bhubaneswar

RITES has taken initiative for Sponsoring 3 children's homes in Faridabad & Bhubneshwar, and supporting 25 youth for employment linked higher education to Children of SOS Children's Villages of India in Faridabad, Delhi and Bhubneshwar.

RITES had also financially supported in procurement of items required for daily needs like Mattress, School Shoes, Desert Coolers etc in SOS Children's Village of India Greenfield, Haryana.

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

Objective of the project is to encourage educational pursuits of students enrolled in school and improving their living condition through education and social awareness, and to promote empowerment through education. This initiative aims to enable the beneficiary students in achieving self-respect and self-reliance, which fosters hope and confidence in pursuing fulfilling lives.





A visit of RITES Directors at SOS Village, Faridabad, Haryana

6. Financial Support to Ekal Vidyalayas in Mewat, Haryana Jaisalmer, Rajasthan & Udham Singh Nagar, Uttrakhand.

RITES has contributed in upliftment of the deprived sections of society in Tribal and Rural areas in aspirational districts through adoption of EKAL Vidyalayas.

The concept of "One Teacher School" (Ekal Vidyalayas) as established in rural, tribal areas in all states and that too in the remotest part of our country, conceived by Ekal Vidyalaya Abhiyan has been proved as an instrument to eradicate illetracy and create awareness for education. Multi grade Teaching System, adopted in these Vidyalayas, includes non-formal methods of imparting education through playing, physical training, storytelling, songs, local dance & music, yoga and games makes the essential part of the curriculum in these Ekal Vidyalayas.



Financial Support to Ekal Vidyalayas

7. Procurement of One school bus and Setting up of computer lab for School - Bhartiya Vidya Mandir, Katra, Distt. Reasi, Jammu & Kashmir.

RITES has taken initiative for Procurement of school bus and setting up of computer lab for School - Bhartiya Vidya Mandir, Katra, Distt. Reasi, Jammu & Kashmir with the objective

- to fulfill dire need of transport facility for the children of many villages living in Katra as the children have to travel 40-50 kms on local buses to school.
- to develop the basic infrastructure especially computer lab in the schools as the society looks eagerly towards this.



Setting-up of computer laboratory in Bhartiya Vidya Mandir school

- to increase the enrolment in Pre-Primary classes and girl students & staff in the school, and also instill self confidence, creativity & important skills among students especially girls.

8. Construction of Boundary wall, renovation of multipurpose hall, and procurement of Furniture in Government Inter College Orai, district Jalaun, U.P.

RITES has financially supported in construction of Boundary wall & renovation of multipurpose hall, and procurement of Furniture in Government Inter College Orai, district Jalaun, Uttar Pradesh.

Objective of the project is to encourage educational pursuits of students enrolled in school and improving their living condition through education and social awareness.

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.

9. Financial Support for Production of Sanitary Pads for distribution to needy women and Railway Passengers in Delhi.

RITES has financially supported for production of sanitary pads for distribution to needy women and railway passengers and urban slums in Delhi.

The objective of the project is to spread awareness about use of hygienic sanitary pads



Shri. Piyush Goel, Hon'ble Minister of Railways and Coal visited the production center at Railway colony Sarojni Nagar New Delhi

and also to make available low cost and hygienic sanitary pads to the poor.

This is an essential step towards promoting healthcare, personal hygiene and sanitation among disadvantaged/marginalized girls/ women.

10. Construction of One Prefabricated Toilet block in circulating area of Anand Vihar Railway station in Delhi and Allahabad Railway station, U.P.

RITES has constructed prefabricated toilet blocks in circulating area of Anand Vihar (New Delhi) & Prayagraj (UP) railway stations. The toilet blocks besides providing WC/Urinal facilities to Ladies, Gents, and Divyangjan, also hosts condom vending machine, sanitary pad dispensing machine and incinerator.

The project will help overcoming open defecation by public in the circulating area of these railway stations, and will be beneficial to large number of people working with the railways e.g. drivers/operators of various modes of transport, coolies, people visiting railway stations, and vendors within the circulating areas or outside it.



Prefabricated Toilet Block in Circulating Area of Railway Station

11. Construction of 5 Toilet Block for female staff in 5 schools of District - Doda, District - Kathua, and District - Jammu, Jammu & Kashmir.

With the vision of Swachh Bharat, RITES has set up four toilet blocks in schools which are in most backward pockets of hinterland and one in the urban region.

Sanitation is at the core of human dignity and human progress. Access to sanitary toilets not only ensures dignity of the individual but also positively impacts health, well-being and productivity, reduces drop-out rates and encourages regular attendance in schools.

The project will help in increasing enrolment of girls in the schools and improve sense of self hygiene and self confidence in girl students.

12. Providing One Advance Life Support Ambulance in Maihar, District Satna, Madhya Pradesh.

RITES has provided One Advanced Life Supported Ambulance (ALS) to Civil Hospital District Satna, Madhya Pradesh , to expedite shifting of accident victims from the accident spot to the District Hospital or other advanced medical centres and to provide prompt transport for referral treatment for complicated maternity cases, as well as trauma cases, through secure transport system equipped with medical facility.

ALS Ambulance will facilitate transfer of critical cases to District hospitals from the areas.



Advanced Life Supported Ambulance (ALS) to Civil Hospital District Satna, Madhya Pradesh

13. Providing One Mobile Healthcare Unit (MHU) for Primary Healthcare services in Delhi/NCR.

RITES has provided one Mobile Healthcare Unit (MHU) to Help Age India for the provision of primary healthcare to needy and disadvantaged older persons as well as the communities they live in, through the operation of Mobile Healthcare unit.

The operational areas are those which have limited or no access to healthcare either due to poor services by the existing healthcare facilities or because affordability issues due to lack of financial resources or other physical / mobility reasons.

Free treatment: The doctor examines patients and, based on available equipments, clinically diagnoses them and prescribes Medicines.

Free Medicines: The MHU stocks Medicines for all common ailments including Hypertension, Diabetes, Arthritis, etc.



CMD and DF RITES at the Flagging off ceremony of Mobile Healthcare Unit (MHU)

14. Distribution of Motorized Tricycle (with box) to persons with disabilities" (PwDs) in Gurugram, Haryana.

RITES joined hands with ALIMCO to provide Motorized Tricycle to Persons with Disabilities (PwDs) in Gurugram Haryana.

The project aims to bring Persons with Disabilities into a more functional stream of life and restore their confidence to undertake activities with the help of aids & appliances.



Shri Amit Khatri Deputy Commissioner, Gurugram alongwith CMD RITES handing over the Motorized Tricycle to the beneficiaries at the Distribution camp in RITES office, Gurugram

15. Supply and Installation of Hand pumps for Drinking Water in villages of District Ghazipur and Hathras, U.P. and Palamu & Garhwa District of Jharkhand.

RITES has installed Hand pumps in villages of District Hathras U.P and Palamu & Garhwa District of Jharkhand.

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 faraway places. Installation of Hand pumps will benefit villagers in meeting their basic need of water.

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.

16. Solar Street Lighting System in villages of District Ghazipur, Gorakhpur and Sultanpur of UP.

RITES has installed Solar Street Lighting Systems in villages of Ghazipur,Gorakpur & Sultanpur districts of Uttar Pradesh. Objective of the Project is to provide solar powered street



Installation of Solar Street Lighting System

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.

SECTOR: 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.

17. Financial support for Resources for smooth running and maintenance of Old Age Home and a Rescue center in Gurukul at Bandhwari Gurugram, Haryana.

RITES has taken initiative for noble cause in financially supporting by providing resources to an old age home and a rescue center which is run by NGO "The Earth Saviours Foundation".



Old Age Home and a Rescue centre in Gurukul at Bandhwari Gurugram, Haryana.

Around 500 less privileged people are living full time in NGO's Gurukul located at Bandhwari Village, Gurugaon, Haryana.

Most of these people are abandoned senior citizens, deprived, mentally disabled, bedridden, patients on death bed, people dying with hunger on roads and patients suffering with incurable disease.

These abandoned and disabled people are brought to the center (Gurukul) by Police, Govt. Hospitals, referred by Hon'ble courts and by Social Welfare departments. All the facilities at Gurukul such as accommodation, food, medical are completely free of charges.

18. Financial support for Smooth Running and maintenance of Anadi Vridh Seva Sadan, Old Age Home in Faridabad Haryana.

RITES has taken initiative to financially support to Smooth Running and maintenance of Anadi



Anadi Vridh Seva Sadan, Faridabad Haryana

Vridh Seva Sadan, Old Age Home in Faridabad Haryana.

Anadi Vridh Seva Sadan, Old Age Home is run by an NGO "Anadi Seva Prakalp".

The key focus has been on Geriatric care (care for the elderly).Proper shelter with all basic facilities such as seasonal clothing, wholesome meals three times a day, regular medical care, etc.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

RITES being a premier consulting organisation in the country is having a pool of experienced and trained professional manpower. It is striving to maintain this pool of manpower and enriching and enhancing the same every year. To maintain its competitive advantage it is striving to induct the best and talented manpower at the initial entry level, e.g. inducting Graduate Engineers through the GATE examination conducted by IITs every year, the company is also inducting experienced and skilled manpower at middle and senior management positions from the open market. During the year 2018-19, the company has inducted about 200 such manpower in regular manpower strength and on project based contracts. In addition keeping in view the project requirements experienced and trained manpower is inducted from Indian Railways and other Government departments on deputation, during the year 58 personnel were inducted on deputation.

To keep the employees motivated and oversee the career progression of staff, periodic review of cadres is done benchmarking it with the business growth of the company and practices in the industry.

In line with the company annual performance MOU with the Ministry during the year the company has done two studies on Project Management Maturity Model (PMMM) and People Capability Maturity Model (PCMM) to bench-mark its systems procedures and guidelines with the best in the industry. While in the PMMM exercise the company was rated at 4 out of 5, in the PCMM the company has secured the rating at level 2. The Board has decided to take the required interventions to improve the ratings to Level 3 in PCMM in the year 2019-20 and the work is in progress. Steps are also being undertaken to improve the rating further in PMMM.

Existing Human Resource System (HRMS) has been strengthened by including HR activities in online format like Performance Management System, Annual Property Reports, Employee Self Service (ESS), Portal, Pension Medical and PF balances and its integration with finance.

The focus is on enhancing the skills and expertise of existing manpower resources. While Senior Management Leaders were deputed to premier business institutions for training like ISB, IIMs,



Shri K. Chandrasekar, CEO/Kulti awarded Employee of the Year (2018-19)



CMD addressing on RITES Annual Day

induction programme for newly inducted personnel were organised. For technical trainings the personnel were deputed to IITs, Railway Training Institutes and other premier Institutes and professional bodies. Two Engineers are being sponsored for 2 year M.Tech Programme in Railway Engineering from IIT Kharagpur. The programmes were conducted on Contract Management and Arbitration, Certification programme on Project Management (PMI), Labour Laws, Communication and Presentation skills, Ethics and Values, Prevention of Sexual Harassment at work place (POSH), Public Private Partnership (PPP), Construction Safety, Diploma Course on Foreign Trade. During the year RITES has provided 8310 days of training to its employees.

As a part of Industry Academia partnership, the company has provided summer/winter internship to 175 students in the year.

As a part of implementation of Govt of India initiative for skill development, 130 Apprentices were engaged in the year to enable them to acquire the practical skill, knowledge and expertise for employment.

The Company has adopted best practices for providing equal opportunities and provide harmonious environment for advancement of SC, ST, OBC, Minorities and Women employees. Several programmes were organised on gender issues, prevention of sexual harassment at work place. Opportunities are accorded to women employees to participate in committees, meetings, projects without any bias. Crèche facility has been introduced to help women employees to take care of their children.

RIGHT TO INFORMATION (RTI) ACT, 2005

Every effort is made to provide information within the stipulated time by rigorous tracking and follow-up. New initiatives have been embarked upon to overcome communication barriers and expeditiously provide information to citizens.

Successful implementation depends on clarity of understanding the goals of the Right to Information Act at both the Public Authority's and information seeker's end; the more they are clear, better is the possibility of the success.

In RITES Limited, appropriate implementation structure in terms of cooperation with high level of commitment amongst the First Appellate Authority (FAA), Central Public Information Officer (CPIO) & Assistant Public Information Officers (APIOs) had profound influence on successful implementation of the Right to Information Act, 2005 and to attain its main objective, which is to ensure free flow and easy access to information, so that transparency and accountability in the work can be ensured.

RITES website is being used effectively for dissemination of information, which is evident from decrease in number of new applications by 8.0% vis-a-vis last year 2017-18, when the number increased by 61.54%. First appeals and the Second Appeals were effectively contained by efficient and scientific record keeping to ensure applicants timely and accurate information under the provisions of the Right to Information Act, 2005.

Hon'ble CIC, during discharge of the sole Appeal observed & appreciated RITES efforts in creating informed citizenry & promoting transparency



Mr Rajeev Mehrotra, CMD/RITES Ltd received the Governance now Digital PSU Award in Mini Ratna category from Shri Manoj Tiwari (MP). Ms.Poonam Dhillon. veteran actress and social activist and Markand Adhikari spearheading SAB TV

through pro-active disclosures on its website under Section 4(1)(b) of the RTI Act, 2005. Negative growth/ negative percentage rate of new applications & containment of First Appeals and the Second Appeals enunciates information delivery in compliance with RTI Act's letter and spirit.

Categories of information frequently sought, have also been identified, catalogued and organized in a retrievable user-friendly database, which is also being used effectively for proactive disclosure of information through RITES portal.

EXHIBITIONS AND AWARDS

EXHIBITIONS

RITES participated in technical and specialized domestic and overseas exhibitions for business development. The exhibitions provided a forum for interactions with high dignitaries and prospective clients through one-to-one business meets across verticals and further explored business opportunities. It enhanced better understanding, strategic cooperation and multilateral relationships with visiting stakeholders.

These various expositions provided an opportunity to share ideas and latest technologies with in the new global scenario. This was beneficial for future business development. The Company participated in various expositions such as:

a) The International Exhibition for Railway Technology, Equipment & Services 'Exporail India' scheduled from 8th-9th February, 2019 at Pragati Maidan, New Delhi, India with the support of Ministry of Railways, Govt. of India.

b Global Economic Zones Expo & Convention organized by the Export Promotion Council for EOUs, SEZs (EPCES) in collaboration with Wbf International Centre Services (WICS) held at New Delhi on March 27-29, 2019.

c) Conclave - 14th CII – EXIM Bank Conclave on India Africa Project Partnership. (26th March, 2019)

d) First International Rail Coach Expo in Chennai (23rd May, 2018) was organized by Integral Coach Factory (ICF) in association with RITES and CII in Chennai

e) 63rd Railway Week National Awards Function-exhibition at Bhopal (April 15-17, 2018) organised by the Ministry of Railways

AWARDS RECEIVED DURING FY 2018-19

- EEPC Top Exporters Gold Trophy, Merchant Exporter" Regional Award (Northern) for Export Excellence for the year 2015-16 (EEPC, Ministry of Commerce)
- Dainik Bhaskar Group's initiative India Pride Award 2017-18 for excellence in performance and services



Shri Rajesh Agrawal, Member (Rolling Stock) Railway Board (right) in discussion with Shri Mukesh Ratore, RITES Director Technical and senior RITES officials at the Convention



Mr Ishaq Yousif Ishaq,Head of Economic Trade & Investment, Republic of the Sudan at RITES pavilion in Global Economic Zones (GEZ) Expo

- The Governance now Digital PSU Award in Mini Ratna category
- Skoch merit award' for CSR project of skill development centre in Udaipur.

AUDITORS

The Comptroller & Auditor General of India appointed the following as Statutory and Branch Auditors for the year 2018-19.

M/s J.C. Bhalla & Co.	Statutory Auditors
M/s Pratap B Sheth & Co., Mumbai	Branch Auditors for Western Region
M/s S.N. Guha & Co., Kolkata	Branch Auditors for Eastern Region
M/s Nisar & Kumar, 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., Practicing Company Secretary to conduct Secretarial Audit for the financial year 2018-19. The Secretarial Audit Report for the financial year ended March 31, 2019 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.

DISCLOSURE IN RELATION TO THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company is committed to creating and maintaining a secure work environment where its employees can work and pursue business together in an atmosphere free of harassment, exploitation and intimidation. To empower women and protect women against sexual harassment,



RITES Sports Day - Oath taking ceremony



Celebrating International Yoga Day

a policy for prevention of sexual harassment had been rolled out and the committee for Prevention of Sexual Harassment of women at workplace (The Committee) as per legal guidelines had been set up at all major locations of the Company. This policy allows employees to report sexual harassment at the workplace. The Committee is empowered to look into all complaints of sexual harassment and facilitate free and fair enquiry process with clear timelines. Following are the complaints received during the year:

Number of complaints filed during the financial year	1
Number of complaints disposed of during the financial year	0
Number of complaints pending as on end of financial year	1

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, Stock Exchanges, Regulators, IPO Intermediary/ agencies, 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
Chief Executive Officer
DIN: 01583143

Place: Gurugram
Dated: 24th June, 2019

Annexure - I

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:

RITES Limited has not entered into any contract or arrangement or transaction with its related parties which is not arm's length during financial year 2018-19.

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	2	3	4
	RITES (Afrika) (Pty) Limited	**Railway Energy Management Company Limited (REMCL)**	**SAIL-RITES Bengal Wagon Industry Private Limited (SRBWIPL)**	**BNV Gujarat Rail Private Ltd**
(a) Name (s) of the related party and nature of relationship	Wholly Owned Subsidiary	Subsidiary (RITES shareholding 51% Indian Railway Shareholding 49%)	Joint Venture of RITES & SAIL (RITES shareholding 50%)	Joint Venture of Shapoorji Pallonji Roads Private Limited (67.5%), RITES (26%) 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.	Services of experts on man month basis for carrying day to day activities of the subsidiary company.	• Term loans. • Services of experts on man month basis for carrying day to day activities of the subsidiary company.	–
(c) Duration of the contracts / arrangements/ transactions	Ongoing-standing arrangements.	Ongoing till subsidiary does not have its own employees.	Ongoing till JV does not have its own employees.	–
(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.	Expert services are charged on man month rates as being charged to other clients.	Expert services are charged on man month rates as being charged to other clients.	–
Transactions during the year	• Consultancy Fee: ₹ 2.04 crore • Dividend Received ₹ 0.03 crore	• Consultancy Fee: ₹ 7.96 crore. • Recoverable/ Advances: ₹ 0.13 crore. • Dividend Received ₹ 4.64 crore	• Consultancy Fee: ₹ 0.40 crore • Interest on loan given: ₹ 0.74 crore. • Payables: ₹ 0.02 crore.	Infusion of Equity Capital amounting to ₹ 0.25 Crore
(e) Date(s) of approval by the Board, if any: -	Not applicable	Not applicable	Not applicable	Not applicable
(f) Amount paid as advances, if any:	NIL	NIL	NIL	NIL

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

Place : Gurugram
Date : 24th June, 2019

Annexure - II

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2019
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	L74899DL1974GOI007227
	Registration Date	26th 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 Noble Heights Ist Floor, Plot No. NH2 CSC, C-1 Block Near Savitri Market Janakpuri, New Delhi - 110058 Ph: +91 11 41410592; 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

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	-	10.5%
2	Consultancy	-	38.62%
3	Inspection Fees	-	16.82%
4.	Turnkey Construction Projects	-	28.80%

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

SN	Name and Address of the company	CIN/GLN	Holding / Subsidiary / Associate	% of Shares held	Applicable Section
3.	RITES AFRIKA (PTY) LIMITED, BOTSWANA	-	Wholly Owned Subsidiary-Abroad	100%	Under Section - 2(87) of the Companies Act, 2013
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, 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 (A JV with IRCON International Limited)	-	Un incorporated Joint Venture.	51% (Share of interest)	-
7.	Geoconsult ZT GmbH – RITES India (A JV with Geoconsult – ZT-Gmbh (Austria))	-	Un incorporated Joint Venture.	39.40% (Share of interest)	-
8.	Geoconsult –RITES (JV) (A JV with Geoconsult India Private Limited)	-	Un incorporated Joint Venture.	35.01% (Share of interest)	-
9.	Geoconsult – RITES, NRT -1 (A JV with Geoconsult – ZT- Gmbh (Austria))	-	Un incorporated Joint Venture	16% (Share of interest)	-
10.	Geoconsult – RITES (JV) (A JV with Geoconsult – ZT-Gmbh (Austria))	-	Un incorporated Joint Venture	13% (Share of interest)	-

** Above does not include RITES Mohawarean Arabic Company Limited (RMAC), which is under liquidation and investment in equity made by the company has already been recovered.*

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

I) Category-wise Share Holding

Category code/ 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 AND PROMOTER GROUP**									
(1)	**INDIAN**									
(a)	Individual/ HUF	-	-	-	-	-	-	-	-	-
(b)	Central Govt	20,00,00,000	-	20,00,00,000	100%	17,48,00,000	-	17,48,00,000	87.4	-12.6
(c)	State Govt(s)	-	-	-	-	-	-	-	-	-
(d)	Bodies Corp.	-	-	-	-	-	-	-	-	-
(e)	Banks / FI	-	-	-	-	-	-	-	-	-
(f)	Any other	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A)		20,00,00,000	-	20,00,00,000	100%	17,48,00,000	-	17,48,00,000	87.4	-12.6

Category code/ 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	
B	**Public Shareholding**									
1	**Institutions**									
a)	Mutual Funds	-	-	-	-	80,01,002	-	80,01,002	4	4
b)	Banks / FI	-	-	-	-	3,24,471	-	3,24,471	0.16	0.16
c)	Central Govt	-	-	-	-	-	-	-	-	-
d)	State Govt(s)	-	-	-	-	-	-	-	-	-
e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f)	Insurance Companies	-	-	-	-	-	-	-	-	-
g)	FIIs	-	-	-	-	25,54,293	-	25,54,293	1.28	1.28
h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
	i) Others (specify)	-	-	-	-	-	-	-	-	-
	Sub-total (B)(1):	-	-	-	-	**1,08,79,766**	**-**	**1,08,79,766**	**5.44**	**5.44**
2.	**Non-Institutions**									
	a) Bodies Corp.									
	i) Indian	-	-	-	-	-	-	-	-	-
	ii) Overseas	-	-	-	-	-	-	-	-	-
	b) Individuals	-	-	-	-	-	-	-	-	-
	i) Individual shareholders holding nominal share capital upto ₹ 2 lakh	-	-	-	-	75,39,181	38	75,39,219	3.77	3.77
	ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lakh	-	-	-	-	17,51,424	-	17,51,424	0.88	0.88
	c) Others									
	NBFC					22,435	-	22,435	0.01	0.01
	TRUSTS	-	-	-	-	2,864	-	2,864	0.00	0.00
	HUF	-	-	-	-	4,64,378	-	4,64,378	0.23	0.23
	NON RESIDENT INDIAN	-	-	-	-	5,32,567	-	5,32,567	0.27	0.27
	CLEARING MEMBERS	-	-	-	-	3,83,225	-	3,83,225	0.19	0.19
	BODIES CORPORATE	-	-	-	-	36,24,122	-	36,24,122	1.81	1.81
	Sub-total (B) (2):-	-	-	-	-	**1,43,20,196**	**38**	**1,43,20,234**	**7.16**	**7.16**
	Total Public Shareholding (B)=(B)(1)+ (B)(2)	**-**	**-**	**-**	**-**	**2,51,99,962**	**38**	**2,52,00,000**	**12.60**	**12.60**
	C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
	Grand Total (A+B+C)	**20,00,00,000**	**-**	**20,00,00,000**	**100**	**19,99,99,962**	**38**	**20,00,00,000**	**100**	**-**

II) Shareholding of Promoters -

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (1.4.2018)			Shareholding at the end of the year (31.3.2019)			% change in share-holding 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	17,48,00,000	87.40	0	-12.6
2.	Sh. Ashwani Lohani, Chairman Railway Board, Rly Board*	18,000	0.01	0	0	0	0	-0.01
3.	Sh. A.K. Prasad, Financial Commissioner, Rly Board*	18,000	0.01	0	0	0	0	-0.01
4.	Sh. Mukesh Kumar Gupta, Member Engineering, Rly Board*	1,000	0.0005	0	0	0	0	-0.0005
5.	Sh. Ravindra Gupta, Member (Rolling Stock), Rly Board*	1,000	0.0005	0	0	0	0	-0.0005
6.	Sh. Ved Pal, Additional Member Planning, Rly Board*	1,000	0.0005	0	0	0	0	-0.0005
7.	Sh. A.P. Dwivedi, Executive Director (PSU), Rly Board*	1,000	0.0005	0	0	0	0	-0.0005
	Total	**20,00,00,000**	**100**	**0**	**17,48,00,000**	**87.40**	0	

• S. No. 2 to 7 are nominees of President of India.

* 40,000 equity shares of six nominees of President of India were transferred to the President of India during the year.

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

S. No	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
1.	**President of India** At the beginning of the year	19,99,60,000	99.98	19,99,60,000	99.98
	Offer for sale by listing its shares on NSE and BSE	2,52,00,000	12.60	17,48,00,000	87.40
	At the end of the year	17,48,00,000	87.40	17,48,00,000	87.40
2.	**Sh. Ashwani Lohani** **Chairman Railway Board** At the beginning of the year	18,000	0.01	18,000	0.01
	Off Market transfer on 06.12.2018	18,000	0.01	0	0.00
	At the end of the year	0	0.00	0	0.00
3.	**Sh. A.K.Prasad** **Financial Commissioner, Rly Board** At the beginning of the year	18,000	0.01	18,000	0.01
	Off Market transfer on 06.12.2018	18,000	0.01	0	0.00
	At the end of the year	0	0.00	0	0.00
4.	**Sh. Mukesh Kumar Gupta,** **Member Engineering,** **Rly Board** At the beginning of the year	1,000	0.0005	1,000	0.0005

S. No	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
	Off Market transfer on 06.12.2018	1,000	0.0005	0	0.00
	At the end of the year	0	0.00	0	0.00
5.	**Sh. Ravindra Gupta Member, (Rolling Stock), Rly Board** At the beginning of the year	1,000	0.0005	1,000	0.0005
	Off Market transfer on 06.12.2018	1,000	0.0005	0	0.00
	At the end of the year	0	0.00	0	0.00
6.	**Sh. Ved Pal, Additional Member Planning, Rly Board** At the beginning of the year	1,000	0.0005	1,000	0.0005
	Off Market transfer on 06.12.2018	1,000	0.0005	0	0.00
	At the end of the year	0	0.00	0	0.00
7.	**Sh. A.P. Dwivedi, Executive Director (PSU), Rly Board** At the beginning of the year	1,000	0.0005	1,000	0.0005
	Off Market transfer on 06.12.2018	1,000	0.0005	0	0.00
	At the end of the year	0	0.00	0	0.00

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

Sr. No.	Name & type of transaction	Shareholding at the beginning of the year – 1st April 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 31st March 2019	
		No.of shares held	% Of total shares of the company	Date of transaction	No. of shares	No of shares held	% Of total shares of the company
1	**HDFC TRUSTEE CO LTD A/C HDFC HOUSING OPPORTUNITIES FUND-1140D NOVEMBER 2017**	0	0.0000			0	0.0000
	Buy			30.06.2018	3,68,621	3,68,621	0.1843
	Buy			06.07.2018	38,80,000	42,48,621	2.1243
	Buy			13.07.2018	10,84,000	53,32,621	2.6663
	Buy			20.07.2018	2,08,159	55,40,780	2.7704
	Buy			27.07.2018	1,88,080	57,28,860	2.8644
	Sell			24.08. 2018	(5,24,000)	52,04,860	2.6024
	Sell			29.09.2018	(46,000)	51,58,860	2.5794
	Buy			16.11.2018	27,500	51,86,360	2.5932
	Sell			28.12.2018	(5,579)	51,80,781	2.5904
	Sell			31.12.2018	(15,500)	51,65,281	2.5826
	Sell			04.01.2019	(58,116)	51,07,165	2.5536
	Sell			11.01.2019	(96,000)	50,11,165	2.5056
	Sell			18.01.2019	(51,000)	49,60,165	2.4801
	Sell			22.02.2019	1,43,000	51,03,165	2.5516
	Sell			08.03.2019	(21,000)	50,82,165	2.5411

Sr. No.	Name & type of transaction	Shareholding at the beginning of the year – 1st April 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 31st March 2019	
		No.of shares held	% Of total shares of the company	Date of transaction	No. of shares	No of shares held	% Of total shares of the company
	Sell			15.03.2019	(5,19,646)	45,62,519	2.2813
	Sell			22.03.2019	(2,78,738)	42,83,781	2.1419
	Sell			29.03.2019	(1,73,800)	41,09,981	2.0550
	At the end of the year					**41,09,981**	**2.0550**
2	**RELIANCE CAPITAL TRUSTEE CO LTD.A/C RELIANCE POWER & INFRA FUND**	0	0.0000			0	0.0000
	Buy			30.06.2018	2,54,603	2,54,603	0.1273
	Buy			06.07.2018	41,03,605	43,58,208	2.1791
	Buy			13.07.2018	5,77,792	49,36,000	2.4680
	Buy			27.07.2018	1,50,000	50,86,000	2.5430
	Sell			03.08.2018	(1,80,000)	49,06,000	2.4530
	Sell			10.08.2018	(1,00,000)	48,06,000	2.4030
	Sell			24.08.2018	(4,00,000)	44,06,000	2.2030
	Buy			07.09.2018	1,00,000	45,06,000	2.2530
	Buy			14.09.2018	12,600	45,18,600	2.2593
	Buy			21.09.2018	7,600	45,26,200	2.2631
	Buy			29.09.2018	18,500	45,44,700	2.2724
	Buy			23.11.2018	81,500	46,26,200	2.3131
	Sell			07.12.2018	(1,76,681)	44,49,519	2.2248
	Sell			14.12.2018	(3,04,403)	41,45,116	2.0726
	Sell			21.12.2018	(60,000)	40,85,116	2.0426
	Sell			28.12.2018	(2,55,280)	38,29,836	1.9149
	Sell			11.01.2019	(1,08,995)	37,20,841	1.8604
	Sell			18.01.2019	(2,52,175)	34,68,666	1.7343
	Sell			25.01.2019	(1,20,732)	33,47,934	1.6740
	Sell			01.02.2019	(2,06,734)	31,41,200	1.5706
	Sell			08.02.2019	(2,12,470)	29,28,730	1.4644
	Sell			15.02.2019	(3,67,715)	25,61,015	1.2805
	Sell			22.02.2019	(1,79,815)	23,81,200	1.1906
	Buy			01.03.2019	2,02,534	25,83,734	1.2919
	Sell			08.03.2019	(1,00,000)	24,83,734	1.2419
	Sell			15.03.2019	(50,000)	24,33,734	1.2169
	At the end of the year					**24,33,734**	**1.2169**
3	**SAFFRON AGENCIES LIMITED**	0	0.0000			0	0.0000
	Buy			30.06.2018	7215	7,215	0.0036
	Buy			06.07.2018	9,68,000	9,75,215	0.4876
	Buy			20.07.2018	1,56,500	11,31,715	0.5659
	Sell			10.08.2018	(3,300)	11,28,415	0.5642
	Sell			17.08.2018	(80,115)	10,48,300	0.5242

Sr. No.	Name & type of transaction	Shareholding at the beginning of the year – 1st April 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 31st March 2019	
		No.of shares held	% Of total shares of the company	Date of transaction	No. of shares	No of shares held	% Of total shares of the company
	Sell			24.08.2018	(50,000)	9,98,300	0.4992
	Buy			15.02.2019	67,047	10,65,347	0.5327
	At the end of the year					**10,65,347**	**0.5327**
4	**TATA INVESTMENT CORPORATION LIMITED**	0	0.0000			0	0.0000
	Buy			30.06.2018	7,196	7,196	0.0036
	Buy			06.07.2018	50,000	57,196	0.0286
	Buy			13.07.2018	3,92,804	4,50,000	0.2250
	Buy			20.07.2018	50,000	5,00,000	0.2500
	At the end of the year					**5,00,000**	**0.2500**
5	**IDFC INFRASTRUCTURE FUND**	0	0.0000			0	0.0000
	Buy			30.06.2018	63,650	63,650	0.0318
	Buy			06.07.2018	1,67,138	2,30,788	0.1154
	Sell			20.07.2018	(2,30,788)	0	0.0000
	Buy			27.07.2018	2,30,788	2,30,788	0.1154
	Buy			03.08.2018	88,850	3,19,638	0.1598
	Buy			10.08.2018	2,48,819	5,68,457	0.2842
	Buy			17.08.2018	1,62,331	7,30,788	0.3654
	Buy			24.08.2018	17,179	7,47,967	0.3740
	Buy			14.09.2018	97,532	8,45,499	0.4227
	Sell			29.09.2018	(80,229)	7,65,270	0.3826
	Sell			05.10.2018	(50,559)	7,14,711	0.3574
	Sell			19.10.2018	(98,079)	6,16,632	0.3083
	Sell			26.10.2018	(1,921)	6,14,711	0.3074
	Sell			28.12.2018	(2,517)	6,12,194	0.3061
	Sell			18.01.2019	(32,004)	5,80,190	0.2901
	Sell			25.01.2019	(11,868)	5,68,322	0.2842
	Sell			01.02.2019	(89,216)	4,79,106	0.2396
	At the end of the year					**4,79,106**	**0.2396**
6	**UNION SMALL CAP FUND**	0	0.0000			0	0.0000
	Buy			06.07.2018	2,18,559	2,18,559	0.1093
	Buy			27.07.2018	1,67,653	3,86,212	0.1931
	Buy			03.08.2018	45,511	4,31,723	0.2159
	Buy			29.09.2018	35,000	4,66,723	0.2334
	Buy			02.11.2018	5,000	4,71,723	0.2359
	Sell			30.11.2018	(28,866)	4,42,857	0.2214

Sr. No.	Name & type of transaction	Shareholding at the beginning of the year – 1st April 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 31st March 2019	
		No.of shares held	% Of total shares of the company	Date of transaction	No. of shares	No of shares held	% Of total shares of the company
	Buy			14.12.2018	63,445	5,06,302	0.2532
	Buy			21.12.2018	17,859	5,24,161	0.2621
	Sell			04.01.2019	(60,220)	4,63,941	0.2320
	Buy			11.01.2019	14,068	4,78,009	0.2390
	Buy			08.02.2019	9,960	4,87,969	0.2440
	Buy			15.02.2019	21,144	5,09,113	0.2546
	Sell			08.03.2019	(10,000)	4,99,113	0.2496
	Sell			15.03.2019	(25,000)	4,74,113	0.2371
	At the end of the year					**4,74,113**	**0.2371**
7	**AJAI HARI DALMIA**	0	0.0000			0	0.0000
	Buy			06.07.2018	2,29,200	2,29,200	0.1146
	Buy			20.07.2018	72,500	3,01,700	0.1509
	At the end of the year					**3,01,700**	**0.1509**
8	**ACADIAN EMERGING MARKETS SMALL CAP EQUITY FUND LLC**	0	0.0000			0	0.0000
	Buy			05.12.2018	12,904	12,904	0.0065
	Buy			02.11.2018	35,228	48,132	0.0241
	Buy			23.11.2018	32,469	80,601	0.0403
	Buy			07.12.2018	31,300	1,11,901	0.0560
	Buy			14.12.2018	37,697	1,49,598	0.0748
	Buy			11.01.2019	66,795	2,16,393	0.1082
	Buy			01.02.2019	29,634	2,46,027	0.1230
	Buy			15.03.2019	37,192	2,83,219	0.1416
	At the end of the year					**2,83,219**	**0.1416**
9	**SBI PSU FUND**	0	0.0000			0	0.0000
	Buy			30.06.2018	11,068	11,068	0.0055
	Buy			06.07.2018	1,00,000	1,11,068	0.0555
	Buy			20.07.2018	1,64,000	2,75,068	0.1375
	Buy			27.07.2018	6,000	2,81,068	0.1405
	At the end of the year					**2,81,068**	**0.1405**
10	**PENSION RESERVES INVESTMENT TRUST FUND - ACADIAN**	0	0.0000			0	0.0000
	Transfer			05.10.2018	24,744	24,744	0.0124
	Transfer			19.10.2018	40352	65,096	0.0325
	Transfer			30.11.2018	33,168	98,264	0.0491
	Transfer			14.12.2018	79,270	1,77,534	0.0888
	Transfer			11.01.2019	36,422	2,13,956	0.1070
	Transfer			15.03.2019	35,911	2,49,867	0.1249
	At the end of the year					**2,49,867**	**0.1249**

V) Shareholding of Directors and Key Managerial Personnel:

1. Shri Rajeev Mehrotra, Chairman & Managing Director

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	0	0	0	0
At the end of the year	0	0	0	0

2. Shri Arbind Kumar, Director Projects (upto 31.08.2018)

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	2,720	0.0014	2,720	0.0014
Upto 31.08.2018 (since retired)	2,720	0.0014	2,720	0.0014

3. Shri Ajay Kumar Gaur, Director Finance

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	0	0	0	0
At the end of the year	0	0	0	0

4. Shri Mukesh Rathore, Director Technical

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	2,720	0.0014	2,720	0.0014
At the end of the year	2,720	0.0014	2,720	0.0014

5. Shri Gopi Sureshkumar Varadarajan, Director Projects

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	0	0	0	0
At the end of the year	0	0	0	0

6. Shri A.P. Dwivedi, ED (PSU), Rly. Board (As nominee of President of India)

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	1,000	0.0005	1,000	0.0005
Off market transfer of shares on December 06, 2018	1,000	0.0005	0	0.00
At the end of the year	0	0	0	0

7. Shri B.K. Agarwal, AM (PU)/Govt. Nominee Director (Retd.)

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	0	0	0	0
At the end of the year	0	0	0	0

8. Dr. Vidya Rajiv Yeravdekar, Independent Director

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	0	0	0	0
At the end of the year	0	0	0	0

9. Shri Anil Kumar Goel, Independent Director

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	0	0	0	0
At the end of the year	0	0	0	0

10. Shri Satish Sareen, Independent Director

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	0	0	0	0
At the end of the year	0	0	0	0

11. Dr. P.K. Anand, Director, Independent Director

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	0	0	0	0
At the end of the year	0	0	0	0

12. Ms Geethakumary, Independent Director

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	0	0	0	0
At the end of the year	0	0	0	0

13. Dr. R.N. Goyal, Independent Director

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	0	0	0	0
At the end of the year	0	0	0	0

14. Shri Ashish Srivastava, Company Secretary

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	2,720	0.0014	2,720	0.0014
At the end of the year	2,720	0.0014	2,720	0.0014

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebted-ness
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 (upto 31.8.2018)	Sh. Ajay Kumar Gaur, DF &CFO	Sh. Mukesh Rathore DT	Sh. Gopi Sureshkumar Varadarajan DP (from 27.9.2018)	
1.	Gross salary						
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	50,33,054	18,42,611	43,13,686	42,25,453	19,39,674	1,73,54,478
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	2,07,724	1,12,213	1,72,588	1,56,598	16,560	6,65,683
2.	Stock Option	-					
3.	Sweat Equity	-					
4.	Commission - as % of profit - others, specify	-					
5.	Others, please specify – Performance Linked Incentives (PRP)	14,80,401	10,19,038	9,59,298	7,11,879	0	41,70,616
	- Post Employment Benefits	7,96,627	21,16,805	6,88,734	6,85,491	3,18,838	46,06,495
	- Other Employment Benefits	0	22,56,105	5,41,704	3,67,169	0	31,64,978
	Total (A)	**75,17,806**	**73,46,772***	**66,76,010**	**61,46,590**	**22,75,072**	**2,99,62,250**
	Ceiling as per the Act	-	-	-	-		-

** This includes amount of superannuation benefit also.*

B. Remuneration to other directors

S N.	Particulars of Remuneration	Name of Directors			Total Amount (₹)
	Independent Directors	Dr. Vidya Rajiv Yeravdekar	Shri Anil Kumar Goel	Shri Satish Sareen	
		(₹)	(₹)	(₹)	
1	**Fee for attending Board / Committee Meetings**	-	-	-	-
	• Board Meeting	30,000 (1)	3,30,000(11)	3,30,000(11)	6,90,000
	• Audit Committee	-	1,20,000(6)	1,20,000(6)	2,40,000
	• CSR committee	-	80,000(4)	80,000(4)	1,60,000
	• SRC Committee	-	60,000(3)	60,000(3)	1,20,000
	• Nomination & Remuneration Committee	-	20,000(1)	20,000(1)	40,000
	• Risk Management	-	20,000(1)	20,000(1)	40,000
	• Independent Director Meeting	-	20,000(1)	20,000(1)	40,000
	Commission	-	-	-	-
	Others, please specify				
	Total (1)	**30,000**	**6,50,000**	**6,50,000**	**13,30,000**
2	**Other Non-Executive Directors**	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	**30,000**	**6,50,000**	**6,50,000**	**13,30,000**
	Total Managerial Remuneration				
	Overall Ceiling as per the Act	-	-	-	-

SN.	Particulars of Remuneration	Name of Directors			Total Amount (₹)
	Independent Directors	Dr. P.K. Anand	Dr. R.N. Goyal	Ms Geetha Kumary	
		(₹)	(₹)	(₹)	
1.	**Fee for attending Board / Committee Meetings**	-	-	-	-
	Board Meeting	3,00,000(10)	2,40,000(8)	3,00,000(10)	8,40,000
	Audit Committee	1,00,000(5)	1,20,000(6)	1,00,000(5)	3,20,000
	CSR committee	-	-	80,000(4)	80,000
	SRC Committee	40,000(2)	-	-	40,000
	Nomination & Remuneration Committee	-	20,000(1)	-	20,000
	Risk Management	20,000(1)	-	-	20,000
	Independent Director Meeting	20,000(1)	20,000(1)	20,000(1)	60,000
	Sub - Committee Meeting	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	**4,80,000**	**4,00,000**	**5,00,000**	**13,80,000**
2.	**Other Non-Executive Directors**	**-**	**-**	**-**	**-**
	Fee for attending board committee meetings	**-**	**-**	**-**	**-**

SN.	Particulars of Remuneration	Name of Directors			Total Amount (₹)
	Independent Directors	Dr. P.K. Anand	Dr. R.N. Goyal	Ms Geetha Kumary	
		(₹)	(₹)	(₹)	
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)				
	Total (B)=(1+2)	**4,80,000**	**4,00,000**	**5,00,000**	**13,80,000**
	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 Ashish Srivastava, Company Secretary & Compliance Officer (in ₹)	Total (₹)
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	13,52,694	13,52,694
	(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 - Performance Linked Incentives (PRP)	-	-
6.	Others, please specify - Post Employment Benefits	2,23,425	2,23,425
	Other Employment Benefits	-	-
	Total	**15,76,119**	**15,76,119**

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					

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

Place : Gurugram
Date : 24th June, 2019

Annexure - III

CSR PROJECT FOR FY 2018-19

1. **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:

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, Central/State/local government, communities, environment and society at large.

1.1. RITES shall strive to integrate social and environmental concerns in its business processes and work towards providing the best possible solutions for sustainable developmental needs of the society by:

1.1.1 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.

1.1.2 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.

1.1.3 Encouraging use of renewable energy resources such as solar, wind, biomass & others and reduce its carbon, water and waste foot prints.

1.1.4 Engaging stakeholders in undertaking CSR & Sustainability projects in and around the areas of company's offices/projects and also other backward regions/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.

1.1.5 Regular reporting of CSR & Sustainability performance of the company.

1.1.6 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.

1.1 7 This policy flows from the Corporate Mission of the Company

1.2 CSR Policy relates to the activities to be undertaken as specified in Schedule VII of the Companies Act , 2013.

1.3 Government guidelines or circulars, issued time to time, shall also be required to be adhered to in addition to the existing policy.

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 (as on 31st March, 2019)**

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
Sh. Ajay Gaur	:	Director Finance / RITES	Member
Dr. Vidya Rajiv Yeradekar	:	Independent Director	Member
Sh. Anil Kumar Goel	:	Independent Director	Member
Sh. A. P. Dwivedi	:	Govt. Nominee Director	Member
Ms. Geethakumary	:	Independent Director	Member

3. Average net profit of the company for last three financial years. **(Refer Annexure – 1 to this report)**

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above). **(Refer Annexure – 1 to this report)**

5. **Details of CSR spent for the financial year:**

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

₹ 1022.53 Lakh

b) Amount unspent, if any:

Nil

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

1	2	3	4	5		6	7	8
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 (Amount ₹ Lakh)		Amount spent on the projects or programs Sub: - Head (1) Direct expenditure on the projects or programs (2) Overheads (Amount ₹ Lakh)	Cumulative expenditures upto the reporting period (Amount ₹ Lakh)	Amount spent: Direct or through implementing agency
				Total	During FY 2018-19			
	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	Construction of One Prefabricated Toilet block in circulating area of Anand Vihar Railway station, Delhi.	.-do-	Delhi	18.54	18.54	18.54	18.54	Direct
2	Providing One Mobile Healthcare Unit (MHU) for Primary Healthcare services in Delhi/NCR	.-do-	Delhi/NCR	19.25	19.25	18.42	18.42	Through implementing agency
3	Financial Support for production of sanitary pads for distribution to needy women and Railway Passengers.	.-do-	Delhi/NCR	6.00	6.00	5.99	5.99	Through implementing agency
4	Procurement of Mobile Medical Unit i.e VAN (SML- Isuzu - S7 EIV AC) for running up programme "Mission TB- Free Haryana".	.-do-	Haryana	21.00	21.00	21.00	21.00	Through implementing agency
5	Supply and Installation of 100 number of Hand pumps for Drinking Water in district Ghazipur, U.P	.-do-	Ghazipur, U.P	42.00	33.60	31.50	39.90	Through implementing agency

1	2	3	4	5		6	7	8
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 (Amount ₹ Lakh)		Amount spent on the projects or programs Sub: - Head (1) Direct expenditure on the projects or programs (2) Overheads (Amount ₹ Lakh)	Cumulative expenditures upto the reporting period (Amount ₹ Lakh)	Amount spent: Direct or through implementing agency
				Total	During FY 2018-19			
6	Construction of One Prefabricated Toilet block in circulating area of Prayagraj Railway station, U.P.	.-do-	Prayagraj, U.P	18.54	18.54	18.54	18.54	Direct
7	Supply and Installation of 30 number of Hand pumps for Drinking Water in villages of district Hathras, U.P	.-do-	Hathras, U.P	18.00	18.00	18.00	18.00	Through implementing agency
8	Provision of Health Care facilities for women during pregnancy in Village - Mundala, Tehsil Jamwaram-garh, Jaipur, Rajasthan.	.-do-	Jaipur, Rajasthan.	22.86	5.72	5.72	22.86	Through implementing agency
9	Supply and Installation of 25 number of Hand pumps for Drinking Water in villages of Palamu and Garhwa District, Jharkhand	.-do-	Palamu and Garhwa, Jharkhand .	16.23	16.23	16.23	16.23	Through implementing agency
10	Construction of 5 Toilet Block in 5 schools of District- Doda, District - Kathua, and District -Jammu of Jammu & Kashmir.	.-do-	Jammu, Jammu & Kashmir.	89.40	71.52	71.52	89.40	Through implementing agency
11	Providing Advance Life Support Ambulance ALS (01 Number) in Chiatrakoot/ Maihar, District Satna, Madhya Pradesh.	.-do-	Satna, Madhya Pradesh.	28.21	28.21	28.21	28.21	Through implementing agency
12	Passenger Amenity at certain Railway stations in Varanasi & Danapur Division of Indian Railways.	.-do-	Varanasi, UP & Danapur, Bihar.	50.00	6.50	1.08	44.58	Direct
13	Distribution of Motorized Tricycle (with box) to persons with disabilities (PwDs) in Gurugram, Haryana.	.-do-	Gurugram, Haryana	25.00	25.00	24.89	24.89	Through implementing agency
	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;							
14	Empowerment through Computer Courses for 50 Disadvantaged Girls in one new School and Second Batch of 50 Girls through Computer Courses in Gurugram, Haryana.	.-do-	Gurugram, Haryana	8.10	8.10	8.10	8.10	Through implementing agency
15	Empowerment of women through Skill Development Training Programmes by Setting up of Cutting and Tailoring Centre for training in Khora Colony, District Ghaziabad U.P.	.-do-	Ghaziabad U.P.	10.64	10.64	6.41	6.41	Through implementing agency

1	2	3	4	5		6	7	8
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 (Amount ₹ Lakh)		Amount spent on the projects or programs Sub: - Head (1) Direct expenditure on the projects or programs (2) Overheads (Amount ₹ Lakh)	Cumulative expenditures upto the reporting period (Amount ₹ Lakh)	Amount spent: Direct or through implementing agency
				Total	During FY 2018-19			
16	Skill Development and Livelihood Generation for rural women through upcycling Textile Waste by establishing Training cum Production center in District Mewat Haryana.	.-do-	Mewat Haryana.	26.47	26.47	26.47	26.47	Through implementing agency
17	Empowerment of women through Skill Development Training Programmes by Setting up of Cutting & Tailoring centre and computer Centre in Mewat, Haryana.	.-do-	Mewat Haryana.	16.55	16.55	12.53	12.53	Through implementing agency
18	Construction of Skill Development Centre at Ghazipur, U.P	.-do-	Ghazipur, U.P	200.00	200.00	200.00	200.00	Through implementing agency
19	Construction of Boundary wall, renovation of multipurpose hall, and procurement of Furniture in Government Inter College Orai, district Jalaun, U.P	.-do-	Jalaun, U.P	21.76	21.76	21.70	21.70	Through implementing agency
20	Setting up of infrastructure facilities by providing Furniture, Sewing Machines etc. for running Skill development training Programmes for Deprived young girls/Women in Stitching & Tailoring and Beautician training in Village Ralawata, Tehsil Kishangarh, Ajmer, Rajasthan.	.-do-	Ajmer, Rajasthan	5.61	5.61	5.61	5.61	Through implementing agency
21	Procurement of One school bus (30+1 seater) and Setting up of computer lab for School -Bhartiya Vidya Mandir, Katra, Distt. Reasi, Jammu & Kashmir.	.-do-	Reasi, Jammu & Kashmir	22.88	22.88	22.88	22.88	Through implementing agency
22	Financial Support to Ekal Vidyalayas in Mewat, Haryana Jaisalmer, Rajasthan & Udham Singh Nagar, Uttrakhand.	.-do-	Mewat, Haryana Jaisalmer, Rajasthan & Udham Singh Nagar, Uttrakhand.	12.50	12.50	12.50	12.50	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"							
23	Financial support for resources for smooth running and maintenance of Old Age Home and a Rescue center in Gurukul at Bandhwari Gurugram, Haryana.	.-do-	Gurugram, Haryana	29.48	29.48	29.48	29.48	Through implementing agency

1	2	3	4	5		6	7	8
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 (Amount ₹ Lakh)		Amount spent on the projects or programs Sub: - Head (1) Direct expenditure on the projects or programs (2) Overheads (Amount ₹ Lakh)	Cumulative expenditures upto the reporting period (Amount ₹ Lakh)	Amount spent: Direct or through implementing agency
				Total	During FY 2018-19			
24	Financial support for Smooth Running and maintenance of Anadi Vridh Seva Sadan, Old Age Home in Faridabad, Haryana.	.-do-	Faridabad, Haryana.	16.64	2.77	2.77	2.77	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;							
25	SOS children's villages of India: Sponsorship of 3 Family homes at Greenfields, Haryana & Bhubaneswar, Orissa and Supporting Higher Education for 25 youth in Faridabad, Delhi & Bhubaneswar.	.-do-	Faridabad, Delhi & Bhubaneswar.	60.00	60.00	59.37	59.37	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;							
26	Additional Solar street lighting (500 number) in District Ghazipur U.P.	.-do-	Ghazipur U.P.	122.70	98.16	98.16	122.70	Through implementing agency
27	Solar street lighting (100 number) in Tehsil Lambhua, District Sultanpur, U.P.	.-do-	Sultanpur, U.P.	24.54	19.63	19.63	24.54	Through implementing agency
28	Solar street lighting (100 numbers) in District Gorakhpur, U.P.	.-do-	Gorakhpur, U.P.	20.00	20.00	20.00	20.00	Through implementing agency
29	Green Belt and Provision of Dust Bins at Gurugram Railway Station.	.-do-	Gurugram, Haryana	1.96	0.32	0.31	1.95	Direct
30	Solar street lighting (100 number) in District Purnia, Bihar.	.-do-	Purnia, Bihar.	21.50	21.50	4.30	4.30	Through implementing agency
31	Clean Ganga Fund	.-do-	PAN India	110.00	110.00	110.00	110.00	Govt. of India
32	Providing plant saplings to Railways at Adra Division / South Eastern Railway.	.-do-	Adra Division / South Eastern Railway	4.05	4.05	4.00	4.00	Direct
33	Providing plant saplings to Railways at Dhanbad Division/ EC Railway.	.-do-	Dhanbad Division/ EC Railway	3.28	1.68	1.68	3.28	Through implementing agency
	Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts							
34	Promoting local heritage through Mural Painting at 3 stations Sevapuri, Kapsethi, Parsipur in LOT-JNH section Northern Railway Lucknow, U.P.	.-do-	Lucknow, U.P.	1.00	1.00	1.00	1.00	Through implementing agency
	Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;							

1	2	3	4	5		6	7	8
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 (Amount ₹ Lakh)		Amount spent on the projects or programs Sub: - Head (1) Direct expenditure on the projects or programs (2) Overheads (Amount ₹ Lakh)	Cumulative expenditures upto the reporting period (Amount ₹ Lakh)	Amount spent: Direct or through implementing agency
				Total	During FY 2018-19			
35	Funds for Development of School Play Ground, at Dawson H. S. & M. P. School and Nagaon Bengali School, Nagaon, Assam.	.-do-	Nagaon, Assam	150.00	100.00	25.00	75.00	Through implementing agency

(₹ in Lacs)

Other CSR Expenditures in FY 2018-19	**A=**	**971.53**
Add: 5% for Admin. overhead & Capacity builds.	**B=**	**51.00**
Grand Total	**A+B=**	**1022.53**

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/- Sd/-

Place : Gurugram
Date: 24th June, 2019

(Chief Executive Officer or Managing Director or Director)

(Chairman CSR Committee)

Annexure - 1

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

(₹ in Crore)

PARTICULARS	2018-19	2017-18	2016-17	2015-16	2014-15
PROFIT BEFORE TAX (RESTATED)	676.72	484.75	488.69	516.16	454.37
CSR	10.23	9.90	9.20	8.28	7.90
PBT BEFORE CSR(A)	686.95	494.65	497.89	524.44	462.27
TOTAL OF THREE YEARS (B)	1679.49	1516.98	1484.60		
AVERAGE (C), i.e., (B/3)	559.83	505.66	494.87		
2% OF (C)	11.20	10.11	9.90		
ROUND OFF FIGURES	**11.20**	10.10	9.90		
FOR	**2019-20**	2018-19	2017-18		

Annexure - IV

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019
[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, 2019 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, 2019 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) The Securities Contracts (Regulations) Act, 1956 and the rules made thereunder

(iii) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.

(iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under.

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 & 2018;

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the Company during the Audit period)**;

(f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the Audit period)**;

(g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agent) Regulations, 1993 regarding the Companies Act and dealing with client to the extent of securities issued.

(h) The *Securities and Exchange Board of India* (Buy back of Securities) Regulations, 1998 and 2018 **(Not applicable to the Company during the Audit period);**

(vi) We have also examined compliance with the applicable clauses/regulations of the following:

i. Secretarial Standards issued by the Institute of Company Secretaries of India.

ii. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(vii) 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
g. Shops & Establishment Act

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. The Company has got its Registered Office situated at Laxmi Nagar, Delhi, registered under Delhi Shops and Establishment Act. In respect its corporate office at Gurugram, the Company has applied for exemption for registration under the said 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.

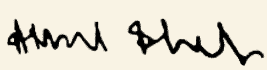
Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation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

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the Minutes of the Meetings of the Board of Directors or Committees of the Board, as the case may be.

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

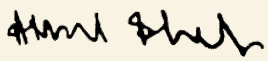
Date: 24th June, 2019
Place: New Delhi

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 & Co.



Akhil Rohatgi
Practicing Company Secretary
FCS No.: 1600
CP No: 2317

Date: 24th June, 2019
Place: New Delhi

Annexure – A

REPORT ON CORPORATE GOVERNANCE

RITES is a Mini-ratna (Schedule A) enterprise of Government of India. RITES 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 listed on July 02, 2018 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 reportings to stock exchanges that conforms fully to 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 investors' 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 lays 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.

Presently, the Board of Directors of the Company comprises of nine Directors viz four functional Directors including Chairman & Managing Director, two Government Nominee Directors and three Independent Non-Official Directors. The number of Independent Directors required under SEBI LODR and the Act are insufficient as the power to appoint the Directors on the Board under the Articles of Association vests with the President of India acting through the Ministry of Railways, the Company has been, from time to time, requesting Ministry of Railways to appoint requisite number of independent directors on the Board.

However, as on 31st March, 2019, Company had twelve Directors including four Whole Time Directors, two Government Nominee Directors and six Independent Directors.

Whole Time Directors:

S. No	Name	Designation
1.	Shri Rajeev Mehrotra (DIN:01583143)	Chairman & Managing Director
2.	Shri Ajay Kumar Gaur (DIN:05333257)	Director Finance (term will end on 31.07.2019)

S. No	Name	Designation
3.	Shri Mukesh Rathore (DIN:07669150)	Director Technical (term will end on 31.10.2019)
4.	Shri Arbind Kumar (DIN:05343323)	Director Projects (upto 31.08.2018)
5.	Shri Gopi Suresh Kumar Varadarajan (DIN: 08241385)	Director Projects (w.e.f. 27.09.2018)

Government Nominees:

1.	Shri A.P. Dwivedi (DIN:07122333)	Director
2.	Shri B.K. Agarwal (DIN:07956187)	Director (upto 30.04.2019)
3.	Shri Alok Kumar Tewari (DIN: 06694407)	Director (w.e.f. 30.05.2019)

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
5.	Smt. Geethakumary (DIN:08087165)	Director
6.	Dr. RN.Goyal (DIN:08087148)	Director

* The term of these Independent Directors has ended on 31.03.2019

The quantum and quality of information supplied by the Management to the Board goes well beyond the requirement stipulated in the SEBI (LODR) Regulations, 2015.

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

a. Quarterly results for the company.

b. Minutes of meetings of audit committee and other committees of the board.

c. Capital and Revenue budgets and any updates.

d. Status of on-going Arbitration cases.

e. Status of risk management and mitigation plans.

f. Status of major statutory and commercial claims on the Company.

g. Particulars of Related Party transactions.

h. 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, if any.

i. Half yearly statements of write off of outstanding payments of ₹ 2 lakhs & above from clients

j. Sale of material nature of investments, subsidiaries, assets, which is not in normal course of business.

k. Major investments, formation of subsidiaries and Joint Ventures, Strategic Alliances, etc.

l. Quarterly Report on Investment of Funds.

m. Compliance of various laws by the company.

n. Action taken report on matters desired by the Board.

o. Changes in significant accounting policies and practices and reasons for the same.

p. Disclosure of interests made by directors to the Company.

q. Major orders secured and bids lost on quarterly basis.

r. 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 ten (10) Companies and acts as an Independent Director in more than seven (7) Listed 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, as specified in Regulation 26(1) of SEBI (LODR), Regulations 2015. During the year, 11 meetings of Board of Directors were held as mentioned below:

Board Meeting No.	Board Meeting Dates
238	23.04.2018
239	04.06.2018
240	25.06.2018
241	28.06.2018

Board Meeting No.	Board Meeting Dates
242	30.07.2018
243	27.08.2018
244	22.10.2018
245	13.11.2018
246	17.12.2018
247	12.02.2019
248	11.03.2019

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 Director-ship **	No. of Committee Membership**	
				As Chairman	As Member
1.	Shri Rajeev Mehrotra Chairman & Managing Director	Whole Time Director	1	Nil	Nil
2.	Shri Ajay Kumar Gaur* Director Finance	Whole Time Director	1	Nil	Nil
3.	Shri Mukesh Rathore* Director Technical	Whole Time Director	Nil	Nil	Nil
4.	Shri Arbind Kumar Director Projects (upto 31.08.2018)	Whole Time Director	1	Nil	Nil
5.	Shri Gopi Sureshkumar Varadarajan Director Projects (From 27.09.2018)	Whole Time Director	1	Nil	Nil
6.	Shri AP Dwivedi Director	Govt. Nominee	2	Nil	Nil
7.	Shri B.K. Agarwal Director (Up to 30.04.2019)	Govt. Nominee	Nil	Nil	Nil
8.	Shri Alok Kumar Tewari Director (w.e.f. 30.05.2019)	Govt. Nominee	Nil	Nil	Nil
9.	Dr. Vidya Rajiv Yeravdekar# Director	Independent Director	Nil	Nil	Nil
10.	Shri Anil Kumar Goel# Director	Independent Director	Nil	Nil	Nil
11.	Shri Satish Sareen# Director	Independent Director	1	Nil	Nil
12.	Dr. P.K. Anand Director	Independent Director	Nil	Nil	Nil
13.	Ms. Geethakumary Director	Independent Director	Nil	Nil	Nil
.14.	Dr. RN.Goyal Director	Independent Director	Nil	Nil	Nil

* The term of Shri Ajay Kumar Gaur (Director Finance) and Shri Mukesh Rathore (Director Technical) will end on 31.07.2019 and 31.10.2019 respectively.

\# The term of these Independent Directors ended on 31.03.2019.

** **Other Notes**

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), 2015.

Name of the Listed entities where the person is a director and the category of directorship

Name of the Director	Name of the Listed entity	Category Of Directorship
Shri AP Dwivedi Director	Rail Vikas Nigam Limited	Govt. Nominee Director

2.2 Brief Resume of Directors who joined the Board as Whole - time / Part - time Directors during the year 2018-19:

Shri Gopi Sureshkumar Varadarajan

Shri Gopi Sureshkumar Varadarajan joined RITES as Director Projects on 27.09.2018. Prior to joining RITES, Gopi Sureshkumar Varadarajan served in Engineering Projects (India) Limited (EPIL) (approximately 7 years) in the position of Executive Director heading Business Development and Marketing Division, New Delhi. He was also Regional Head to conduct business affairs of the

Company activity for the Southern Region and Sri Lanka which involved marketing and execution of infrastructure projects such as ports, water supply, dams, residential, institutional, industrial and irrigation projects.

He also served for 26 years in IRCON International Limited in various capacities and executed prestigious infrastructure projects related to Railways, Highways, Flyovers, bridges, ROBs in different parts of India and overseas such as Nepal and Bangladesh. During his stint in IRCON he was awarded twice in the year 1998 and 2007 for exemplary achievement the Hon'ble Minister of Railways Award.

Shri Alok Kumar Tewari

Shri Alok Kumar Tewari has joined RITES Limited as Government Nominee Director on 30.05.2019. Before current assignment he was Principal Chief Mechanical Engineer/ Northeast Frontier Railway, Guwahati; Chief Safety Officer/ Northeast Frontier Railway, Guwahati; Divisional Railway Manager/ Ahmedabad, WR He has an outstanding performance record at all assignments. He worked as additional Divisional Railway Manager/ Mumbai during the Mumbai floods of 2005. His nature of expertise includes innovative solution of Locos at both end with conventional coaches to work in lieu of EMUs.

2.3 Number of Board Meetings: The Board met Eleven (11) times during the year 2018- 19 to review the working of the company and discuss the future plans etc.

S No.	Name and Designation	Board Meetings During the Year 2018-19		Attendance at the last AGM held on 19th September, 2018
		Held During tenure	Attended	Present / Not Present /Not Applicable (NA)
1.	Shri Rajeev Mehrotra Chairman & Managing Director	11	11	Present
2.	Shri Ajay Kumar Gaur Director Finance	11	11	Present
3.	Shri Mukesh Rathore Director Technical	11	10	Present
4.	Shri Arbind Kumar Director Projects	6	6	NA
5.	Shri Gopi Suresh Kumar Varadarajan, Director Projects	5	5	NA
6.	Shri A.P. Dwivedi, Director	11	10	Present
7.	Shri B.K. Agarwal, Director	11	05	Present
8.	Dr. Vidya Rajiv Yeravdekar Director	11	01	Not Present
9.	Shri Anil Kumar Goel, Director	11	11	Present
10.	Shri Satish Sareen, Director	11	11	Present
11.	Dr. P.K.Anand, Director	11	10	Present
12.	Ms. Geethakumary, Director	11	10	Present
13.	Dr. R.N. Goyal, Director	11	08	Present

Note: - Dates of the meeting and attendance of the Directors in the meeting are placed as **Appendix – I** to this report

2.3 Disclosure of relationships between directors inter-se

None of the Directors of the Company are related inter-se. The Board of Directors of the company are nominated by President of India *via* Ministry of Railways.

2.4 Number of shares and convertible instruments held by non- executive directors

NIL

3. Code of Conduct:

RITES Code of Conduct for Board Members and Senior Management Personnel as laid down by Board of Directors pursuant to applicable provisions and other statutory requirements 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, 2019 and a declaration to this effect signed by the Chairman and Managing Director is placed as **Appendix – II** 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 available in the public domain and thus constitutes insider information. Company Secretary has been designated as Compliance Officer for this Code.

List of core skills /expertise/competencies identified by the Board of Directors as required in the context of business

In accordance with SEBI (LODR) (Amendment) Regulations, 2018 applicable w.e.f. 1st April, 2019, the disclosure with regard to core skills/expertise/ competencies identified by the Board of Directors in the context of business and sectors in which the company operates are as under:

These are subject to modifications/ alterations / changes by the CPE/ PESB and/or concerned ministry and the qualifications of Independent Directors are also subject to identification by the DPE.

S. N.	Type of the Directorship	Required Qualification / Expertise / Skill
1.	Functional Director	
	Chairman & Managing Director	Persons with Degree in Engineering / MBA and having experience in management and familiarity with Finance / Marketing / Production are eligible. He should possess adequate experience at a senior level of management in a large organization of good repute, preferably in the infrastructure sector.
		Provided that minimum qualification is relaxable in the case of internal candidates with sound and adequate background and experience. The Chairman and Managing Director is the Chief Executive of the corporation. He is responsible for the efficient functioning of the Corporation for achieving its corporate objectives and performance parameters.
	Director (Finance)	(i) The applicant should be a Chartered Accountant or Cost Accountant or a full time MBA/PGDM course with good academic record from a recognized University/Institution. (ii) Officers of Organized Group 'A' Accounts Services (i.e. Indian Audit and Accountants Service, Indian Defence Accounts Service, Indian Railway Accounts Service, Indian Civil Accounts Service, Indian P&T Accounts & Finance Service and Indian Cost Accounts Service) working in the appropriate level are exempted from these educational qualifications. (iii) Further, applicants from the Central Govt./Armed Forces of the Union/All India Services, will also be exempted from the educational qualifications as per (i) above provided the applicants have 'the relevant experience'. In respect of applicants from Organized Group 'A' Accounts Services/Central Government/Armed Forces of the Union/ All India Services, Chartered Accountant/ Cost Accountant / MBA/PGDM will be a desirable educational qualification. Director (Finance) is a member of Board of Directors and reports to Chairman and Managing Director. He is overall in-charge of finance, accounts and funds management of the organization and is responsible for evolving and formulating policies relating to finance and accounts as well as implementation thereof.
	Director (Technical)	A Graduate in Engineering from a recognized University / Institution with good academic record. Holding MBA / Post Graduate Diploma in management will have an added advantage. Adequate technical / operational / project management experience at a senior level in a large organization of repute, out of which at least five years in the last ten years should have been in consultancy, logistic / infrastructure sector.

S. N.	Type of the Directorship	Required Qualification / Expertise / Skill
		Should also have adequate experience in services associated with operation and maintenance of rolling stock of varied suspension system, axle loads and speeds on different rail gauges, industrial engineering practices and new technologies in rolling stock maintenance, which is desirable. Director (Technical) is a member of Board of Directors and reports to Chairman and Managing Director. He is required to exercise statutory and corporate responsibilities for the efficient and profitable operation of the company and provide technical guidelines to the various consultancy service group.
	Director (Projects)	A Graduate in Engineering with good academic record from a recognized University / Institution. Holding MBA / Post Graduate Diploma in management will have an added advantage. Adequate technical / operational / project management experience at a senior level in a large organization of repute, out of which at least five years in the last ten years should have been in project planning & management design & consultancy. Experience in consultancy / technology / projects in areas like Rail Transport / Infrastructure will have an added advantage. Director (Projects) is a member of Board of Directors and reports to Chairman and Managing Director. He is required to discharge statutory and corporate responsibilities for the efficient and profitable operation of the company. As the professional head, mainly of the civil engineering projects discipline, he is expected to direct and provide technical guidelines to the various consultancy service group.
2.	Government Nominee (Part-time Official) Directors (2 Directors)	As may be decided by the Ministry of Railways.
3.	Independent Directors (Part-time non-official) Directors (6 Directors)	As may be decided by the Ministry of Railways and DPE subject to fulfillment of conditions laid down in the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

List of core skills /expertise/competencies actually available with the Board

All the Board members are in possession of requisite skills, required for assisting in effective and efficient functioning of the company.

3.2 Confirmation from Board of Directors

Board of the Directors of the company duly confirmed that the Independent Directors fulfill the conditions specified in SEBI (Listing Obligations and Disclosure Requirements), 2015 and are independent of the management.

3.3 Detailed reasons for the resignation of Independent Directors

During the year under review none of the Independent Directors resigned or vacated their office before expiry of the tenure. The term of three Independent Directors has ended on 31.03.2019.

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 Listing Obligations and Disclosure Requirements (LODR), 2015.

Composition of Audit Committee:

As on 31st March, 2019, the Audit Committee comprised the following Directors:

Name	Position in the Committee	Designation
Shri Anil Kumar Goel (upto 31.03.2019)	Chairman	Independent Director
Shri Pramod Kumar Anand (appointed as Chairman w.e.f. 01.05.2019)	Chairman	Independent Director
Shri Satish Sareen (upto 31.03.2019)	Member	Independent Director
Dr. Vidya Rajiv Yeravdekar (upto 31.03.2019)	Member	Independent Director
Shri Mukesh Rathore (from 01.09.2018)	Member	Director (Technical)
Ms Geethakumary	Member	Independent Director
Shri Rajendra Nath Goyal	Member	Independent Director
Shri Arbind Kumar (Upto 31.08.2018)	Member	Director (Projects)

Company Secretary acts as Secretary to the Committee.

Terms of Reference:

The terms of reference of the Audit Committee has been amended and approved by the Board of Directors of the Company to make them in line with the provisions of SEBI (LODR Amendments), 2018. The TOR of audit committee are in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI LODR Regulations except to the extent that the statutory auditors are appointed by CAG as RITES, being a Government Company. Terms of Reference are as under:

- 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;
- Recommendation to the Board for fixation of remuneration to the auditors;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval, with particular reference to:
  - 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;
  - Changes, if any, in accounting policies and practices and reasons for the same;
  - Major accounting entries involving estimates based on the exercise of judgment by management;
  - Significant adjustments made in the financial statements arising out of audit findings;
  - Compliance with listing and other legal requirements relating to financial statements;
  - Disclosure of any related party transactions;
  - Modified opinion(s) in the draft audit report;
- Reviewing, with the management, the quarterly/ half yearly financial statements before submission to the Board for approval;
- 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;
- Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequently modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing with the management, performance of Internal Auditors, adequacy of the internal control systems;
- 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;
- Discussion with internal auditors of any significant findings and follow up there on;
- 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;
- Review observations of statutory, internal and government auditors and provide recommendations based on the same;
- To review the follow up action on the audit observations of the C&AG audit;
- 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;

- 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);
- To review the functioning of the whistle blower mechanism;
- Approval of appointment of chief financial officer after assessing the qualifications, experience and background etc. of the candidate;
- Review and monitor the auditor's independence and performance and effectiveness of audit process;
- Examination of the financial statements and auditor's report thereon;
- Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
- 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 2018-19 on 16th July, 2018, 30th July, 2018, 27th August, 2018, 13th November, 2018, 12th February, 2019 and 11th March, 2019. The attendance of each member at Audit Committee meetings is as under:

Member	Position in the Committee	Audit Committee meeting held during the year 2018-19	
		Meetings held (during their respective tenures)	Meetings attended
Shri Anil Kumar Goel (upto 31.03.2019)	Chairman	06	06
Dr. Pramod Kumar Anand (designated as Chairman w.e.f. 01.05.2019)	Member	06	05
Shri Satish Sareen (upto 31.03.2019)	Member	06	06
Dr. Vidya Rajiv Yeravdekar (upto 31.03.2019)	Member	06	00
Ms Geethakumary	Member	06	05
Dr. RN.Goyal	Member	06	06
Shri Arbind Kumar Upto 31.08.2018)	Member	03	03
Shri Mukesh Rathore(from 01.09.2018)	Member	03	03

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:

RITES, being a Government Company, its Directors are appointed by the President of India through Ministry of Railways and they 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, 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.

Performance Evaluation of Directors:

The requirement of specifying the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the

Nomination and Remuneration Committee or by an independent external agency under Section 178(2) of the Companies Act, 2013 has been done away with for Government Companies vide Ministry of Corporate Affairs' (MCA) Notification dated 5th June 2015.

Further, MCA vide its notification dated 5th 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, 2019, the Nomination and Remuneration Committee comprised the following Directors:

Name	Position in the Committee	Designation
Shri Satish Sareen (upto 31.03.2019)	Chairman	Independent Director
Shri Rajendra Nath Goyal (designated as Chairman w.e.f. 01.05.2019)	Chairman	Independent Director
Dr. Vidya Rajiv Yeravdekar (upto 31.03.2019)	Member	Independent Director
Shri Anil Kumar Goel (upto 31.03.2019)	Member	Independent Director
Smt. Geethakumary (From 01.05.2019)	Member	Independent Director
Dr. Pramod Kumar Anand (From 01.05.2019)	Member	Independent Director
Shri A.P. Dwivedi (From 01.05.2019)	Member	Government Nominee Director

Company Secretary acts as Secretary to the Committee.

Terms of reference:

The terms of reference of Nomination and Remuneration Committee are as per SEBI (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:

- 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;
- To recommend to the Board a policy, relating to the remuneration for the key managerial personnel and other employees;
- Decide on the annual bonus/ performance pay/ variable pay pool and policy for its distribution across the executives;
- Formulation and modification of schemes for providing perks and allowances for executives;
- Any new scheme of compensation to executives and non-executives as the case may be;
- Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
  - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as and when the same come into force; or
  - The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003; and
- Recommend to the board, all remuneration, in whatever form, payable to senior management".
- 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 2018-19, one meeting of Nomination and Remuneration Committee was held on October 21, 2018.

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

Name	Status	Held during their tenure	Attended
Shri Satish Sareen (upto 31.03.2019)	Chairman	1	1
Dr. Vidya Rajiv Yeravdekar (upto 31.03.2019)	Member	1	0
Shri Anil Kumar Goel (upto 31.03.2019)	Member	1	1
Shri Rajendra Nath Goyal	Member	1	1

Details of Remuneration of Functional Directors of the company during the year 2018-19 are as under:

Name of Director	Salary (₹)	Benefits (₹)	Performance linked incentives ₹)	Total (₹)
Shri Rajeev Mehrotra Chairman & Managing Director	50,33,054	2,07,724	22,77,028	**75,17,806**
Shri Ajay Kumar Gaur Director Finance	43,13,686	1,72,588	21,89,736	**66,76,010**
Shri Mukesh Rathore Director Technical	42,25,453	1,56,598	17,64,539	**61,46,590**
Shri Arbind Kumar Director Projects (Upto 31.08.2018)	18,42,611	1,12,213	53,91,948	**73,46,772**
Shri Gopi Sureshkumar Varadarajan (From 27.09.2018)	19,39,674	16,560	3,18,838	**22,75,072**

- Company has no stock option plan, hence no stock option granted to the Directors.
- No bonus/commission/Ex-gratia was given to the Directors during the year under review.

During the year 2018-19 the Independent Directors were paid sitting fee of ₹ 20,000/- each for attending Committee meetings and ₹ 30,000/- each for attending Board meetings.

Total sitting fees paid to Independent Directors during the Year 2018-19:

S. No.	Name	Amount (₹)
1.	Shri Satish Sareen	6,50,000
2.	Shri Anil Kumar Goel	6,50,000
3.	Smt. Geethakumary	5,00,000
4.	Dr. Pramod Kumar Anand	4,80,000
5.	Dr. RN.Goyal	4,00,000
6.	Dr. Vidya Rajiv Yeravdekar	30,000

4.3. Risk Management Committee:

The company has constituted Risk Management Committee in line with requirements of Regulation 21 of SEBI (LODR), 2015.

Composition of Risk Management Committee:

As on 31st March, 2019, the Risk Management Committee comprised the following Directors:

Name	Position in the Committee	Designation
Shri. Anil Kumar Goel (upto 31.03.2019)	Chairman	Independent Director
Dr. Pramod Kumar Anand (Designated as Chairman w.e.f. 01.05.2019)	Chairman	Independent Director
Shri. Satish Sareen (upto 31.03.2019)	Member	Independent Director
Shri. Ajay Kumar Gaur	Member	Director (Finance)
Smt Geethakumary (From 01.05.2019)	Member	Independent Director
Shri. A.P. Dwivedi	Member	Government Nominee Director
Shri RN. Goyal (From 01.05.2019)	Member	Independent Director

Company Secretary acts as Secretary to the Committee.

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 August 27, 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 (upto 31.03.2019)	Chairman	1	1
Shri Satish Sareen (upto 31.03.2019)	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 directors to consider investment sanction 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, 2019, the Project Investment Committee comprised the following Directors:

Name	Position in the Committee	Designation
Dr. Vidya Rajiv Yeravdekar (upto 31.03.2019)	Chairperson	Independent Director
Smt. Geethakumary (Appointed as Chairman w.e.f. 01.05.2019)	Chairperson	Independent Director
Dr. P.K. Anand	Member	Independent Director
Shri Anil Kumar Goel (upto 31.03.2019)	Member	Independent Director
Shri Satish Sareen (upto 31.03.2019)	Member	Independent Director
Shri A.P Dwivedi	Member	Government Nominee Director
Shri Arbind Kumar (upto 31.08.2018)	Member	Director (Projects)
Shri. Ajay Kumar Gaur	Member	Director (Finance)
Shri Mukesh Rathore (From 01.09.2019 upto 30.04 2019)*	Member	Director (Technical)
Shri Gopi Sureshkumar Varadarajan (From 01.05.2019)	Member	Director (Projects)

Company Secretary acts as Secretary to the Committee.

Meetings of Project Investment Committee:

No meeting of project investment committee was held during Financial Year 2018-19.

4.5 Corporate Social Responsibility Committee:

The company has constituted a CSR Committee in line with the requirement of Section 135 of Companies Act, 2013 and provisions of Department of Public Enterprises guidelines.

Composition of Corporate Social Responsibility Committee:

As on 31st March, 2019, the Corporate Social Responsibility Committee comprised the following Directors:

Name	Position in the Committee	Designation
Shri. Satish Sareen (upto 31.03.2019)	Chairman	Independent Director
Ms Geethakumary (Designated as chairman from 01.05.2019)	Chairman	Independent Director
Mr. Anil Kumar Goel (upto 31.03.2019)	Member	Independent Director
Dr. Vidya Rajiv Yeravdekar (upto 31.03.2019)	Member	Independent Director
Shri. A. P. Dwivedi	Member	Government Nominee Director
Shri R.N. Goyal (From 01.05.2019)	Member	Independent Director
Shri. Ajay Kumar Gaur	Member	Director (Finance)

Company Secretary acts as Secretary to the Committee.

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 2018-19 four meetings of CSR Committee were held on April 23, 2018, July 30, 2018, November 13, 2018, and February 12, 2019 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	4	4
Dr. Vidya Rajiv Yeravdekar	Member	4	0
Shri Anil Kumar Goel	Member	4	4
Shri A.P. Dwivedi	Member	4	3
Smt. Geethakumary	Member	4	4
Shri. Ajay Kumar Gaur	Member	4	4

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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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.

Scope of the Committee:

The Scope of the Committee is to specifically consider and resolve the grievances of the shareholders including the complaints related to transfer of shares, non receipt of Annual Reports, dividends etc.

Composition of Stakeholders' Relationship Committee:

As on 31st March, 2019, the Stakeholders' Relationship Committee comprised the following Directors:

Directors	Position in the Committee	Designation
Dr. Pramod Kumar Anand	Chairman	Independent Director
Shri. Satish Sareen (upto 31.03.2019)	Member	Independent Director
Shri. Anil Kumar Goel (upto 31.03.2019)	Member	Independent Director
Shri Amar Prakash Dwivedi (Upto 30.04.2019)	Member	Government Nominee Director
Shri R.N. Goyal (From 01.05.2019)	Member	Independent Director
Shri Ajay Kumar Gaur	Member	Director (Finance)

Company Secretary acts as Secretary to the Committee.

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;
- Resolving the grievances of the security holders including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the compny for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/ statutory notices by the shareholders of the company.
- Carrying out any other function as prescribed under applicable law.

Meetings of Stakeholders' Relationship Committee:

During the year 2018-19 three meetings of Stakeholders' Relationship Committee were held on July 30, 2018, November 13, 2018, and February 12, 2019 respectively. The attendance of each member of Stakeholders' Relationship Committee is as under:

Name	Position in the Committee	Held during their tenure	Attended
Dr. P.K. Anand	Chairman	3	2
Shri Satish Sareen	Member	3	3
Shri Anil Kumar Goel	Member	3	3
Shri A.P. Dwivedi	Member	3	2
Shri. Ajay Kumar Gaur	Member	3	3

Status of Investors' Complaints

Quarter ending	Number Of investors' Complaints received so far	Number not solved to the satisfaction of shareholders	Number of pending complaints
30th September, 2018	64	0	0
31st December, 2018	04	0	0
31st March, 2019	24	0	0
Total	92	0	0

Company got listed on July 02, 2018 and started filling quarterly compliances from the quarter ended on 30th September, 2018.

5. Separate Meeting of Independent Directors:

The separate meeting of independent directors was held on March 21, 2018 as per the provisions specified in regulation 25 of SEBI (Listing Obligations and Disclosure Requirements), 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 www.rites.com

7. Name and designation of Compliance Officer:

Name: Mr Ashish Srivastava

Designation: Company Secretary and Compliance Officer

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 of the Company are as under:

AGM/ EGM	Year	Date of holding Meeting	Time	Venue	Special Resolution
44th AGM	2017-18	19th September, 2018	10.00 HRS	Air Force Auditorium, Subroto Park, New Delhi	Nil
EGM	2017-18	9th November, 2017	17.00 HRS	Railway Board, Rail Bhawan, New Delhi	Yes
43rd AGM	2016-17	28th August, 2017	12.00 HRS	Railway Board, Rail Bhawan, New Delhi	Nil

AGM/ EGM	Year	Date of holding Meeting	Time	Venue	Special Resolu-tion
EGM	2016-17	21st March, 2017	16.00 HRS	Railway Board, Rail Bhawan, New Delhi	Nil
42rd AGM	2015-16	16th September, 2016	12.00 HRS	Railway Board, Rail Bhawan, New Delhi	Nil

9. Resolutions passed through Postal ballot:

During the financial year 2018-19 the Company did not circulate any postal ballot for shareholders' approval.

10. Subsidiary Companies:

The Company has two Indian Subsidiaries i.e (i) 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. (ii) 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.

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 is under liquidation and investment made by the Company has already been recovered.

The Company has also adopted a policy for determining material subsidiaries, the policy is available on company's website. Web link for the same is http://ritesltd.com/upload/misc/Balancesheet/Policy-Material-Subsidiaries.pdf

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.

11. General Shareholders' Information:

I. **Annual General Meeting Date** : Tuesday, 30th July, 2019

Time: 10:00 A.M.

Venue: Zoravar Hall - Manekshaw Centre, Khyber Lines, Delhi Cantonment, 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 24th July, 2019 to 30th July, 2019 (both days inclusive).

IV. **Payment of dividend**

Payment of final dividend for the financial year 2018-19 is ₹ 4/- per share subject to the approval of members and interim dividends paid during the said period is ₹ 175 crore.

V. **The dividend will be paid within 30 days from AGM date.**

VI. **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
2018-19	200	215

VII. **Listing on Stock Exchange:**

Company equity shares are listed on the following Stock Exchanges:

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

2. **BSE Limited**

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

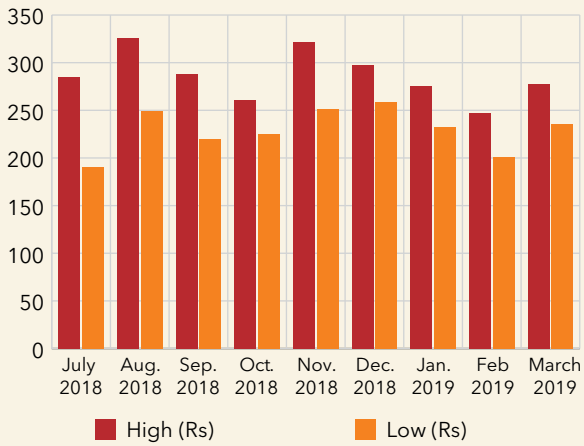
3. **Company ISIN** - INE320J01015

   Annual Listing fee for the aforesaid Stock Exchanges has been paid for the financial year 2019-20.

VIII RITES's Shares Market Price (NSE)

Months	High (₹)	Low (₹)
July, 2018	284.50	190.00
August, 2018	326.00	249.50
September, 2018	288.50	220.00
October, 2018	261.05	225.05
November, 2018	321.60	251.40
December, 2018	297.70	259.05
January, 2019	275.30	232.00
February, 2019	246.80	201.00
March, 2019	277.50	235.20

** Since the company got listed on 02 July, 2018 the details from July month onwards are available.*

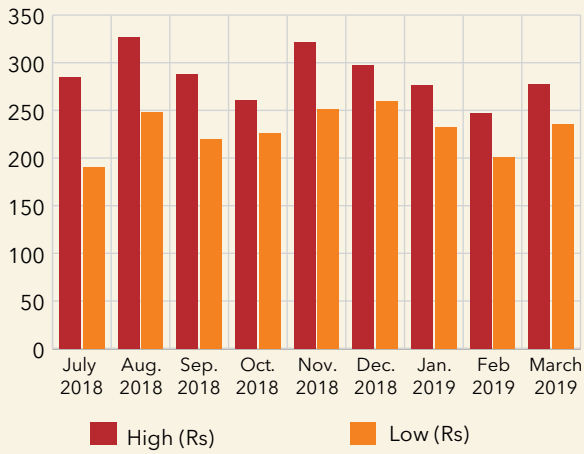


Source:https://www.nseindia.com/products/dynaContent/equities/equities/histHighLowSearch.htm

IX. RITES's Shares Market Price (BSE)

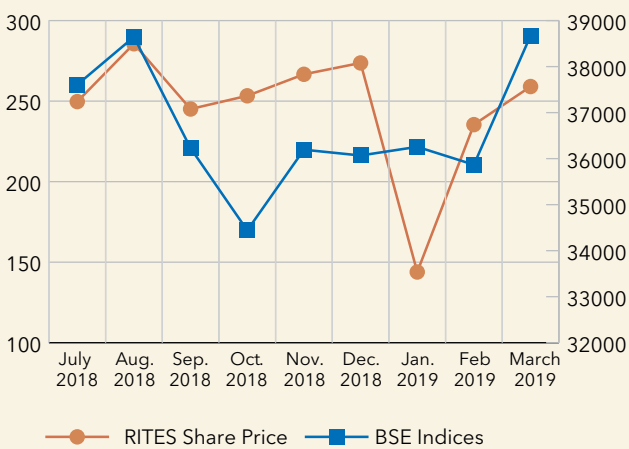
Months	High (in ₹)	Low (in ₹)
July, 2018	284.40	190.00
August, 2018	326.55	248.00
September, 2018	288.00	220.00
October, 2018	260.85	225.70
November, 2018	321.40	251.60
December, 2018	298.00	260.00
January, 2019	276.35	232.00
February, 2019	247.05	200.60
March, 2019	277.80	236.00

** The company got listed on 02 July, 2018 the details from July month onwards are available.*



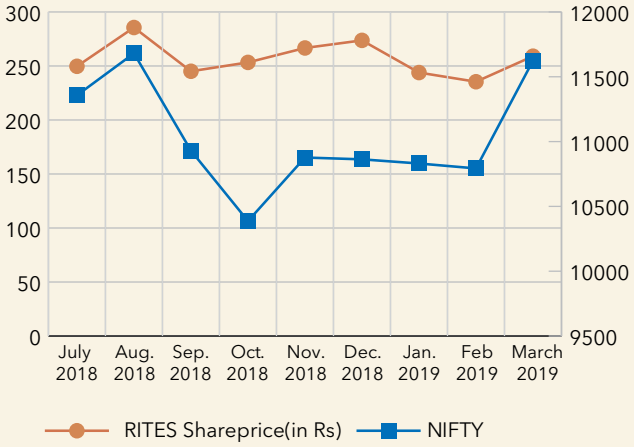
Source:*https://www.bseindia.com/markets/equity/EQReports/StockPrcHistori.aspx?flag=0*

X. Performance in comparison to indices BSE sensex and RITES



Source: https://www.bseindia.com/Indices/IndexArchiveData.html

XI. **Performance in comparison to indices NSE nifty and RITES**



Source:https://www.nseindia.com/products/content/equities/indices/historical_index_data.htm

XII. **Unpaid Dividend:**

Pursuant to the provisions of Section 124 read with Section 125 of the Companies Act, 2013, the Company is required to transfer the Dividend unpaid for a period of 7 (seven) years from the due date to the Investor Education and Protection Fund (IEPF) set up by the Central Government.

Due date of transfer of Unclaimed Dividend to Investor Education and Protection Fund (IEPF):

Date of Declaration of Dividend	Dividend for the year	Due Date of transfer to IEPF
19th September, 2018	Final Dividend for the year 2017-18	23rd November 2025
17th December, 2018	First Interim Dividend for the year 2018-19	21st February 2026
11th March, 2019	Second Interim Dividend for the year 2018-19	12th May 2026

XIII. **Registrar and Transfer Agents:**

Link Intime India Private Limited
Address: Link Intime India Private Limited
Noble Heights, 1st Floor, Plot No. NH 2,
LSC, C-1 Block,
Near Savitri Market, Janakpuri,
New Delhi-110058
Ph: +91 1141410592; Fax: +91 1141410591
Website: www.linkintime.co.in
E-mail: swapann@linkintime.co.in
Contact person: Mr. Swapan Kumar Naskar
SEBI registration No.: INR000004058

XIV. **Share Transfer System:**

Subject to SEBI (LODR) (Fourth Amendment) Regulations 2018 share transfer under physical segment shall not be processed except in case of transmission or transposition of securities.

Pursuant to SEBI (Listing obligation and Disclosure Requirements) Regulations, 2015, a certificate signed by RTA as well as Company Secretary of the company, confirming the compliance with maintenance of share transfer system is duly submitted on half yearly basis.

XV. **Distribution of shareholding according to size, % of holding as on 31st March, 2019:**

Category	No. of Share-holders	No. of share-holders (%)	Total Shares	Total Shares (%)
1-5000	56293	99.53	7893576	3.95
5001-10000	116	0.21	871556	0.44
10001-20000	59	0.10	885935	0.44
20001-30000	21	0.04	505680	0.25
30001-40000	8	0.01	280213	0.14
40001-50000	9	0.02	424806	0.21
50001-100000	23	0.04	1701827	0.85
100001 and above	30	0.05	187436407	93.72
Total	**56559**	**100**	**200000000**	**100**

- **Shareholding of various categories as on 31st March, 2019:**

Category	Total Shares	% to equity
President of India	174800000	87.40
FIIs/FCB/FPI	2554293	1.28
Mutual Funds	8001002	4.00
Indian public	9290643	4.65
Bodies corporate	3624122	1.81
Banks & FIs	324471	0.16
NRIs/OCBs	532567	0.27
Others	872902	0.43

- **Major Shareholders**

Details of shareholders holding more than 1% of paid up capital, other than promoter group of the company as on 31st March, 2019

S. No.	Name of the Shareholder	Shares	%	Category
1.	HDFC TRUSTEE CO LTD A/C HDFC HOUSING OPPORTUNITIES FUND-1140D NOVEMBER 2017	4109981	2.06	MUTUAL FUND
2.	RELIANCE CAPITAL TRUSTEE CO LTD.A/C RELIANCE POWER & INFRA FUND	2433734	1.22	MUTUAL FUND

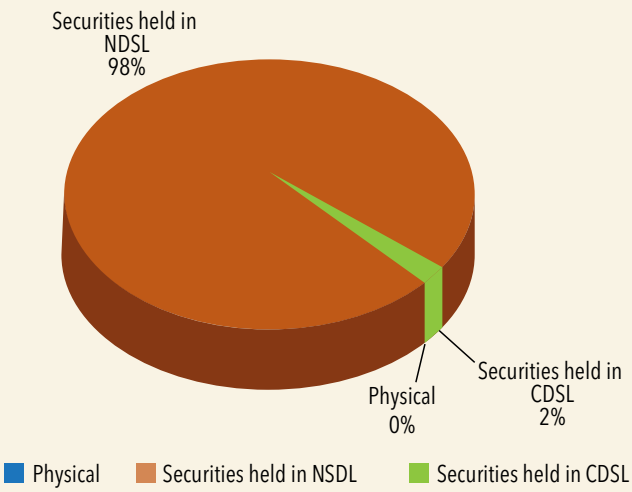
XVI. **Dematerialization of Shares and Liquidity**

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).

Share capital Audit Report regarding reconciliation of the total issued capital, listed capital, and capital held by depositories in dematerialized form with respect to equity share capital of the company was taken from the Practicing Company Secretary for each quarter during the year and duly submitted to Stock exchanges within stipulated time.

Number of shares held in dematerialization and physical mode (as on 31.03.2019):

S. No.	Physical/demat	Number of holders	Number of Shares	% of total issued capital
1.	Physical	26	38	0.00
2.	Held in dematerialized form in NSDL	32,806	19,62,19,252	98.11
3.	Held in dematerialized form in CDSL	23,727	37,80,710	1.89
	Total	**56,559**	**20,00,00,000**	**100**



XVII. **Outstanding GDRs / ADRs / Warrants or any convertible instruments:**

Company does not have any outstanding global depository receipts or American depository receipts or warrants or any convertible instruments.

XVIII. **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.

XIX **Location of Plants:**

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

XX. **Address for correspondence:**

Address	**Registered Office**	**Corporate Office**
	SCOPE Minar, Laxmi Nagar, Delhi - 110 092, India	RITES Bhawan, No. 1, Sector 29, Gurugram–122001, India
Telephone	+91 11 22024610	+91 124 2571666
Fax	+91 11 22024660	+91 124 2571660
Contact Person	Mr. Ashish Srivastava, Company Secretary and Compliance Officer	
E-mail	cs@rites.com	
Website	www.rites.com	
Corporate Identification Number	L74899DL1974GOI007227	

XXI. **Credit ratings obtained by the Company**

During the Financial year 2018-19, the company has received a credit ration of IVR A1+ (IVR A One Plus) on short term non fund bank facilities upto an amount of ₹ 850 crore from Infomerics Valuation and Ratings Private Limited.

12. Disclosures:

During the year, there has been no materially significant related party transaction that have a potential conflict with the interest of the company. The policy relating to related party transaction is amended as per the latest amendments and approved by the Board of Directors and is being uploaded on website of company The web link

of which is as follows: http://ritesltd.com/upload/misc/Balancesheet/Project-Gati-Related-Party-Transaction-Policy.pdf

Details of related party transactions are included in the Notes to Accounts as Indian Accounting Standards –Ind AS-24 notified by Central Government (Note 2.39):

- 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 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.

13. 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. RITES Limited communicate with its shareholders through Annual Reports, General Meeting, newspapers and Disclosures through official website i.e. www.rites.com.

RITES also communicates with its institutional shareholders through analyst and institutional meets held during the each end of quarter where Director and senior officials of the company interact with the investing community .

Information and latest updates and announcements made by the company can be accessed at company's website, following are some of the disclosures made by the company on its official website:

- Quarterly/ half yearly / Annual Financial Results.
- Quarterly compliances as per SEBI (LODR), including shareholding patterns, corporate governance report, Reconciliation of share capital audit report, Certificate from share transfer agent etc.
- Other disclosures made to stock exchange pursuant to regulation 30 of SEBI (LODR), 2015.

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.

Publication of Financial Results in newspaper

S. No.	Publication of Financial Result for quarter ended	Date of publication	Newspaper	
			English	Hindi
1.	Year ended 31.03.2018	July 31, 2018	Financial Express	Jansatta
2.	Quarter ended on 30.06.2018	August 28, 2018	Business Line	Business Standard
3.	Quarter ended on 30.09.2018	November 14, 2018	Financial Express	Jansatta
4.	Quarter ended on 31.12.2018	February 13, 2019	Financial Express	Jansatta
5	Year ended on 31.3.2019	May 30, 2019	Economic Times Hindustan Times	Navbharat Times

14. 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.

15. Whistle Blower Policy and Vigil Mechanism:

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. No personnel have been denied access to audit committee.

16. Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

Company is committed to creating and maintaining a secure work environment where its employees can work and pursue business together in an atmosphere free of harassment, exploitation and intimidation. To empower women and protect women against sexual harassment, a policy for prevention of sexual harassment had been rolled out and the committee for Prevention of Sexual Harassment of women at workplace (The Committee) as per legal guidelines had been set up at all major locations of the Company. This policy allows employees to report sexual harassment at the workplace. The Committee is empowered to look into all complaints of sexual harassment and facilitate free and fair enquiry process with clear timelines. Following are the complaints received during the year:

No. of Complaints filed during the year 2018-2019	No. of complaints disposed of	No. of complaints pending at the end of financial year
01	00	01

17. Certificate from a company secretary in practice that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by the Board / Ministry of Corporate Affairs or any such statutory authority.

The Company has obtained a certificate from Mr. Akhil Rohtagi (Membership No. FCS 1600, COP no. 2317), M/s Akhil Rohatgi & Company, Company Secretaries regarding confirmation that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by the Board (i.e. SEBI) / Ministry of Corporate Affairs or any such statutory authority. The requisite certificate from Mr. Akhil Rohtagi, the secretarial auditor of the Company confirming compliance of this condition has been obtained (placed as **Appendix - III** to this report).

18. Details of compliance with mandatory requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and adoption of the non- mandatory requirements of Regulation 27(1) of the Listing Regulations:

Mandatory Requirements

The Company is in compliance with all the mandatory provisions related to Corporate Governance pursuant to the requirement of the Listing Regulations read with other applicable provisions, if any.

Non Mandatory Requirements

The Board: The Chairman of the Board is an Executive Director.

Shareholder Rights: The financial results for the half year ended 30th September, 2018 were published in Financial Express and Jansatta dated November 14, 2018. Separate half yearly reports has however, not been sent to each household of shareholders. Significant events have been disclosed on the company's website.

Audit Qualifications: There are no audit qualifications on the financial statement for the year 2018 – 19 as shown in Independent Auditors' Report.

Reporting of Internal Auditor: The Internal Auditor reports to the Audit Committee.

19. Fees paid to Statutory Auditors:

Total fees for all services paid by RITES Limited and its subsidiaries, on a consolidated basis, to Statutory Auditors, Branch Auditors and other firms in the network entity of which they are part, as included in the consolidated financial statements of the Company for the year ended March 31, 2019, is INR ₹ 25,85,500/-

20. 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 29.05.2019 (placed as **Appendix - IV** to this report).

21. Compliance:

The Company complies with the requirements of the Guidelines on Corporate Governance for CPSEs 2010 and SEBI (LODR) Regulations, 2015 as amended.

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

Appendix - I

ATTENDANCE OF BOARD OF DIRECTORS MEETING DURING THE YEAR 2018-19

Name of Directors	238 BOD Meeting	239 BOD Meeting	240 BOD Meeting	241 BOD Meeting	242 BOD Meeting	243 BOD Meeting	244 BOD Meeting	245 BOD Meeting	246 BOD Meeting	247 BOD Meeting	248 BOD Meeting	Total BOD Meeting 11 (Eleven)
	23th April, 2018	4th June, 2018	25th June, 2018	28th June, 2018	30th July, 2018	27th Aug, 2018	22th Oct, 2018	13th Nov, 2018	17th Dec, 2018	12th Feb, 2019	11th Mar, 2019	
Shri Rajeev Mehrotra Chairman & Managing Director	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	**All**
Shri Arbind Kumar Director Projects (upto 31.08.2018)	✓	✓	✓	✓	✓	✓	**NA**	**NA**	**NA**	**NA**	**NA**	**6 (All)**
Shri Ajay Kumar Gaur Director Finance	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	**All**
Shri Mukesh Rathore Director Technical	✓	✓	✓	✓	✓	✓	●	✓	✓	✓	✓	**10 (11)**
Shri Gopi Suresh Kumar Varadarajan Director Projects (From 27.09.2018)	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	✓	✓	✓	✓	✓	**5 (All)**
Shri B.K. Agarwal Director	●	✓	✓	●	●	✓	✓	●	✓	●	●	**5 (11)**
Shri A.P Dwivedi Director	✓	✓	✓	✓	✓	✓	✓	●	✓	✓	✓	**10 (11)**
Dr. Vidya Rajiv Yeravdekar Director	●	●	●	●	●	●	●	✓	●	●	●	**1 (11)**
Shri Anil Kumar Goel Director	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	**All**
Shri Satish Sareen Director	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	**All**
Dr. P.K. Anand Director	✓	✓	✓	✓	●	✓	✓	✓	✓	✓	✓	**10 (11)**
Smt. Geethakumary Director	✓	✓	✓	✓	✓	●	✓	✓	✓	✓	✓	**10 (11)**
Shri R.N. Goyal Director	✓	●	●	●	✓	✓	✓	✓	✓	✓	✓	**8 (11)**

Note:

✓ **Meeting attended**

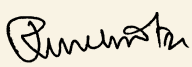
NA Not applicable (not in position)

● Meeting not attended.

Appendix - II

DECLARATION BY CHAIRMAN & MANAGING DIRECTOR REGARDING COMPLIANCE WITH THE CODE OF CONDUCT BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL DURING THE YEAR 2018-19

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 2018-19.



Date: 15.05.2019
Place: Gurugram

Rajeev Mehrotra
Chairman & Managing Director

Appendix - III

CERTIFICATE

Certified that none of the directors on the Board of RITES Ltd. Have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or such any such statutory authority during the Financial Year 2018-2019.

Akhil Rohatgi & Co.
Company Secretaries

Akhil Rohatgi
Company Secretary in Practice
FCS : 1600
COP : 2317

Place : Delhi
Date : 16th April, 2019

Appendix – IV

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 quarter and year ended on 31st March, 2019 and to the best of our knowledge and belief:

(i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading,

(ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations,

(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 and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(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. The change in accounting policies which have no significant financial implication, have been approved by the Board of Directors during the year and 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.

For RITES Limited

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

Ajay Kumar Gaur
Director Finance &
Chief Financial Officer
DIN: 05333257

Place: Gurugram
Date: 29th May, 2019

Appendix - V

CERTIFICATE

To
The Members
RITES LIMITED

We have examined the compliance of conditions of Corporate Governance by RITES LIMITED for the year ended 31st March, 2019 as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 [SEBI (LODR) Regulations] in respect of Equity Shares of the said Company with Stock Exchanges and 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, carried out is in accordance with the Corporate Governance (Models of Best practices) issued by the Institute of Company Secretaries of India, 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 statements 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 knowledge and 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 above mentioned SEBI (LODR) Regulations and in the guidelines on corporate governance issued by the 'Department of Public Enterprises'.

We further state 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: 24th June, 2019

Annexure - B

MANAGEMENT DISCUSSION AND ANALYSIS

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, a Miniratna (Category-I), Schedule 'A' Central Public Sector Enterprise is a key player providing Consultancy and Engineering services to the transport infrastructure sector in India and abroad.



Hon'ble President of Sri Lanka, Shri Maithripala Sirisena flagged off the new train exported by RITES during a ceremony. Hon'ble Minister of Transport and Civil Aviation, Shri Arjuna Ranatunga and Indian High Commissioner, H.E Taranjit Singh Sandhu and CMD/RITES Rajeev Mehrotra were also present

RITES success story spans over a period of 45 years covering over 55 countries across Asia, Africa, Latin America, South America and Middle East regions. The Company is the only export arm of Indian Railways for exporting rolling stock (other than Thailand, Malaysia and Indonesia).

The major services provided by the Company include Engineering and Project Management Consultancy, third party inspection, quality assurance, construction supervision & project management, operation & maintenance, leasing and export of rolling stock. Company has also ventured into projects relating to construction of railway infrastructure, electrification works and modernization of railway workshop on turnkey basis. With the changing environmental and climatic conditions and a paradigm shift from use of conventional sources of energy to renewable sources of energy, the Company has diversified through its subsidiary into the field of renewable energy such as solar and wind energy. Company also endeavors into the implementation of power procurement contracts for Indian Railways under 'Open Access Policy'. The Company is also providing Transaction Advisory service for various projects in the field of transportation and renewable energy sector to be taken up on PPP / JV basis. The services provided by the Company covers various sectors such as the railways, highways, airports, ports, ropeways, urban transport and inland waterways both in India and abroad.

Indian economy has gone through major structural changes. A better taxation regime and the gradual formalization of the economy are likely to give the Indian government more resources to allocate to the infrastructure sector. Make in India policy of Government of India will further provide impetus for flow of capital in India for improving the manufacturing sector. The flourishing of the Manufacturing sector would require an excellent infrastructure within the country. Further, India



is now recognized as a bright spot in the global economy. Country has witnessed its best phase of macroeconomic stability during the last 5 years. India is now the 6th largest economy in the world. As per a recently released report, India moved up 23 spots to 77th position as compared to 100th in 2017 and improved its rank in six out of ten parameters relating to starting and doing business in the country.

With India poised to grow at about 7.5% in FY20, the infrastructure sector is also expected to grow at an faster pace to support the growth of the economy. Company is placed very well to utilize opportunities for business resulting from the infrastructural development and the massive expansion of railways, road network, ports, airports and multi-modal connectivity projects.

The importance of infrastructure is very well emphasized by the Government of India (GOI) for making investment in infrastructure sector for the growth of GDP and creation of jobs. Massive investment has been planned for creating and up gradation of infrastructure. Diverse plans are being initiated to develop roads, railways, connectivity infrastructure in border areas, DFC's, airports, seaports, ropeways, logistic parks and to implement smart city projects. Infrastructural investments are



Inauguration of Delhi Police station and residential complex at Delhi Cantt., by the then Hon'ble Home Minister Shri Rajnath Singh, Minister of Defence and Shri Anil Baijal, Hon'ble LG, Delhi



SAIL-RITES Bengal Wagon Industry Pvt. Ltd. (SRBWIPL), a Joint Venture project rolls out the 1000th modern stainless steel BOXHL wagon at Kulti,



Agreement for Trident Port-Mauritius Signed on 29th October, 18 with Permanent Secretary Govt. of Mauritius

also directed towards the development of metro systems in the various states of India. 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 key emphasis on modernization of Railways by introduction of separate corridors for freight and high speed passenger trains and reinforcing the safety measures by modernizing signaling system and removal of level crossings.

The Government in the Interim Budget for 2019-20 announced Railway's overall capital expenditure programme at ₹ 1,58,658 Crore. The infrastructure sector as a whole is poised to grow at accelerated rates. Also, the stress is on expediting the specified large infrastructure projects announced such as Bullet trains, Bharatamala, Sagarmala, Smart Cities, Inland Waterways development, Private Freight Terminals, Multi model logistic parks including warehouses etc. This places RITES at a favorable position to benefit from the expansion in the railways and other infrastructure in the country.

Multiple reform measures introduced in the last few years in the infrastructure sector have also supported improvement in the pace of project execution. As the construction sector in India derives majority of its orders from the infrastructure projects, the increased outlay towards key infrastructure sectors like roads, railways, urban infrastructure etc., in the past has boosted the order book of construction companies as well as of those companies providing related services.

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. This also 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. The Company provides a cohesive environment to learn and develop. The technical personnel work in pursuit of providing innovative solutions to the clients as per the client specifications and requirements. RITES has established itself as a brand known as 'The Infrastructure People' because of an outperforming track record of successfully

handling a large number of infrastructure projects in India and abroad.

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 may make inroads in the market which may add to competition and also result into loss of experienced professionals.

III. OPPORTUNITIES AND THREATS

Over the years, we have expanded our service offerings to address the growing competition in the market and venture into new market opportunities, thereby capitalizing on the macroeconomic trends arising in the infrastructure sector. RITES plans to amplify its international operations by expanding business of rehabilitation of locomotives and wagons overseas and export 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 and coaches for export and leasing.

Indian Railway Stations Development Corporation Ltd. (IRSDC) has been entrusted with the task of conducting techno-economic feasibility studies of all stations. Re-development is proposed to be taken up in phases after completion of these studies. This provides ample opportunity for RITES also in its area of work.

Government of India has decided to develop 'National Rail Plan' (NRP-2030) for India. The proposed NRP shall suggest Railway infrastructure to be created by 2030 with a horizon year of 2050. Ministry of Railways has entrusted RITES Ltd. to steer the work on Preparation of the NRP, in order to provide long term perspective to planning for augmenting the railway network. Besides this, there would be a larger scope of work for RITES at the time of implementation of NRP in the future.

RITES was appointed as a consultant by the Government of Mauritius for implementing light rail project in Mauritius and providing PMC services for Trident Port, Mauritius. 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 successfully exported 2 Diesel locomotives and 2 DMU to Sri Lanka. During the year, RITES secured new business for supply of 160 Broad Gauge passenger coaches from Sri Lanka and Locomotive spares to Myanmar Railways. RITES is also undertaking detailed project report preparation consultancy for East Bank-East Coast road linkage project in Guyana (South America).



Topographic Survey for DPR of Highway in Guyana, South America

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 its international operations.

To increase the freight transportation capacity of Indian Railways and achieve cost efficiency in operations, the Government has laid special emphasis on the Dedicated freight corridors which would offer opportunities for RITES as both consultants and project managers. The Railways also plans to add new high speed trains for 10 corridors for which a cumulative length of 6000km have been identified, which would require feasibility studies and a detailed project report for the same. These developments will provide ample business opportunities.

RITES Ltd is having an MOU with the Indian Railways for training professionals at Vadodara Staff College.

GOI continues to encourage public and private investment in roads sector through various schemes such as NHDP, PMGSSY, Bharat Mala scheme with introducing business-friendly strategies such as Toll-Operate-Transfer model that will balance profitability with effective project execution. The government targets to achieve 45 km per day road construction 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 including Indian Railway. In order to assist the Indian Railways meet its target for procurement of renewable energy, the Indian Railways and RITES have set up a Company, namely Railway Energy Management Company Limited ("REMCL").

IV. RISKS AND CONCERNS

In view of increased globalisation and opening up of cross border businesses there is a greater risk of competition from foreign companies in consultancy projects. RITES also faces certain competitive pressures from the existing competitors and new entrants in both public and private sector within India. 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.

Sometimes, 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. In view of this concern, RITES has taken up a few turnkey projects assigned by Indian Railways. 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 cyclical nature of the business of export of rolling stock is because of its dependence on lines of credit offered by GOI to various countries. RITES global operations are also exposed to geopolitical, international legal, tax and economic risks.

RITES also carries a risk arising from currency exchange rate fluctuations, which could adversely affect its business, financial condition, results of operations and future prospects. These risks are mitigated by management through appropriate measures.

V. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

RITES has adequate internal control 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 for optimal delegation of authority for facilitation of business. RITES internal audit is conducted by experienced professionals and external audit firms. The internal control and audit systems are also reviewed periodically. Corrective and preventive measures, whenever necessary are

taken up from time to time for continuous improvement.

The internal control system has been further strengthened through the followings;-



Aerial LIDAR survey for HSR (Mumbai-Ahmedabad)

Internal Financial Controls

The Internal Financial Control of the Company is analyzed and audited for the compliance of the internal financial control and accordingly the report on the Internal Financial controls under clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 is prepared and annexed to the Independent Auditor's Report. The report suggests whether the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting operate effectively, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control.

ISO Certification

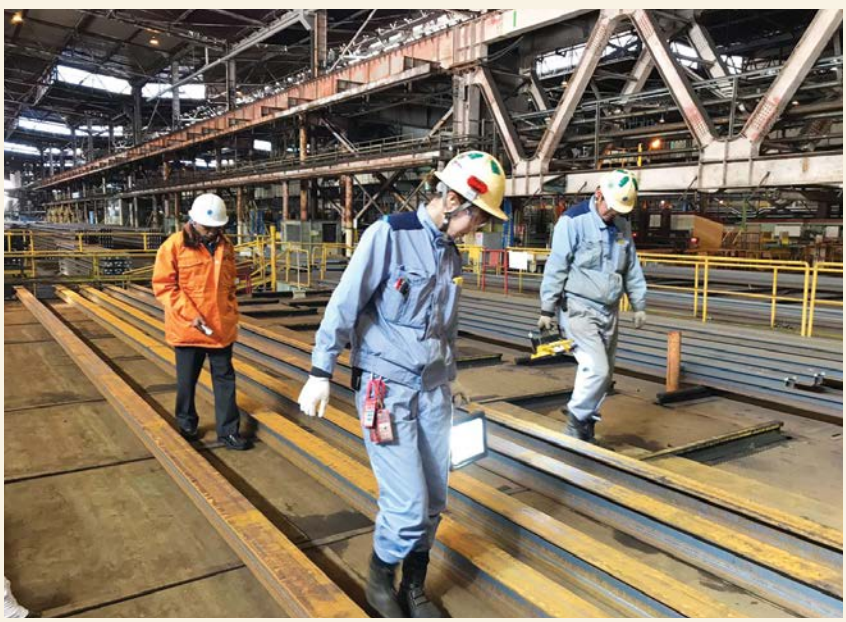
Entire RITES has been certified to Quality Management System as per ISO 9000 series of standards since 2001. The certification has subsequently been upgraded to the revised versions of ISO 9001:2015. The ISO defines the requirement of internal controls through manuals and procedures which are to be formed at both the Corporate level and the Strategic Business Unit (SBU) level. The ISO based QMS involves regular internal audits so as to ensure the compliances with stipulated rules / regulations on a regular basis and therefore forms a part of the internal control systems.

Risk Management System

A Risk Management system is in vogue in the Company which takes care of identification, prioritization and mitigation of risks.

The Risk management systems includes the Financial Risk Management systems since the Company's activities are exposed to a variety of financial risks such as market risk, credit risk and liquidity risk. The Financial Risk Management system's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance through the various risk mitigation strategies in place.

Under ISO 9001:2015 requirements, an additional requirement related to the risk management is introduced which comprises of 10 components that have been laid down which need to be complied with for mitigating any possible risk.



Inspection of rails in Japan

Treasury Risk and Liquidity Management

Execution of Foreign projects also carries currency variation risk. 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 making 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 'IVR A1+', the highest short term rating for its non fund based working capital limits by Infomerics Valuation and Rating Pvt. Ltd. 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 2018-19. The Company recorded total income of ₹ 2164 crore compared to ₹ 1586 crore in the previous year. Profit after tax for the year 2018-19 is ₹ 445 crore as against ₹ 332 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 ₹ 6097 Crore, which is also the highest so far. During the financial year, the Company has earned an operating turnover of ₹ 1969 crore as against ₹ 1434 crore of previous year with addition of ₹ 535 crore. The net-worth has also grown from ₹ 2199 crore to ₹ 2384 crore. During the year the Company has spent ₹10.23 crore as against ₹ 9.90 crore in the previous year towards Corporate Social Responsibilities.

Key Financial Ratios:

Particulars	2018-19	2017-18
(i) Debtor Turnover(No of Days)	**97**	105
(ii) Inventory Turnover[@]	**NA**	NA
(iii) Interest Coverage Ratio[$]	**NA**	NA
(iv) Current Ratio	**1.67**	1.66
(v) Debt Equity Ratio[$]	**-**	-
(vi) Operating Profit Margin (%)	**24.46**	23.17
(vii) Net Profit Margin (%) (PAT / Total Revenue)	**20.55**	20.91
(viii) Return on Net Worth (%) (PAT/ Avg. Net worth)*	**19.40**	15.62

* Reason for increase in return on net worth during current year in comparison to previous year is mainly because of increase in operating margin resulting from increase in operating turnover, coupled with increase in other income.

@ This information is not applicable since company does not carry any inventory.

$ Company does not have any debt.

VII. SEGMENT-WISE PERFORMANCE

During the year, consultancy services including quality assurance services contributed 55.46 % of the total operating income, turnkey construction projects contributed 28.80 %, export sales contributed 10.51% and balance of 5.23% was contributed by leasing income. A segment-wise comparison is given below:

(₹ In crore)

Particulars	2018-19		2017-18	
	Operating Income	%	Operating Income	%
Consultancy Services				
- Domestic	**1019**	**51.75**	901	62.83
- Abroad	**73**	**3.71**	62	4.32
Turnkey Construction Projects	**567**	**28.80**	147	10.25
Export	**207**	**10.51**	232	16.18
Leasing (Domestic & Abroad)	**103**	**5.23**	92	6.42
Total	**1969**	**100**	**1434**	**100**

VIII. OPERATIONAL PERFORMANCE

BUSINESS OUTLOOK

RITES has been recognized as "The Infrastructure People'. This is attributable to RITES contributions towards the infrastructural development in India and abroad. RITES has successfully provided a comprehensive range of quality services to its

clients, enabling them to achieve their business objectives. This has resulted in developing long term relationships with a large number of clients in India as well as abroad. Also, RITES delivery of exemplary services has helped in acquiring businesses from a larger base of potential new clients.

RITES consultancy services are diversified into varied sectors including transport infrastructure and is uniquely positioned 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.

Railways' Capex for the year 2019-20 has been pegged at ₹ 1.59 trillion. The Railways may plan to add new high-speed trains for which 10 corridors have been identified and a proposal has been moved which included permission to carry out a feasibility study and a detailed project report for the 10 possible bullet train corridors. Government has taken several decisions in recent years which will give a big push for infrastructure development in India. RITES may have business opportunities arising on implementation of above decisions such as Railway line extensions, revival and development of unserved airstrips and expansion of metro networks.

Government of India is contemplating up-gradation of Railway stations across the country through Ministry of Railways. Towards this objective, RITES has created a dedicated SBU called Special Project / Station Development.

RITES continued to grow and excel 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 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 provide modern urban transportation is expected.



CMD/ RITES with Mr. Ghoshal, GGM (Expotech) during the start of commercial services of RITES exported DMU

OVERSEAS BUSINESS

Over the years, RITES has gained wide experience of working in overseas projects in a number of countries. These projects were funded by multi-lateral funding agencies. From mid-90s RITES diversified its operations in foreign countries by exporting/leasing rolling stock. RITES expands its international operations by developing and offering/exporting various types of locomotives, rolling stock, railway equipment, spares etc.

During current year two sets of DEMU (26 coaches) and two locomotives have been exported to Sri Lanka Railways against contracts secured last year for supply 6 sets of DEMUs and 10 Broad Gauge AC-AC Diesel Electric Locomotives. Further, RITES secured new business for supply of 160 Broad Gauge passenger coaches from Sri Lanka and Locomotive spares to Myanma Railways.

Presently, RITES is providing consultancy services for implementing light rail project in Mauritius. This opens the opportunity for the Company for undertaking Metro projects outside India.



Hon'ble Prime Minister of Mauritius, Mr Pravind Kumar Jugnauth at the First Rail Laying Ceremony of Metro Express Project, Mauritius

During the year RITES completed the prestigious consultancy project of preparation of DPR for project Trident for Govt. of Mauritius. RITES also secured Construction Supervision and Project Management Consultancy (PMC) services for development of National Coast Guard Headquarters in Mauritius from Government of Mauritius. RITES is also 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 its Subsidiary, RITES (AFRIKA).

RITES undertook Detailed Design Consultancy for a Standard Gauge Railway line between Tema and Akosombo, in Ghana; Feasibility Study of a diversion on proposed Tema-Akosombo Standard Gauge Railway line in Ghana; Project Management Consultancy for East Bank – East Coast road linkage project in Guyana (South America) and consultancy services for construction supervision of Tshesebe to Masunga Road in Botswana.

DOMESTIC BUSINESS

RITES has always remained on the fore-front in 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 services in transport infrastructure consultancy and engineering 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 continues to provide its services for the various projects on turnkey construction basis to Indian Railways e.g. construction of doubling



Project advisory consultancy services for Yamuna Expressway





Hon'ble Prime Minister, Shri Narendra Modi inaugurated Integrated Check Post at Moreh, Manipur

of track between Gooty and Dharmavaram section, Annupur-Pendra Road third line, railway electrification of Sawaimadhopur-Jaipur-Ringas, Railway electrification of Vijaypur-Maksi section. RITES is also carrying out a very prestigious project on turnkey basis for shifting of existing railway infrastructure and other utilities at Sabarmati and Ahmedabad in connection with High Speed Rail Project from Ahmedabad to Mumbai for NHSRCL. Considering the extent of new investments in electrification and railway infrastructure, RITES anticipates more projects of similar nature in the coming future.

RITES has introduced new economical design with high degree of skews (upto 46 degrees) for ROBs for EDFC. IR has awarded project on preparation of National Railway Plan. RITES, as consultant, is also working on 8 Station Development project assigned by IRSDC located in North East, NCR, MP and Maharashtra. RITES has successfully submitted the report for feasibility study for sub-urban rail corridor for Bangalore.

RITES has also successfully submitted the appreciation report on three new Dedicated Freight Corridors (East-West, North-South and East-Coast DFC combined route length of 5771 kms).

RITES remained engaged with undertaking of 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.

The State-of-the-art 4.94 km long fully welded steel Warren Type Truss with double decker (2-tier) Rail-cum-Road Bogibeel Bridge arrangement supporting double track railway line at the lower deck and 3 lane road on the composite upper deck over river Brahmaputra near Dibrugarh, Assam has been successfully commissioned. RITES was involved in this project right from inception stage for site selection, alignment design, detailed engineering, fabrication, development & implementation of quality standards as per Euro Norms, designer's association during construction and commissioning.

In metro rail sector, RITES continued to secure contracts with the award of assignments for Pune Metro. RITES is already engaged in several projects including General Consultancy for Nagpur Metro and Ahmedabad Metro. In addition RITES is also engaged for projects such as detailed design, elevated stations and depots for Ahmedabad Metro, Detailed design of Power supply & distribution system, 750 V D.C. for Bangalore Metro and Ahmedabad Metro etc. RITES is also providing services such as feasibility / DPRs of Rail Based Mass Transit Systems for Gorakhpur, Allahabad, Vijayawada, Jammu, Srinagar & Thane etc.

In Quality Assurance, over the years RITES has been continuously making significant progress and there has been an upward trend in revenue from this Division. Quality Assurance is using digital application in its works like integration with Indian Railway's procurement and material management portals, system generated inspection certificates and digitization of invoicing of RITES fees. As a regular practice, the division is always moving on

the path of adopting new and modern ways of working to provide quality and prompt services for the satisfaction of clients.

RITES is also providing services such as operation and maintenance of railway system to domestic clients in power, steel, cement, coal and port sector. RITES provides locomotives to the clients on lease basis. Presently, 52 locomotives have been leased to domestic non railway customers and there is a growing demand of shunting locomotives on lease by non-railway customers.

RITES is making steady progress and continues to secure several prestigious projects and provide consultancy services for projects in areas such as highways/road transport/bridge survey; airports and heliports, ports and water resources; passenger/ material ropeways as also for funicular railway projects; project management and design consultancy for development / expansion / up gradation 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 operation and achieved the milestone of utilizing the full capacity of manufacturing 100 wagons per month by producing 101 new BOXNHL wagons in January 2019; cumulatively, SRBWIPL manufactured 696 new BOXNHL wagons and rehabilitated 313 BOXNR wagons during current financial year.

RITES has expanded its operations in emerging sectors and are currently undertaking projects in renewable energy, power procurement through its subsidiary Railway Energy Management Company Limited (REMCL) - a Joint Venture Company of RITES and Indian Railways. REMCL has successfully implemented open access supply for Railways in 12 entities across the country, covering 65% of energy requirement resulting in the annual saving of about ₹ 4000 crore to Indian Railways. REMCL is working out energy saving potential in the 6 production units of Indian Railways. REMCL has also provided PMC services for setting up of wind farm of 10.5 MW in the state of Tamil Nadu and is working on harnessing 2 MW Solar Power along the tracks of Indian Railways as a pilot project.



Setting up of Wind Plant of 10.5 MW, Tamil Nadu

IX 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 seven Strategic Business Units (SBUs) at Corporate Office, brief of each of one is as under:

TRANSPORT & ECONOMICS UNIT

This unit specializes in transportation system design, planning of rail infrastructure and transport



Checking of OHE of Vijaypur-Pachor section

economics. The unit carries 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. Among its major current assignments, the unit is carrying out "Techno-Economic Feasibility Study and Tender Documentation for EPC Works for Development of Integrated Multimodal Logistics Hub (IMLH) at Nangal Chaudhary in Haryana" for Delhi Mumbai Industrial Corridor Development Corporation (DMICDC), "Development of rail infrastructure facilities for handling 22 MTPA of traffic at JSW integrated steel plant at Vijaynagar" for JSW Steel Ltd., "Pre-feasibility Study for steel freight corridor" for MECON Ltd. and "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" for PFC Consultancy Ltd.



Inspection of Railway Electrification of Vijaypur-Maksi section

During the year, the project pertaining to "Audit of train operations of Allahabad Division of NC Railway" for the Ministry of Railways has been successfully completed. On behalf of Indian Railways, the unit has also submitted the "Appreciation report for three future Dedicated Freight Corridors (DFCs) viz. North-South, East-West and East Coast".

The unit has also been awarded other important projects like "Preparation of National Rail Plan for India" (which shall suggest Railway infrastructure to be created by 2030 with a horizon year of 2050) by Ministry of Railways and "Feasibility Study to evaluate Rail Movement Limitation from Jamnagar Refinery to RIL Rail Terminals" by Reliance Infrastructure Ltd. (RIL).

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, Grid connected Roof top Solar systems etc.

Presently this unit is executing PMC work of Railway Electrification of sidings for various clients e.g. SAIL, NTPC, BCCL, SECL, SCCL, MUNPL, BRBCL & RINL, main line Railway Electrification works of around 428Tkms i.e. RE work Ringas–Jaipur–Sawaimadhopur section, 188 Rkm (222TKm) of NWR, and Vijaypur–Makshi section, 188 Rkm(206Tkm) of WCR.

This unit shall carry out work of Railway Electrification of sidings at Nabinagar, Meja Thermal Power Project, Lara Thermal Power Project, Kusmunda, Patherdih, and Main line Railway Electrification on SECR and SCR which is more than 690TKm.

Unit is presently doing Railway Electrification works of around 1118 TKm. During the year, unit has provided consultancy services to: APCRDA for carrying out PETS survey, IPRCL for carrying out DPR, DPR for THDCIL, Khurja, Feasibility Study Report for IMLH, MRVC for Detailed Engineering for MUTP Phase-II works of Western & Central Railways Projects.

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 ranges 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 SECL, Junadih, CCL, Piparwar. Steel Plant (Rourkela) and Annual Operation & Maintenance work at MPPGCL, Khandwa, Tata Steel (Kalinganagar) and RFID (Radio Frequency Identification) based ETC (Electronic Toll Collection) for 13 Toll Plazas of SDMC.

Project Management Consultancy works under execution include provision of Signalling & Telecommunication system in in-plant yards at NTPC (Mauda & Khargone), Steel Plant (Koradi), RINL (Visakhapatnam), SECL (Kusmunda), 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.



Doubling of Track between Gooty-Dharmavaram

Works recently secured by this unit include PMC work for implementation of EACS system at ONGC, TPA for Bharat Net Phase-II (OFC Connectivity with Gram-Panchayat's) for states of Punjab & Bihar, Appreciation report for Feasibility Study of DFCCIL East-West, East-Coast and North-South for Semi-High Speed Corridors of Indian Railways etc.

TRACK & SURVEY UNIT

This nodal unit for Rail Infrastructure projects, has been involved in many milestone projects such as Konkan Railway Project, Kashmir Railway Project



Geotech investigations for HSRMA Project

and Mumbai-Ahmedabad Bullet Train Project. In this process, it has developed state-of-the-art expertise and has gained vast experience in the fields of Feasibility Studies, Preliminary Engineering-cum-Traffic Studies, Final Location Surveys, Detailed Project Reports and Detailed Engineering of conventional railways, High-Speed Railways and Dedicated Freight Railways, using state-of-the-art surveying and optimization technologies like Aerial LiDAR survey, Quantm Alignment Optimisation Software, Bentley Rail Design and Concept Stations etc.

During the year, this unit has successfully completed: Final Location Survey and Geo-Technical Investigations for Mumbai-Ahmedabad High Speed Railway Line (508 km)for NHSRCL, using Aerial LiDAR survey; Final Alignment Design and GAD of critical bridges for Mumbai-Ahmedabad High Speed Railway Line for NHSRCL for JIC Consortium (a Consortium of Japanese Consultants); Feasibility study for Mumbai-Chennai High-Speed Railway Line (1300km),which is a part of the proposed Diamond Quadrilateral network of HSR Corridors for HSRC.

In addition, this unit has also developed the following Appreciation Reports for DFCs and Semi-HSRs:

Appreciation Report on three new Dedicated Freight Corridors (East-West, North-South and East-Coast(Total Length: 5,771 km) for DFCCIL, Appreciation Report on Seven New Semi-High Speed Railway (Semi-HSR) Lines (Delhi-Varanasi, Delhi-Amritsar, Delhi-Bhopal, Delhi-Ahmedabad, Hyderabad-Chennai-Bengaluru-Hyderabad, Mumbai-Nagpur and Patna-Kolkata, (Total Length: 5,733 km) for Indian Railways.

Further, this unit is also executing the following projects:

Detailed Design Consultancy for a Standard Gauge Railway line between Tema and Akosombo in Ghana for AFCONS; Feasibility Study of a diversion on proposed Tema-Akosombo Standard Gauge Railway line in Ghana for AFCONS; Consultancy for capacity enhancement though Semi-High Speed and High-Speed Railway Lines for Indian Railways and Detailed Design of Alignment for Delhi-Ghaziabad-Meerut Line of RRTS Corridor for NCRTC, India.

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 boreholes, in-situ and laboratory tests etc. GT SBU has already carried out Geo-technical investigation for a number of prestigious projects in the country and has attained the singular status of being the only organization that provides total consultancy for complete Geotechnical / Geological / Geophysical investigation.



Geotech Investigation for DPR of Port at Ramayapatnam

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 400m below natural ground level), Geophysical instruments for seismic & resistivity survey and latest geological & geophysical relevant softwares.

The Unit has completed GT investigations for the proposed tunnels in Guntur – Guntakal section of South Central Rly. and detailed design of 14 ROB's

and approaches in Khurja – Dadri section for EDFC of DFCCIL. In addition to above projects, the Unit has also completed Geotechnical Investigation for DPR study for proposed Gurugram metro projects. During the year the Unit secured a contract for Geotechnical investigation of Major/Minor bridges/ROB's/RUBs for Katghora-Dongargarh Project (Reach-2 from km 47.00 to 150.00 including spur lines).

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.

During the year, inaugural trial run of New Rewari –Madar section (306 km approx.) of WDFC Phase-1 was successfully completed.

CIVIL ENGINEERING DESIGN UNIT

This 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 via ducts, 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.

Recently completed projects include Rail cum Road Bridge across river Brahmaputra at Bogibeel near Dibrugarh, Assam, Preparation of GADs for bridges for High Speed Rail Corridor: Mumbai –Ahmedabad Section, Proof checking of 8 ROBs for L&T Hyderabad, River morphological analysis and design of river training and bank protection works for UDRP for Govt. of Uttarakhand, Detailed Project Report along with designs and drawings for construction of two railway tunnel between Chalama and Gazulapalli Railway stations on Guntur -Guntakal Section of South Central Railway.

Some of the ongoing projects are: Design, developing, installation and commissioning of Structural Health Monitoring System for 4.94 km long Bogibeel Rail cum Road Bridge, Design, Drawing & Proof Checking of major bridges in East Central Railway, DPR for two tunnels on Kadappa-Bangalore New BG line Pendlimarri-Rayachoti Section (Phase-II) for South Central Railway, Design of Drainage System for track/formation, RUBs & yards for single standard gauge railway line form Tema- Akosombo, Ghana for AFCONS etc.

REGIONAL PROJECT OFFICES (RPOs)

To cater to clients in various regions in India, RITES has established Regional Project Offices (RPOs). These RPOs provide consultancy for development of Rail Infrastructure, construction of railway sidings and connectivity projects of varied industries such as steel, power, mining etc.

NORTH

This Regional Project Office located at Gurugram provides consultancy services mainly in Haryana, Punjab, Rajasthan and other northern states of India. It provides consultancy services for preparation of detailed project reports, detailed engineering & project management services including planning and design for projects of flyovers, roads, railway sidings, inland containers depots, buildings etc.



Design of approach bridges near Jammu-Udhampur-Srinagar-Baramulla Rail Line (JUSBRL) project for Indian Railways





Ram Jhula cable stayed bridge over Main Railway track (North South trunk route) Nagpur was inaugurated by Shri Devendra Fadnavis, Hon'ble Chief Minister of Maharashtra and Hon'ble Minister of Road Transport and Highways, Shipping and Water Resources, Shri Nitin Gadkari. The work was under RITES supervision.

The RPO 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 RPO consists of construction of "Third line of Pendra Road-Annupur section (50.10km) of Bilaspur Division of South East Central Railway", Railway sidings to thermal power plants at Tanda for NTPC, Ghatampur for NUPPL & Khurja for THDC, PMC for construction of ROBs/ Flyovers at Amritsar, Box pushing (RUBs) at New Delhi, construction of Railway sidings for BPCL at JOBNER (Jaipur), RTRS track Alignment and Maintenance at TBRL Ramgarh range Chandigarh etc.

LUCKNOW

This Regional Project Office (RPO) is having projects in Uttar Pradesh, Madhya Pradesh and Bihar and 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 and 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 of around ₹ 600 crore. RPO is also providing their services for rail connectivity of almost all the mines of Northern Coalfields Limited.

During the year, Railway siding of Meja Plant (25km long), Railway siding of Nabinagar, S&T works for MGR yard, Shaktinagar Exchange yard of Vindhyachal Plant and Station-I yard of Rihand were commissioned.

NAGPUR

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

This RPO was awarded two projects by PWD Bilaspur for construction of ROB and one project by MSPGCL Koradi for infrastructure facilities for CHP 3 x 660 MW KTPS KORADI.

During the year, a major project of six lane cable Stay Bridge for MSRDC has been completed and opened for public.



25 KV Energization of existing Chandrapura Thermal Power Plant Railway Yard Line.



Station elevation facing north side of Airport South Station-Nagpur Metro Rail

SOUTH

This Unit, located at Secundrabad,covers southern part of India i.e. Tamil Nadu, Karnataka, Kerala, Andhra Pradesh & Telangana States. This Unit has expertise, Resources and Technical Competence to undertake Projects from Conceptual Stage to completion and commencing which includes Preparation of DPR, Feasibility Report, Estimates, Detailed Engineering & Project Management Services, including Roads, Railway Siding works, Buildings apart from maintenance of railway infrastructure related works. One important railway doubling project between Gooty & Dharmavaram stations for a length of 90 Km in Guntakal Division of South Central Railway is also being executed by this unit.

During the year, this unit also submitted Detailed Feasibility Report for Bengaluru Suburban Corridor in a stringent period for South Western Railways.

During the year this unit has developed about 64000Sq mtr of built-up area of buildings for the Dept. of Collegiate Education (DCE), Dept. of Technical Education (DTE) and Directorate of Employment & Training (DET) of Government of Karnataka.

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 Govt. Depts., and PSUs like CIL, IOCL, NTPC etc. This unit diversified and developed expertise in infrastructure projects like water work project of Civil Authorities, namely KMC, KEIP & KMDA.

RPO/Kolkata is executing three major Rail connectivity Projects near Ranchi in Jharkhand for Magadh, Amrapali and North Urimari coalfields at a cost totalling more than ₹ 1000 Cr.

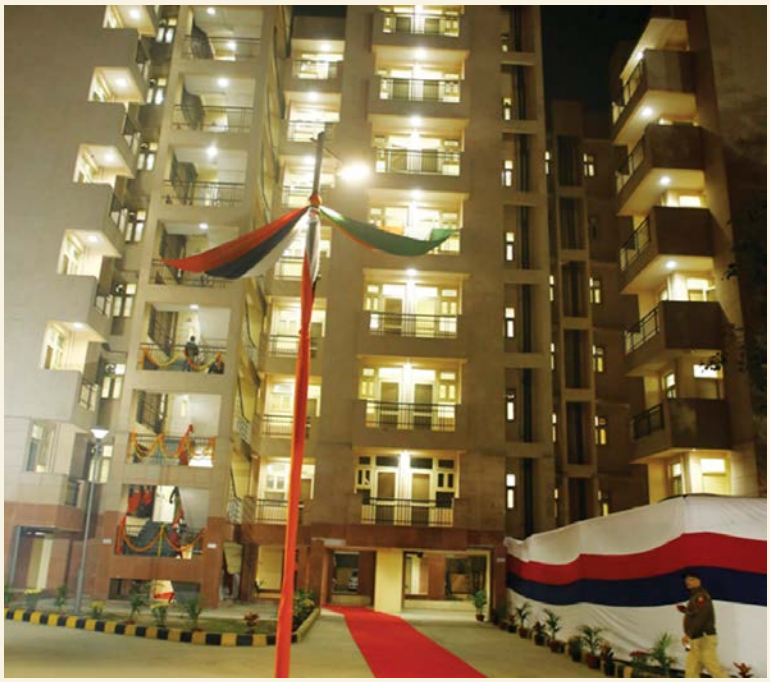
This unit has also been entrusted with re-habalitation and changing of cables for Vidyasagar Setu, India's longest cable stayed bridge and is also providing Project Management Consultancy for Rail connectivity works of different Thermal Power Stations situated in different states namely Raghunathpur TPS (in West Bengal), Muzaffarpur, Barauni (both in Bihar) and New Bongaigaon TPS (in Assam).

BHUBANESWAR

This RPO covers South- Eastern part of India viz. Odisha and also part of Andhra Pradesh and is generally involved in developing Rail Infrastructure for different industries, like Steel, Aluminum, Ports, Power and Mining Sector and serves major Clients like NALCO, NTPC, MCL, RINL, SAIL, CONCOR,



Open Web Girder Launched over Central Railway Track for Metro Crossing



Project management for 22 projects of Delhi Police at various locations in Delhi - Police Station and Residential Quarters at Punjabi Bagh

Visakhapatnam Port Trust (VPT), Paradip Port Trust (PPT), Tata Steel & NSPCL etc.

This RPO is currently working for the projects pertaining to preparation of conception agreement for Gopalpur Port Limited, transaction advisor for Captive Jetty and developmental study of a Bus Terminal. This unit is also working with IPRCL at Paradip & Visakhapatnam.

RAIGARH

This RPO works in areas covering part of Chhattisgarh and part of Odisha State and provides services related with development of Railway Infrastructure for different industries in Power, Steel & Mining Sector.

Major ongoing projects are execution of works of NTPC-Lara and OPGC-MGR.

During the year, this RPO has completed 70% of execution of works of NTPC-Lara with all approval of Indian Railways & 90% Tendering work is complete. 80% execution of works of OPGC-MGR work has been completed. The work was awarded to agency on EPC Contract basis.

BUILDING AND AIRPORT DIVISION

This division has three strategic business units namely Construction Project Management unit, Airport unit and Special Project – Station Development.

CONSTRUCTION PROJECT MANAGEMENT UNIT

The Unit renders concept to commissioning consultancy and Project Management Services for Institutional Buildings/Universities/Colleges, Schools, Infrastructure Projects, Residential Buildings/Colonies, Hospitals, Office Complexes, Inland Container Depots, Bus terminals. It also provides Quality Audit/ third party inspection services etc.

Its clients include: Ministry of Defense, Ministry of Railways, Delhi Police, University of Delhi, Indian Council of Agricultural Research, Delhi Jal Board, Ministry of Science and Technology, and Navodaya Vidyalaya Samiti, National Institute of Technology (NIT) - Meghalaya, MNIIT- Allahabad, NIT- Hamirpur, IIM Rohtak, IIM- Shillong, Container Corporation of India etc.

The unit is also providing consultancy and Project Management Services for prestigious Railway station development projects like Ayodhya, Varanasi, Central University of South Bihar at Gaya, Construction works at Central University of Kerala at Kasargod, NASC Complex, Pusa etc.

AIRPORT UNIT

This unit provides comprehensive consultancy services in all aspects of Airports & Airside Infrastructure. The division has over 25 years of experience in the air transport sector and has worked on many prominent airports in India & Abroad.

The range of services provided by the division include :- Demand Assessment and Forecasting, Air Traffic Surveys, Feasibility Studies, Detail Project Reports, Preparation of Master Plan, Design of Airfield Pavements, Design of Terminal Buildings, Air Traffic Control Tower, Crash Fire Rescue Facilities, Sub Stations, Aircraft Hangars/Workshops / maintenance buildings and other ancillary buildings, Provision of Ground Equipment's, Airfield Ground Lighting System, Planning of Navigational and Communication Aids, Carrying out Non-





PCN Evaluation of Runway, IGI Airport, Delhi

Destructive Pavement Evaluation using Heavy Weight Deflectometer, Environmental Impact Assessment Studies, Construction Management & Financial Appraisal.

During the year, consultancy assignments for the development of Airports at Bhogapuram, Dagadharti, Oravakallu, Kothagudem, Shimoga, Malda, Bhiwadi and Balurghat were undertaken. PMC for construction of airports at Gulbarga, Chitrakoot and Kushinagar were also undertaken. Other ongoing assignments include PMC for development of Landports at Birgunj & Biratnagar along Indo-Nepal border, Dawki along India-Bangladesh border and Moreh along India-Myanmar border. The unit secured new assignments for Development of Airports at Amravati (Maharashtra), Kuppam (Andhra Pradesh), Purulia (West Bengal).

The unit also bagged PMC work for development of Passenger Terminal at Srinagar Airport, PCN evaluation at Chakeri-Kanpur, Consultancy for preparation of DPR's for 30 Heliports by Pawan Hans Ltd. in 5 states under Regional Connectivity Scheme (RCS). New assignment for preparation of DPR's for 7 nos. Phase-II Landport's was also secured.

Project Management works for development of new runway at Kanpur and work of Evaluation of PCN for 7 airports at Chitrakoot, Aligarh, Azamgarh, Muradabad, Murpur, Shravasti & Jhansi were completed. The unit also completed consultancy services for preparation of Detailed Engineering Reports for Development of Landports at Sunauli & Rupaidihaon Nepal border and Sutarkandi-Assam on Bangladesh border.

SPECIAL PROJECT – STATION REDEVELOPMENT

Government of India is contemplating up-gradation of Railway stations across the country through Ministry of Railways.

Towards this objective, RITES has created a dedicated strategic business unit called Special Project / Station Development. This Unit geared up to procure projects from IRSDC, RLDA and Indian Railways on regular basis.

Currently Unit is working on 8 station projects assigned to RITES by IRSDC located in North East, NCR, MP and Maharashtra in the initial stage. These projects involve development of stations and its adjoining real estate at par with International Standards.

RITES mandate in these projects includes assessment of real estate potential, development of



Model of Ayodhya Railway Station



Construction of Ayodhya Railway Station project under progress

station master plan along with station development scheme, engineering detailing of station development proposal, bid process management and Engineering project management. These projects are in initial stage of planning.

Besides, this unit is working on Station Re-development Project at Varanasi & Ayodhya which are already in construction stage.

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 four Independent Engineering services for development of deep draft Iron ore berth, clean cargo berth, deep draft coal berth on BOT basis, and mechanization of three berths for Paradip Port Trust.



Consultancy for preparation of detailed project report for Project Trident, which comprises New Headquarters-cum-Maritime Rescue Coordination Centre Complex , Mauritius

During the year, this unit has completed the prestigious consultancy project of Preparation of Detailed Project Report of Project Trident for Government of Mauritius and TEFR Study for development of Greenfield port at Ramayapatnam Port for Govt. of Andhra Pradesh.

This unit has been awarded the work of DPR for Inner harbor expansion by Paradip Port Trust. This unit has also secured Construction Supervision and Project Management Consultancy (PMC) services for development of National Coast Guard Headquarters in Mauritius from Government of Mauritius. The facilities to be constructed under this maiden overseas project being executed by this division are: Coast Guard Head Quarters Building, Flotilla Support Services, Workshop Building, Marine Ship Lift and Repair yard and Berthing Jetties.

Govt. of AP has awarded the preparation of Detailed Project Report of the Ramayapatnam Port to this unit.

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 / detailed project reports, construction supervision, independent engineering, project advisory, external technical 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 covering countries like 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 construction supervision of Tshesebe to Masunga Road in Botswana and DPR of East Bank-East Coast road linkage project,



Construction of Test Track (Dynamic Platform) at Indore under NATRiP

Georgetown in Guyana. In India, the unit undertook NHAI funded DPR for Development of Greenfield Stretches for improving direct connectivity in Indian Cities (Gadchiroli-Karimnagar and Khandwa-Akola NH Sections – 400 km) and NH Sections under Bharat Mala scheme in Gujarat, West Bengal, Punjab & Haryana; DPR of state roads in Himachal Pradesh; DPR & PMC Services for implementation of 373 RCC bridge construction in 7 districts of West Bengal, DPR for construction of Vivekananda Road Flyover from Ultadanga to Girish Park; DPR and PMC for redevelopment of Kalighat Temple Complex; Pre-feasibility study of service road around Goverdhan Parikarma Marg in Mathura (UP); PMC of Sitalkuchi-Gosai Mari and Adabarighat-Sital Road, Coochbehar-Baneswar Alipore Duar Road, Design Vetting and PMC Services and Quality Audit for construction of Grade Separators at NAD Junction, Visakhapatnam; Third Party Inspection & QA services for Infrastructure Works in Amaravati, Andhra Pradesh etc.

Other important on-going works include Authority Engineer for Vijayawada-Machilipatnam Road in AP, Baharagora-Singhara Road in Odisha and PMC for High Speed Testing Track in Indore; and Bridge Inventory and Condition Survey on all NHs in Rajasthan and Andhra Pradesh/Telangana.

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

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

SBU has completed the Detailed Project Reports of Metros for Chennai Phase-II, Kanpur, Agra, Meerut, Nagpur Phase-II and Patna during the year. The SBU is presently working on Feasibility / DPRs of Rail Based Mass Transit Systems for Gorakhpur, Allahabad, Vijayawada, Jammu, Srinagar and Thane. The SBU has also completed the studies on Public Transport Master Plan for Kolkata and Multi-modal Integration Planning for High Speed Rail (Ahmedabad - Mumbai) Corridor. Inter Modal integration and Transit Oriented Development studies have also been carried out for two suburban rail corridors in Mumbai for MRVC.

The SBU in association with Systra was awarded the work of DPR preparation for Coimbatore through open international bidding. The study is being funded by KFW.

URBAN TRANSPORT (GENERAL CONSULTANCY)

This unit provides comprehensive consultancy services in all aspects of urban transport: i.e



General Consultancy for Ahmedabad Metro

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).

During the year, SBU was awarded the consultancy for Techno-Economic study for selection of appropriate technology for introduction of Semi-High Speed Trains for Indian Railways. SBU was involved in following Projects during the year: International Projects- Supervision of Metro Express line in Mauritius. Domestic Projects- General Consultancy for Delhi Metro Phase-III, Ahmedabad Metro, Nagpur Metro & Pune Metro, DDC services of composite girders for Nagpur Metro, elevated metro stations and Depots (Apparel & Gyaspur) for Ahmedabad Metro, Detailed design of Power supply & distribution system for Bangalore Metro & Ahmedabad Metro. Proof Checking works for Viaduct and stations for Ahmedabad Metro.

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, water supply / sanitation, ecology and biodiversity. The unit is accredited by QCI-NABET for EIA study of Airport, Ropeways, Water Resources, Building Construction, Area Development (Township etc), transportation (Highways, Railways, Metro etc) and Solid Waste management which leads to grant of Environment Clearance from Ministry of Environment, Forest and Climate Change, Government of India.

SBU has undertaken the work of EIA & SIA of Chennai Metro, Nagpur Metro, IC for CSTM-Panvel Harbour Line, Greater Noida Heliport, Bhiwadi Airport, Pune Metro, Gorakhpur Metro, Allahabad Metro, Gurugram Metro, Thane Metro, Two Tunnels in Andhra Pradesh and Study for River Morphology in Uttarakhand during the year. EIA and SIA Study for Ahmedabad Metro Rail Project Phase-II and Surat Metro Rail Project Phase-I have been awarded during the year and are in progress.

REGIONAL PROJECT OFFICE – AHMEDABAD

This SBU 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. Services provided by RPO Ahmedabad include Feasibility studies, DPR, Project Management consultancy of Rail siding works, building works, bridge works, ROBs/RUBs/Box pushing/Pipe pushing, Multimodal logistic parks etc.

This unit is executing a very prestigious project for shifting of Railway infrastructure and utilities

in connection with High Speed Rail Project from Ahmedabad to Mumbai. The project includes construction of a new CONCOR depot, Engineering workshop, Flash Butt Welding Plant, Stores Depot & Scrap Yard, Central Periodic Overhauling (CPOH) workshop and Divisional Maintenance Centre (DMC) for Track Machines, Staff quarters and other misc. buildings. Construction of Phase 1 of CONCOR depot has been completed during the year and other works are under progress. Other ongoing major projects are Private Freight Terminal (PFT) for CONCOR at Varnama/Vadodara, Rail Transshipment Hub (RTH) for CONCOR at Swarupganj/Rajasthan, Enterprise Access Control System (EACS) for ONGC and projects of Third party inspection for ROBs/RUBs/Box pushing/Pipe pushing and other non-railway client under Municipal Corporation of Ahmedabad, Rajkot and Surat, Gujarat Urban Development Mission (GUDM), Gujarat Water Supply & Sewerage Board (GWSSB)/Gandhinagar.

URBAN INFRASTRUCTURE – MUMBAI

This SBU is executing consultancy projects in and around Mumbai area and is providing project management consultancy services to prestigious clients like CONCOR, IPRCL, MRVC, CIDCO, MIDC, MMRDA and BPCL. The unit is also providing detail engineering services 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. Unit is conducting Survey for various New lines on Central Railway.

A major work of Launching of one of the longest (1X100 M) Open Web Girder for Metro crossing over Central Railway tracks was completed by this SBU near Taloja, in Raigad Maharashtra.

This SBU has completed work of Multi modal logistic park at Balli near Goa for Container Corporation of India during the year, while the works of MMLP at Mundra and Tihi Phase-II are in progress. This SBU was awarded the work of 3rd party inspection of Hancock ROB at Wadala by MMRDA.

EXPOTECH DIVISION

The division offers integrated export packages for rolling stock including supply, 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.

The unit endeavors to provide best rolling stock to clients through continuous technological up-gradation to ensure availability and reliability and customization as per specific transport needs.

Rolling stock is sourced from the production units of the Indian Railways and is customized to suit the requirements of the clients in other countries. Spare parts support is also assured for several years after delivery of the stock.

During the year, unit started executing contracts secured last year to supply 6 sets of DEMUs (total 78 coaches) and 10 nos Broad Gauge AC-AC Diesel Electric Locomotives, manufactured at ICF and DLW respectively, to Sri Lanka Railways. Two sets of DEMU (26 coaches) and two locomotives have been exported in this year. RITES continued to provide expert services to CFM/Mozambique for maintenance of 16 Locomotives.

During the year, RITES secured new business for supply of 160 Broad Gauge passenger coaches from Sri Lanka and for supplying of Locomotive spares to Myanmar Railways.

QUALITY ASSURANCE DIVISION

This division renders third party inspection and vendor assessment services in India and abroad to various clients in the Government, Public and Private sectors. Laboratory testing services are also provided by the division. This division has regional offices at Delhi, Chennai, Kolkata, Mumbai & Bhilai with 36 sub-regional offices spread over prominent



Testing of Rails



DMC Shed in Progress at CPOH Vatva for NHSRCL Work

locations across India. Services in the field of Capability and Capacity Assessment of vendors, laboratory as well as technical assessment under single point Registration scheme of NSIC are also provided by this division.

The division has enhanced its business with PSUs, power utilities, Metro Rail Corporations and infrastructure projects in different states. In addition to prestigious non-railway clients like GMR, Tata Projects, Alstom, L&T besides clients in Government sector like DMRC, Lucknow Metro Rail Corporation, Rourkela Steel Plant, BHEL Trichy, Kolkata Metro Rail Corporation, Dedicated Freight Corridor (DFCCIL), Karnataka Urban Water Supply & Sewerage Board and various State Electricity Boards have awarded contracts for third party inspection & related services to RITES.

This division is associated with SAIL for providing third party inspection services at conversion and wet leasing agents for inspection of long products, slabs and coils. The division also undertakes inspection of machinery & plant, wheels, axles, wheel sets, pistons and piston rings and other components of railway rolling stock in various countries namely Switzerland, China, Netherland Denmark, Finland, Germany, Sweden, Italy, Russia, Ukraine etc. for Indian Railways, Container Corporation of India and a number of wagon manufacturers.

The division has extensive experience in enhancing the quality of rails and has inspected over 1.2 million MT rails as per IRST 12. Division has recently completed inspection of Head Hardened rails in Japan for the DFCCIL project.

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.

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. Further experience of the division includes safety / energy / water audits and customer satisfaction surveys.

RITES, through its experts, is represented in various Standard Formulation Committees of Bureau of Indian Standards to enhance its contribution to quality movement at the national level.

TECHNICAL SERVICES DIVISION

The division has three strategic business units namely rolling stock design unit, material system management unit and workshop & ropeway unit.

ROLLING STOCK DESIGN UNIT

This unit is the design and development wing of RITES for Mechanical Engineering that provides





Designed by RITES - Food Grain Wagon and Self Propelled Accident Relief Train

complete solutions in Rolling Stock Design and Development; it also handles technically complex turnkey projects. It undertakes studies with high technical content such as crashworthiness simulation and field testing, static and dynamic structural analysis simulations, linear and non-linear FEM analysis, vehicle dynamics simulation and diesel engine process studies. The unit also offers solutions in the area of Emission Control Solutions.

Some major projects undertaken by the unit are design of 45 ft. container flat wagon, Design of Food grain Wagon, Design of 20-axle special wagon for carrying 250 tonne transformer, Design of 24 axle special wagon for boiler drums transportation, Setting up Fatigue Testing Laboratory at BEML, Bangalore and fatigue testing of DMRC Bogie Frames, Design of High capacity High Speed Milk Tank Van, Design, development, simulation and testing of crashworthy coach for Indian Railways, Setting up of Wheel Design, Development and Testing Centre at Rail Wheel Factory, Bangalore, installation and commissioning-of Diesel Powered High Speed 200 KMPH SPART (Self Propelled Accident Relief Train), Setting up of Waste to Energy Pilot plants for Indian Railways.

The unit is involved in a project called SMART Yard in which various transducer technologies capture relevant data for not only maintenance purposes but also identify critical events for immediate action. In addition it will provide deeper understanding of health and maintenance periodicity of the rolling stock. The unit is also working on a study on reduction of Pit-line examination time of trains for Indian Railways and bench marking of maintenance practices and infrastructure with international railways.

MATERIALS SYSTEM MANAGEMENT UNIT

The unit has been providing comprehensive Procurement, Logistics and Supply Chain Management Consultancy Services in compliance with the International Best Practices, Guidelines & Procedures of International Funding Organisations (IFOs) and GFR of Govt. of India. The Core Competence of the Unit is to perform a wide range of services which include: In-depth knowledge of procurement policies & procedures of Government of India, bilateral/multilateral funding agencies, Railways & DGS&D, expertise in various fields of Materials Management, Supply Chain 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 includes NACO under Ministry of Health and Family Welfare, Government of India and MPRNL project of the Ministry of Agriculture.

The unit is also instrumental in providing various allied services like Warehousing Management best Practices, Supply Chain Benchmarking and Optimization and Supply Chain Project Management duly blending the best practices in both Project and Supply Chain Management best practices and maturity models.

During the year, the unit has signed a new contract with NAHEP, Ministry of Agriculture for a period of three years i.e. up to November, 2021 to provide procurement consultancy services.

WORKSHOP & ROPEWAY UNIT

This unit provides total consultancy services from concept to commissioning for setting up / modernization of Railway workshops and other industrial units ranging from preparation of techno-economic feasibility reports, detailed project reports to turnkey execution including Civil, Electrical and Mechanical works. It also provides consultancy services for passenger and material ropeways and funicular railway systems.

This unit is undertaking turnkey contracts of 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; Setting up of facilities for refurbishment of LHB coaches at New Bongaigaon, NFR; Freight train maintenance facility with routine overhauling facility for Freight Wagon at Sarla, East Coast Railways; Provision of Diesel electric multiple unit/ Mail Line electric unit shed at Lumding, NFR ; Project management consultancy services for Supply and Commissioning of M&P at Ahemdabad for FBW, Bridge Workshop and CPOH Vatva with NHSRCL.



Vaishno Devi & Bhairon temple in just 3 minutes via Passenger ropeway



Load test rig at Kulti workshop

During the year, the unit provided technical consultancy services for Construction of Single Standard Gauge Railway Line from Tema to Akosmbo, Ghana; Wagon Tipler for NALCO at Angul and DPR for passenger ropeway at Luggu buru, Lalpania, Jharkhand.

While ropeway projects at Jammu (J&K); Rajgir & Banka (Bihar); Sholingur & Ayyarmalai (Tamil Nadu) and Guwahati (Assam) are in advance stage of completion, Passenger Ropeway & Material Ropeway at Shri Mata Vaishno Devi Ji, Katra and Passenger Ropeway at Namchi (Section-I) was commissioned successfully.

RAILWAY EQUIPMENT SERVICES UNIT

This division is a 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 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, Bhilai steel Plant etc. for loco leasing, operation of their railway systems and maintenance of rolling stock & track etc. Presently, 52 locomotives have been leased out.

The unit is maintaining over 130 diesel locomotives & 1539 wagons owned by customers like NTPC, NSPCL, WBPDCL, SAIL & APCPL, besides, operating and maintenance of track of some of the clients. The unit 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 a diesel locomotive manufacturing unit at Marhowra and electric locomotive manufacturing unit at Madhepura (Bihar).

Besides 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 and to FCI for Selection of Service Provider to procure & maintain Specialized Wagons for bulk transportation of food grains for FCI.

Unit continued to provide consultancy services to various clients/ in house for infrastructure sectors such as ports, urban infra, urban transport, etc.

During the year unit secured an assignment of advisory services for selection of Lessor to Supply and Maintenance of Rolling Stock for Line-5 of Delhi Metro Rail Corporation Ltd and PMC Services for Selection of Agencies for Supply, Operate & Maintain Plastic Bottle Crushing Machines at various stations of IR.

INFORMATION TECHNOLOGY UNIT

This 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 Computerized Commercial Applications particularly in the areas of Company Accounting, Payroll, Material Management, Workshop Management, etc. The major on-going projects include; development of budget module for preparation of fund management system, Govt of Tripura; etc. unit also provides annual maintenance support for various application software developed for clients like Ministry of Railways, IRCON, Govt. of Tripura.

This unit has implemented 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 center has been established. The unit also supports in-house needs of RITES by providing services for hardware procurement, Access to internet and corporate e-mail services, etc. RITES has successfully implemented 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. The certification of ISMS is in process.

IT SBU is empanelled with HARTRON to undertake Integration of Different Applications with e-Governance System.

HRD AND TRAINING UNIT

Human Resources

RITES is a knowledge based Company and for its further growth, continuous development and growth of its human resource is a prerequisite. RITES being a premiere consultancy organization, aims at ensuring the development and growth of its employees to ensure they remain ahead of the curve to meet the constantly changing business needs. It puts a lot of emphasis on talent acquisition, talent engagement, welfare schemes, learning and development of its human resources. RITES recruits with the objective of raising a pool of homegrown professionals and has a mixed bag of experienced professionals and fresh graduate engineering trainees (GETs) and management trainees (MTs). Commensurate with the emerging needs of growing business, intake of experience professionals on deputation from Indian Railways, other Govt. departments and PSUs is also taken as per strategic requirement.



Project Management Personnel Certification Training under the Capacity Building Program

Employee strength & its Attrition

The Company takes pride in its highly motivated and competent Human Resource that has contributed its best to bring the Company to its present heights. The total employee strength of our company stood at 3,230 as on 31.03.2019.

Employee status	FY 2018-19
Regular	1995
On Deputation	173
On Project based Contract	839
Experts/Advisors	223
Total	**3230**

Company has got one of the best HR policies in the sector, which is helping in employee retention and reduction of attrition of regular employees. The attrition rate during FY 2018-19 has reduced and stood at 2.32% in comparison to last year's 3.00%.

Financial Year	Attrition Rate of regular employee
2017-18	3.00%
2018-19	2.32%

Employee Productivity

There has been a continuous growth in the employee productivity over the past decade. The total income of the Company for FY 2018-19 is ₹ 2164 crore. The overall income per employee for FY 2018-19 stood at ₹ 0.67 crore as compared to ₹ 0.49 crore in FY 2017-18.

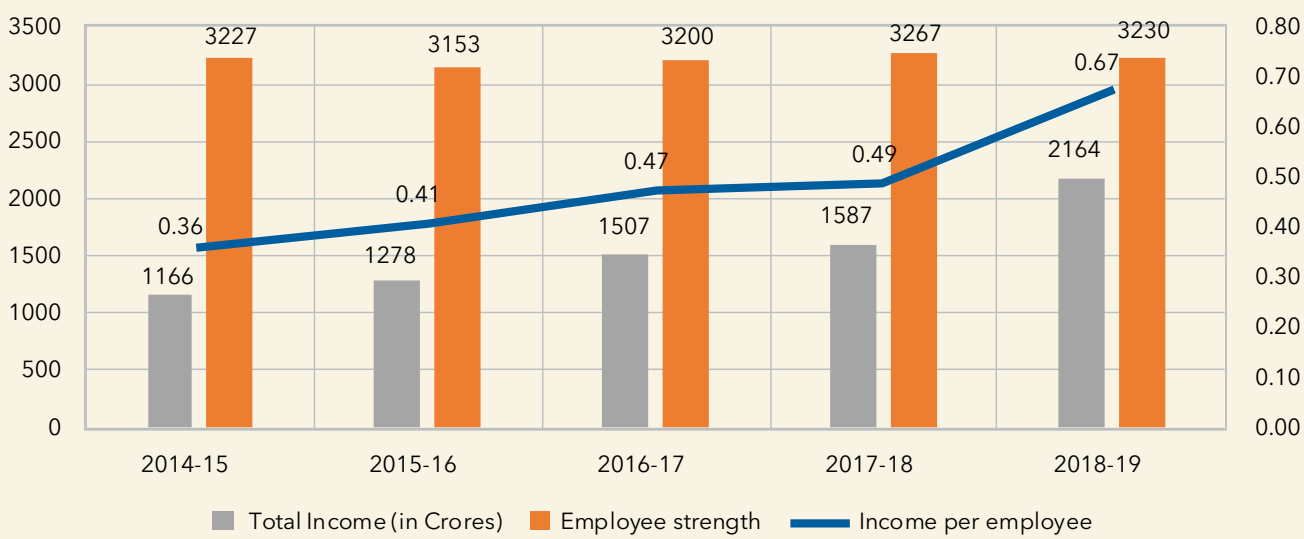
Strengthening HR processes

The following specific initiatives were taken to strengthen HR processes in the year 2018-19:-

- Assessment of level of People Capability Maturity Model (PCMM) in the Company was carried out with the help of an external expert and RITES was assessed at Level 2 in PCMM framework. The Board of Directors (BOD) decided to go for up gradation in the level to attain Level 3 in the framework by December'2019.
- Existing Online Human Resource System (HRMS) consisting of online employee data administration, employee self-service (ESS), leave, PF, Pension etc. and its integration with finance was strengthened.

The HR policies of the Company are reviewed periodically not only to overcome the business challenges but also to meet the expectations of

INCOME PER EMPLOYEE TREND



the workforce 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. RITES has recently undertaken the entire RITES cadre review in order to give more career growth opportunities to the employees. The internal systems have been revised in accordance with ISO requirements. For keeping a 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.

HR policies have been assessed against a global benchmark of PCMM (People Capability Maturity Model) framework and is striving to increase its process maturity level as per the framework.

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.

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 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.

Training & Development

Being a consultancy organization of international repute, RITES believes in developing its human capital and provide them with world class skills. To ensure this, Learning & Development (L&D) initiative are designed after Three Dimensional Training Need Analysis (TNA) System.

In-house training programs, aimed at improving the functional and technical skills across levels of employees were organised. 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. Besides, RITES also organized customized training exclusively for RITES officials through experts and knowledge partners. Also, behavioral and personality development training programs were conducted focusing on developing attitudinal and soft skills. Employees were sensitized on POSH guidelines and Labour Law compliances through appropriate workshops to comply with statutory obligations.

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

There has been a special focus on development of Project Management Capability at RITES. A workshop was organized on PMP certifications and employees were encouraged to take PMP certification exam sponsored by RITES. Senior business leaders were nominated for programs on leadership in India and abroad. A mobile based platform for e-learning has been procured and customized for RITES.

Total 8310 Mandays of trainings were organized during FY 2018-19 covering various domain and knowledge areas such as Contract Management, PMP (PMI) certification training on Project Management, Labour laws, Communication and presentation skills, Diploma course on foreign trade, Emotional Intelligence, Ethics & Values, Prevention of Sexual harassment at work place, Construction safety, Public Private Partnership (PPP) model etc.

Senior officials were nominated for programs on leadership in institutes such as IIM Ahmedabad, IIM Calcutta, IIM Lucknow, ISB Hyderabad, etc. and as well as in institute located abroad. Technical Trainings were provided to employees at IITs, Railway Institutes, and other institutes of national and international repute. A workshop was conducted in April 2019 to Coach/mentor Senior Executives for Board Level positions in RITES as well as other CPSEs.

There has been a special focus on development of Project Management Capability at RITES. A workshop was organized on PMP certifications and employees were encouraged to take PMP certification exam sponsored by RITES.

The role of L&D in driving Business excellence at RITES was acknowledged and appreciated by Corporate Stalwarts and RITES was awarded the

Runner-up award at BML Munjal Awards (2018) in Services (PSU) category.

Employee Welfare

RITES has one of the best HR welfare policies in the sector. Subsidized canteen facility, comprehensive health cover, post retirement medical scheme, post retirement Pension Scheme, periodic health checks ups (of employee and his/her spouse) at regular intervals, allowances, provision of company leased and self-lease for residential accommodation etc. are in place for the betterment of the staff. To provide social security to the family members, liberal insurance covers have been taken for employees to take care of unforeseen situations. To ensure welfare of employees belonging to the SC/ST community, the company has constituted a RITES SC-ST Welfare committee. It has also appointed Liaison officers for SC/ST/OBC and differently abled employees. Crèche facility has also been introduced to take care of children up to the age of 5 years, of RITES employee.

In addition to ensuring a safe and aesthetically pleasing work place, RITES actively encourages a culture of mutual respect and trust amongst peers, superiors and subordinates. RITES organizes programs on memory enhancement, emotional intelligence, stress management, Yoga and meditation to sensitize employees on general well-being. Medical camps are organized to promote health and wellness among employees. 2 days long Mammography camps were organized for RITES female employees (by Medanta the Medicity) in April'2018.

RITES has been awarding scholarships for education of the wards of regular employees working in Non Executive Category and Executive Cluster – I on the basis of their performance in 10^{th}/12^{th} standard examinations.

A range of welfare and recreation facilities including gym, yoga center, badminton court etc. are provided within the premises of the company to enhance engagement levels with the employees. We also conduct employee satisfaction surveys to better understand the pulse of our employees. The survey consists of 12 parameters covering various activities. It yielded an overall satisfaction score of 86.58% in FY 2018-19 and showed a growth in all parameters as compared to a score of 78.85% in FY 2016-17.

Women Empowerment

RITES has adopted best practices toward achieving gender equalities by providing a harmonious environment for advancement and growth of women employees. Company has conducted several programs 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. In line with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013 and the rules framed there under, an internal complaints committee has been constituted in RITES to redress complaints on sexual harassment at workplace.

Rewards & Recognition

To recognize the outstanding contribution of employees in their working, 'Employee of the Quarter' and 'Employee of the Year' awards are given in each financial year to outstanding employees in appreciation of their individual performance on the occasion of RITES Annual Day. In addition to this, special awards are also given to best performing employees and group awards are given to best performing SBUs. The employees are also recognized on the basis of the number of years of service in RITES and for their individual performance. Incentives in cash are given for the number of years in continuous service in the company.

Grievance Management System

RITES has put in place an effective online response mechanism for all its current/serving employees. Complaints/Grievances of all the existing employees are registered, monitored and redressed through online Grievance Redressal System. Any member of public or an ex-employee of RITES can also submit their complaint/grievance through RITES Website (www.ritesltd.com) apart from meeting senior management including Chairman & Managing Director.

Annexure - C

BUSINESS RESPONSIBILITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. **Corporate Identity Number (CIN)** L74899DL1974GOI007227
2. **Name** RITES Limited.
3. **Registered address** SCOPE Minar, Laxmi Nagar, Delhi – 110092
4. **Website** www.rites.com
5. **E-mail id** info@rites.com
6. **Financial Year reported** 2018-19
7. **Sector(s) that the Company is engaged in (industrial activity code-wise):**

Group	Class	Sub Class	Description
711	7110	71100	Design, engineering consultancy and project management for transport infrastructure sector with focus on railways, urban transport, roads and highways, ports including land ports, inland waterways, airports etc.
773 331	7730 3315	77305 33150	Leasing, export, maintenance and rehabilitation of locomotives and other railway rolling stock.
NA	NA	NA	Turnkey projects for railway workshops, track doubling, new / additional railway line, railway electrification and upgradation of railway stations, institutional buildings, wind, solar and other renewable energy projects with or without equity participation.

8. **List three key products/ services that the Company manufactures/provides** (as in balance sheet):

   i) Design, engineering consultancy and project management services for transport infrastructure sector with focus on railways, urban transport, roads and highways, ports including land ports, inland waterways, airports etc.

   ii) Leasing, export, maintenance and rehabilitation of locomotives and other railway rolling stock.

   iii) Turnkey projects for railway workshops, track doubling, new / additional railway line, railway electrification and upgradation of railway stations, institutional buildings, wind, solar and other renewable energy projects.

9. **Total number of locations where business activity is undertaken by the Company**

   a) The Company has Pan-India business activities spread across the length and breadth of the country. With Corporate Office at Gurugram and Regional Inspection and Project offices at Delhi, Raigarh, Mumbai, Kolkata, Chennai, Ahmedabad, Bhubaneswar, Lucknow, Nagpur, Secunderabad and Bhilai.

   b) Subsidiaries and Associates: Details of subsidiaries and Associates are provided at **Annexure II** to the Board's Reports.

   c) Number of International Locations: RITES subsidiary RITES Afrika is located in Botswana. In addition, for O&M and other project purposes, RITES has deployed their teams in Bangladesh, Mauritius, Mozambique, Sri Lanka and Myanmar.

10. Markets served by the Company – Local/ State/ National/International

RITES provides engineering consultancy for railways, highways, ports & airports and in the related areas all over the country. In the past, RITES has provided these services in over 55 countries in South East Asia, Africa, Latin America, Middle East and in SAARC Region.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital	₹ 200 crore
2.	Revenue from Operations	₹ 1969 crore
3.	Profit After Tax	₹ 445 crore
4.	Total Spending on (CSR) as percentage of PAT	2.3 %
5.	List of CSR activities in which expenditure in 4 above has been incurred:	

S.No.	Sector of Activity
1.	Details are indicated in the Directors' Report in the Annual Report.

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company / Companies:

   Yes, please refer to **Annexure II** of the Directors' Report.

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s)

   Yes, since the Subsidiary Companies are separate entities, these carry out Business Responsibility initiatives on their own as per the policies applicable to the respective company.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/ entities? [Less than 30%, 30-60%, More than 60%]

   The BR initiative of the Company has the cooperation of all its stakeholders, including various Ministries, Departments of State and Central Government, State and Central PSUs in their capacity as our clients, employees, vendors, and the local populace. However, it is difficult to establish the extent their support helps in facilitating the BR initiatives of the Company.

SECTION D: BR INFORMATION

1. Details of Director/ Directors responsible for BR

   (a) Details of the Director/Director responsible for implementation of the BR policy/ policies

   1. DIN Number : 08241385
   2. Name : Shri Gopi Sureshkumar Varadarajan
   3. Designation : Director (Projects)

   (b) Details of the BR head

No.	Particulars	Details
1.	DIN Number (if applicable)	Not Applicable
2.	Name	Shri Ved Parkash
3.	Designation	Executive Director (Corporate Services)

No.	Particulars	Details
4.	Telephone number	+91 124 2571673
5.	e-mail id	vedprakash@rites.com

2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Yes/ No)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
		P1: Code of conduct, Board Charter, Whistle Blower Policy, Related Party Policy, Investor insider Trading Policy, Policy on materiality for disclosure of events, Fraud Prevention Policy, Schedule of Powers, HR Manual, Construction Project Management Guidelines, Finance Manual. P2: Quality Policy. P3: HR Policies including for welfare measures. P4: Corporate Social Responsibility and Sustainable Development Policy, Communication Policy for stakeholders engagement. P5: CDA Rules, Internal Human Resources Policies. P6: Risk Management Policy, Policy on preservation of documents. P7: Influencing public and regulatory policy in responsible manner. P8: CSR Policy, Policy on distribution of dividends. P9: Value to the customer.								
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / International standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
		All the policies of the Company have been formulated confirming to applicable statutes/ guidelines/ rules/ policies etc. issued by the Government of India. These policies were formulated keeping in view industry practices and standards.								
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		Policies of the Company have been approved by the Board / Competent Authorities as per Delegated Powers.								
5	Does the Company have a specified Committee of the Board / Director / Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
6	Indicate the link for the policy to be viewed online?	https://www.rites.com								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Policies of the Company as such are not audited, however Policies have been amended from time to time as per Govt guidelines/regulatory/business/ environmental requirements.								

(a) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

Not Applicable

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the Principles									
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The Company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 Months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

3. **Governance related to BR**

(a) **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.**

Various principles of BR performance are integral to the day-to-day operations of the Company and the same are reviewed by the Board/ Board Level Committee(s) as an integral item of business.

(b) **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

As company got listed in the year 2018-19, this is the first report on Business Responsibility. The BR performance of the company will be part of the Annual Report. Annual Report is hosted on the RITES website www.rites.com.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

PRINCIPLE 1.1

Do you have policy/policies for principle 1?

The Company, being a listed Public Sector Enterprise, conducts and governs itself with Ethics, Transparency and Accountability as per the policies mandated by Department of Public Enterprises (DPE), Guidelines on Corporate Governance, SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 and other guidelines and policies of the DPE and Govt. of India and other regulations.

The Company also pursues some of the following policy initiatives voluntarily towards Ethics, Transparency and Accountability:

- The Company has a well-defined and a well codified Delegation of Powers dated 26th April, 2019 implemented across the organization. HR Manual, 2019, Finance & Accounts Manual (in 3 volumes) has been in the force since July 2011, Guidelines on Construction Project Management of 2019 for ensuring continuity, transparency and fairness in observing the laid down procedures. The Company has an Enterprise Risk Management Cell (ERM), risk framework, risk policy and risk factors which are periodically monitored by the Risk Management Committee, Audit and Ethics Committee and the Board. In terms of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (Listing Regulations), the Board has re-constituted the Risk Management Committee with Board level members.
- The Company has a well-structured vigilance department monitoring activities in the organization, constantly ushering transparency, efficiency and integrity and suggesting best corporate practices in the working of the organization.
- The Company has a Whistle Blower Policy meant to raise any ethical issues within the organisation.
- The Company has positioned an Integrity Pact (in association with Transparency International) which is signed with bidders to enable them to raise any issue with regard to tenders floated from time to time. The Company is one of the first among Indian companies to introduce signing of the Integrity Pact. People of high repute and integrity are appointed as Independent External Monitors in consultation with Central Vigilance Commission to oversee implementation of the said Integrity Pact with the bidders.

PRINCIPLE 1.2

Has the policy been formulated in consultation with the relevant stakeholders?

The Company being a Public Sector Enterprise and a pioneer in engineering consultancy in the transport sector pursues policies laid down by the Government of India, DPE and other relevant statutory bodies. All policies have been formulated after wide consultation and discussion amongst the relevant stakeholders and further the same get reviewed from time-to-time to cater to emerging and new business realities/ paradigms, with wider consultations amongst stakeholders.

PRINCIPLE 1.3

Does the policy conform to any national/international standards? If yes, specify? (50 words)

The policy conforms to statutes and policies of the Government of India, DPE and other statutory bodies. It also conforms to the mandated applicable international standards. Further, the Company voluntarily follows

principles and policies for transparency which are of international standards, including the one prescribed by Transparency International.

PRINCIPLE 1.4

Has the policy been approved by the Board? If yes, has it been signed by MD/owner/CEO/ appropriate Board Director?

All policies mandated by the Government of India, DPE and other Indian statutory bodies are followed by the Company. All other policies/manuals of the Company are implemented as duly approved by the Board of Directors or, the Competent Authority, as the case may be.

PRINCIPLE 1.5

Does the Company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?

The Company has an Audit Committee which is bound by its Terms of Reference as per the Listing Regulations and the Companies Act, 2013 and is approved by the Board. The Company also has a well-structured vigilance department constantly ushering transparency, efficiency and integrity and best corporate practices. However, as the scope of the Principle is very wide, this is overseen by the executives at various levels in the Company.

PRINCIPLE 1.6

Indicate the link for the policy to be viewed online?

The website of the Company (www.rites.com) has reference to the various tenets as stated in the principle under the section on Corporate Governance http://ritesltd.com/index.php?page=page&id=143&name=CORPORATE%20GOVERNANCE&mid=277).

PRINCIPLE 1.7

Has the policy been formally communicated to all relevant internal and external stakeholders?

The Company policies and operational framework are available on the Company's website as well as its intranet.

The engagement routes across all the stakeholders are:

- The Customers are engaged through Contracts and Letter of Awards and regular meetings.
- The Communities in and around our areas of operation are engaged through CSR projects.
- Business partners/vendors are engaged through vendor meets, business partners meet and pre-bid conferences.

Employees are engaged through open house forums, departmental meetings, training programs and institution of CONCERT. Employee web portal www.ritesess.com also plays an important part in communication with the employees. Senior Management and Board level functionaries conduct grievance meeting with staff as per laid down schedule.

Regular engagement of likely to be affected people, village/town/district level associations and officers including NGOs and other external stakeholders (like Suppliers, Vendors, customers, Regulators, NGOs etc.) is also carried out as a mandatory input to proposals in the DPR for client projects involving social and environmental impact studies.

Government and regulatory bodies are engaged through meetings with the administrative ministry i.e. Ministry of Railways (MoR), DPE under the Ministry of Heavy Industries & Public Enterprises (HI&PE), Ministry of External Affairs (MEA), Ministry of Home Affairs (MHA), Airport Authority of India (AAI), Land Port Authority of India, National Highway Authority of India (NHAI), Ministry of Environment & Forest and other regulatory bodies of State/Central Government.

Shareholders and investors are engaged through Annual General Meeting, Investor & Analysts' Meets, Investors' Conferences, corporate website www.rites.com and press releases / press conferences etc.

PRINCIPLE 1.8

Does the Company have in-house structure to implement the policy/policies?

The Company follows the laid down policy as per the companies' manuals for every critical activity such as – procurement, payments, tendering, contracting, human resources, finance and other functions that are governed by well documented policies available for reference to all concerned.

PRINCIPLE 1.9

Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?

Yes. An online system of grievance redressal is in vogue wherein any stakeholder can lodge his/her grievanace and see the progress online. For employees, the channel of grievance is Reporting Authority of the employee, SBU Head / Divisional Head / Director concerned. CMD takes the final decision in totality on the grievance of the employee with inputs from Executive Director (Corporate Services) and Director concerned, if required.

For external stakeholders, the Company has a well laid down grievance redressal system with adequate provisions to escalate the matters up to the Board. Stakeholders Relationship Committee – a Board level Committee headed by an Independent Director is in place.

The Company voluntarily takes up the appraisal of large projects through Independent External Monitors (IEMs) and Outside Experts to promote and ensure fairness and transparency in our project management activities.

Further, there is an exclusive website maintained for grievance redressal (http://ritesltd.com/index.php?page=page&id=121&name=GRIEVANCE&mid)

PRINCIPLE 1.10

Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?

The implementation of obligations with regard to Corporate Governance as contained in Listing Regulation are brought out in the Corporate Governance Report and audited by the Secretarial Auditors. Other policies are validated from time to time by the concerned authorities.

1. **Does the policy relating to ethics, bribery and corruption cover only the Company?**

   All the policies relating to ethics, bribery and corruption are "inclusive" and covers Company as well as its employees and all other external stakeholders.

2. **Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/ Others:**

   Yes

3. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

   The Company is the pioneer organization in introducing the Integrity Pact (IP) in India. The mechanism of monitoring IP through Independent External Monitors (IEM) has considerably reduced time for resolution of representation/ issues coming up during tender processing and has met the objectives set by Transparency International (India) such as greater transparency with regard to integrity between the buyer and seller, improved sense of ethics, reduction in frivolous law suits and representation /

complaints from vendors, reduction in external interventions and reduced political / diplomatic / administrative interference.

Representations from bidders / contractors as well as opinion sought by the Company against various tenders are referred to IEM. IEMs discuss the issues with the executives concerned and bidders' representatives wherever felt necessary by IEMs and give their opinion through a speaking order.

The Company also has put in place a "Stakeholders Relationship Committee". The Committee specifically looks into redressing Shareholders' and Investors' complaints pertaining to transfer/ transmission of shares, non-receipt of annual report, dividend payments, issue of duplicate share certificates and other miscellaneous complaints. The Committee also monitors implementation and compliance of the Company's code of conduct for prevention of insider trading. The Committee also oversees and monitors the performance of the registrars and transfer agent and recommends measures for overall improvement in the quality of investor services.

- Number of complaints received during April 2018 to March 2019 from Vendors/Contractors: 01, since then resolved.
- All representations were forwarded to IEMs who promptly gave their opinions in all cases for further action.
- Number of complaints received from investors during 2018-19: The total number of complaints received and replied / attended to the satisfaction of the shareholders was 92. The number of grievances pending at SCORES Platform on March 31, 2019 were nil.

PRINCIPLE 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

PRINCIPLE 2.1

Do you have policy/policies for principle 2?

The Company pursues its business activities in a safe and sustainable manner. All work practices, procedures and services endeavours comply with the highest Health, Safety and Environment standards as per National and International Standards, Industry norms, Government and relevant statutory bodies rules and regulations. The company is into the engineering design and consultancy business and undertakes studies, surveys, investigations and detailed project report preparations as a part of its offering to the customers. In all our DPRs, the environmental and social impact of the projects are highlighted and necessary measures for mitigating the impact are indicated for the guidance of the project authorities. Also, all the applicable regulatory, safety and environmental aspects are clearly brought out.

PRINCIPLE 2.2

Has the policy been formulated in consultation with the relevant stakeholders?

The Company follows all work practices, procedures and services endeavours pertaining to its area of activities/ operations as mandated by Industry, Government and relevant statutory bodies, who formulate the rules, regulations and standards only after consultation with all relevant stakeholders (as indicated in Principle 1.2 above).

PRINCIPLE 2.3

Does the policy conform to any national/international standards? If yes, specify? (50 words)

Yes. The Company follows the international standards, practices and standard operating procedures as mandated by the contract agreement with the client specially for export of rolling stock and design/ consultancy for railway and other transport projects. In India, standards laid down by RDSO, BIS, Indian Road Congress, PWD etc. are followed as mandated by the project requirements, besides ISO 9001:2015 for Quality Management System throughout the organisation.

PRINCIPLE 2.4

Has the policy been approved by the Board? If yes, has it been signed by MD/owner/CEO/ appropriate Board Director?

Company follows all the guidelines of Department of Public Enterprises (DPE) and Ministry of Railways and all internal policies, conform to the directives of the Government, are approved by the Board or authority delegated for the same by the Board.

PRINCIPLE 2.5

Does the Company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?

The Board oversees the compliance and implementation of the policies through its various Committees as detailed in the Corporate Governance Report forming part of the Annual Report.

PRINCIPLE 2.6

Indicate the link for the policy to be viewed online?

The website of the Company (*www.rites.com*) has reference to the various tenets as stated in the principle under several linkages. Further, internal policies applicable to various functions of the organisation are available on www.ritesess.com.

PRINCIPLE 2.7

Has the policy been formally communicated to all relevant internal and external stakeholders?

The Company policies and operational framework are available on the Company's website as well as on www.ritesess.com.

Principle 2.8

Does the Company have in-house structure to implement the policy/policies?

Yes. The Company has well-established in-house infrastructure, pool of experts, documented standard operating procedure and other executive & administrative mechanisms to implement the given policies in the area of safe and sustainable operations of the company. Division concerned acts as the nodal department to execute and oversee policies pertaining to safe, healthy and environment friendly operations and compliance with sustainability parameters as mandated and desired.

The process of procurement, payment, tendering, risk management, safe remittance, fraud prevention, control self-assessment (internal controls) and various other processes are covered by well documented policies, which are available for reference on the website of the Company and RITES Employee self service portal www.ritesess.com.

Principle 2.9

Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?

Yes as detailed earlier in Principle 1.9.

PRINCIPLE 2.10

Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?

The Company is subjected to various audits such as Statutory Audit, Secretarial Audit, C&AG Audit, Technical Audits, Quality Audit. These audits ensure compliance to various internal and external policies, rules and regulations. The company is also accredited by National Board for Education and Training (NABET) under

Quality Council of India. This is mandated by Ministry of Environment, Forest and Climate Change, Govt. of India. The audits of company's accreditation of its environmental and social services are audited by NABET auditors regularly.

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

   a. **Metro project:**

   Pune Metro : RITES has conducted environmental impact studies for Pune Metro funded by AFD and EIB. The study broadly covered the environmental impacts covering biomass loss, preservation of archeological monuments, rehabilitation and resettlement of displaced population etc.

   The corridors are :

   North South Corridor (PCMC – Swargate) – 18.45 KM, elevated portion (11.94 KM) and underground (6.5 KM).

   East West Corridor (Vanaz – Ramwadi) – 14.575 KM fully elevated.

   b. **Highway Project:**

   1. Himachal Pradesh Public works department awarded the work to RITES for Consultancy Services for carrying out feasibility study and detailed project report preparation for redesigning, rehabilitation and up gradation of (i) Salhech-Chandol-Habban-Rajgarh-Banethi (ii) Sanora-Rajgarh-Haripurdhar- Jamli. – Total length 241.3 KM.
   2. RITES Ltd. has been entrusted with the Consultancy services for preparation of Feasibility Study/ Detailed Project Report of selected state road stretches for Two/Four laning with paved shoulder NH configurations under BHARAT MALA Scheme in West Bengal (Package-BM13) – Total length 330 KM.

   The preparation of Feasibility/ DPR includes EIA(Environmental Impact Assessment) / EMP (Environmental Management Plan) and SIA(Social Impact Assessment) / RAP (Resettlement Action Plan) report as per the requirement of ADB/World Bank/Government of India guidelines for the above mentioned projects. The major environmental and social impacts covered are :

   Widening and strengthening of roads required felling of trees, diversion of forest land to the project, impact on wildlife sanctuary. The RITES report / studies have provided various alternatives analysis for minimizing the impacts.

   Due to widening and strengthening of the project, structures along the roads are partly affected for which census socio economic survey was conducted Land Plan Schedule was prepared and accordingly R&R plan was prepared.

   The implementation of the EMP (Environment Impact Assessment) & RAP (Resettlement Action Plan) is the responsibility of the Client.

   c. **Airport project:**

   Delhi Mumbai Industrial Corridor Development Corporation Limited (DMICDC) awarded the work for preparation of DPR for development of Greenfield International Airport near Bhiwadi, District Alwar, Rajasthan to RITES. As a part of DPR, RITES conducted environmental impact studies and social impact studies as per EIA notification 2006 to get the environment clearance for the project. The major environmental and social impacts with mitigation measures cover :

   i) The development of Greenfield Airport requires acquisition of 2058 hectare of land which would affect 2928 families out of which 1123 needs to be relocated. As per the estimates, R&R cost for the affected families would be about ₹ 102 crore. Similarly, the measures mitigating negative

impact on environment are estimated to be at about ₹ 9 crore covering 237.98 hectare of green belt development and 16500 of tree plantation.

ii) Positive impact of the project would be ease of transportation, tourism development, employment to local population, being part of Delhi Mumbai Industrial Corridor, benefits of development of local industry is also expected.

2. **Does the Company have procedures in place for sustainable sourcing (including transportation)?**

The Company has put in place a well-devised procedure for sustainable sourcing. Company has a well-documented Material Management Policy. This Policy has been revised as placed on the company's available website that helps in sourcing the requisites for operations and business activities in a steady, continuous and sustainable manner. Company has policies of long-term contracts and rate-contracts to ensure that operations and business pursuits do not suffer owing to externalities.

3. **Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?**

Yes, being an Indian CPSE (Central Public Sector Enterprise), the company procurement policy and practices are guided by the Government Policies and practices. These are based on transparent procurement mechanisms which promote procurement from technically competent suppliers. However, care is also taken for the interest of local suppliers and contractors within the frame-work of CVC's guidelines. For example, the Company has a special policy to encourage MSME enterprises and those belonging to SC/ST and Women categories.

If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company has always encouraged local suppliers to participate in its tendering process and also promote them through training and hand holding programs. Our continued pursuit in this direction has seen improved participation of small local players and socio-economic development of communities in and around operational locations. The Company has taken necessary steps for implementation of the public procurement policy for procurement from MSMEs. Necessary provisions have been incorporated in all tenders for materials and services. In general minimum 20% of the requirement has been reserved for eligible MSMEs in tenders.

4. **Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

Company's main business relates to design, engineering and consultancy and there has been emphasis on paperless working and accordingly, company has implemented SAP/ERP and most of the communication is through emails and other electronic means, however client requires reports and drawings in hard paper copy which are provided to the clients.

In our office complex, all the norms of State Pollution Control Board for air, water and disposal of solid wastes are complied with. The sewage water is treated, recycled and used for irrigation of lawns. Similarly, cartridges are refilled from the original suppliers. The waste paper is recycled through NGOs and other stakeholders.

The buildings in RITES office complex Gurugram have implemented the rain water harvesting system and have been provided with the solar power panels on the roof tops. Besides, solar power plants have also been installed on the roof tops of Gurugram and Jodhpur Railway Stations under RITES CSR scheme.

REMCL, a subsidiary company of RITES has successfully commissioned 26MW windmill in Jaisalmer and has implemented many power procurement agreements under 'open access' policy of the Electricity

Act, 2003 resulting in substantial energy savings to Indian Railways.

As per Govt. of India policy, e-waste is given to the vendors approved by the government for recycling of these products.

Principle 3: Businesses Should Promote the Wellbeing of all Employees.

PRINCIPLE 3.1

Do you have policy/policies for principle 3?

Yes. The Company has a wide range of HR policies covering all categories of the employees (workers, officers, women employees, SC/ST employees, sports person). It addresses all aspect of professional skill & knowledge up- gradation, employee motivation and welfare measures, employees' health and general wellbeing measures, women empowerment, empowerment of SC/ST and other disadvantageous class of employees, separation/ superannuation and post-retirement welfare measures.

PRINCIPLE 3.2

Has the policy been formulated in consultation with the relevant stakeholders?

The HR policies of the Company are formulated in line with DPE guidelines and after due consultation with Collectives and representatives of employees (CONCERT).

PRINCIPLE 3.3

Does the policy conform to any national/ international standards? If yes, specify? (50 words)

RITES being public sector enterprise, HR Policies of the Company conform to the best of International and National standards/DPE guidelines. The Company is perceived to be one of the best employers.

PRINCIPLE 3.4

Has the policy been approved by the Board? If yes, has it been signed by MD/owner/CEO/ appropriate Board Director?

All HR policies are approved by Board or Competent Authorities as delegated by the Board and signed accordingly.

PRINCIPLE 3.5

Does the Company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?

The Board of Directors have constituted a Board level committee known as Nomination and Remuneration Committee to oversee the major decisions in the areas of senior management positions below board level and remuneration policies including performance related pay (PRP).

PRINCIPLE 3.6

Indicate the link for the policy to be viewed online?

The Employees Information System of the Company has links for HR Manual "http://ritesportal.rites.com/iepis/RelS/hrd_manual/hrd.html" and Schedule of Delegation of Powers "http://rites.com/statement/sop.htm". In addition, various welfare policies, circulars are uploaded on RITES ESS portal. The link for the same is "http://reppi-puc2.rites.com:55100/irj/portal".

PRINCIPLE 3.7

Has the policy been formally communicated to all relevant internal and external stakeholders?

Yes. The Company's HR policies are available in electronic format on the Employees Information System. All policies, procedures and work-flows are documented and are available online for easy access, use and information by all employees. Any new initiatives, changes or new announcements are communicated to

employees through various means of communication which includes emails, circulars posted on the ESS portal and sent through normal postal services as may be required. The advertisements having link with the external stakeholders like recruitment, skill development in area of apprenticeship etc. are placed on the company website.

PRINCIPLE 3.8

Does the Company have in-house structure to implement the policy/policies?

The Company has a structured Human Resource Department, headed by an Executive Director (Corporate Services) who implements the policies throughout the Company with the support of senior HR executives.

PRINCIPLE 3.9

Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?

Yes. An online system of grievance addressal is in vogue wherein any stakeholder can lodge his/her grievanace and see the progress online. For employees, the channel of grievance is Reporting Authority of the employee, SBU Head / Divisional Head. The employee can directly submit his grievance to the management through the online grienvece redressal system. He/She can also represent to Chairman and Managing Director directly on the grievance redressal window by meeting him directly on the specified day and time.. CMD takes the final decision in totality on the grievance of the employee with inputs from ED (CS) and Director concerned, if required.

For external stakeholders, the Company has a well laid down grievance redressal system in place with adequate provisions to escalate the matters up to the Board. He/She can also write directly to Chief Vigilance Officer of the Company on matters having vigilance angle.

Further, there is an exclusive website maintained for grievance redressal (http://ritesltd.com/index.php?page=page&id=121&name=GRIEVANCE&mid).

PRINCIPLE 3.10

Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?

The HR policies and practices are reviewed at regular intervals taking cognizance of emerging realities. Quarterly report of the grievances is reviewed at the level of Chief Vigilance Officer and all the functional Directors, the review of the results is further reviewed by Chairman and Managing Director. Regular independent audits, both internal and external, gets carried out as a part of ISO 9001 to gauge level of compliance and employee engagement and satisfaction. Wherever desired and warranted, expert advice from external agencies/ consultancies is solicited to ramp up our practices/ policies to best of industry standards. An external agency had carried out a study on People Capability Maturity Model (PCMM). The company was assessed at PCMM level 2. The Board has directed for a detailed program to enhance it to the level 3. The human resources of the company are as follows:

S.No.		Executive	Non-executive
1.	Regular	1269	528
2.	Contractual	581	258
3.	Deputationists	168	5
4.	Women	125	63
5.	Employees with disabilities	13	7
Total No. of Employees		2156	861

Do you have an employees association which is recognized by the Management?

Yes, the company has a participative employee association named as CONCERT, this body is a group of elected representatives of employees who are elected by the employees by way of secret ballet and also a group of representative nominated by the management representing the managerial cadre. This body maintains two way communication, both upward and downward in the organization and participates in formulation, review and updation of HR including labour welfare program and policies.

Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as at the end of the financial year.

S.No.	Category	No. of complaints filed during the financial year	No. of complaints pending at the end of financial year
1.	Child labour / forced labour / involuntary labour	Nil	Nil
2.	Sexual harassment	1	1
3.	Discriminatory employment	Nil	Nil

What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

• Permanent Employees	32.08
• Permanent Women Employees	37.23
• Casual/Temporary/Contractual Employees	8.46
• Employees with Disabilities	10.00

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

PRINCIPLE 4.1

Do you have policy/ policies for principle 4?

Yes.

The Company has a number of policies in place to address the interests of all stakeholders. As a PSE, the Company pursues all such policies as mandated by the Government. The Corporate Social Responsibility (CSR) and Sustainable Development policy along with a host of policies of the Government of India are directed towards disadvantaged, vulnerable and marginalized section of the society. Abiding by the directives of DPE guidelines, the Company has aligned its CSR policies. To substantiate our stakeholder engagement, a communication policy is a part of our CSR policy.

As per CSR & SD policy, the Company has a well-defined set of objectives, clearly delineated beneficiaries, strategy and project activities which characterize its social projects. The relevant provisions of Section 135 and Schedule VII of the Companies Act, 2013 have also been taken into account while finalising the aforesaid policy. The projects are designed to yield discernible, long-term, sustainable benefits for the communities specially disadvantaged, vulnerable and marginalized sections. Through community driven developments, we foster a symbiotic relationship with our stakeholders across communities to create more employment opportunities to realize our strategic objective of growing responsibility while improving the livelihoods of people.

The table below depicts the manner in which the Company engages to address the interest of all stake-holders:

Stakeholders	Mode of engagement
Customers	Our customers are mostly Ministries/Departments of Central and State Governments, Public Sector Enterprises and few large private corporate. The engagement with customers is through regular meetings by SBUs / Divisions and top management. As a part of our Quality Management System, we also take a feedback from our customers / clients and remain engaged with them from concept to commissioning and at every stage of the work.
Communities	Direct engagement at work centers through CSR programmes and HR departments.
Business partners/ contractors/ vendors	Vendor meets; Business partner meets; Pre-bid conferences and also through external stakeholders meet.
Contract workers	Discussions / meetings during visit of senior officers to project offices / sites.
Employees	Consultative Council for Enhancement of Rapport and Team Work (CONCERT) is the forum for taking up the issues of the employees with the management. Employee web portal and grievance handling mechanism also through internal stakeholders meetings. Regular meetings with officers and staff.
Regulatory bodies (DGMS, NSE, BSE, SEBI, OISD, OIDB, etc.)	Structured engagement through meetings with administrative Ministry of Railways, DPE, HI & PE, MHA, MEA etc. and also through external stakeholder meet.
Government bodies	
Shareholders, investors	Investor & Analyst Meet; AGM; Investor Conferences; Corporate web site and press releases/ press conference and also through external stakeholder meet.

PRINCIPLE 4.2

Has the policy been formulated in consultation with the relevant stakeholders?

The CSR policy and the policy of Sustainable development is in compliance with the Companies Act, 2013 and Companies (CSR Policy) Rules, 2014 and DPE Guidelines.

PRINCIPLE 4.3

Does the policy conform to any national / international standards ? if Yes, specify?

The policy and laid down procedures conforms to statutes and policies of the Govt. of India, DPE and other statutory bodies.

PRINCIPLE 4.4

Has the policy been approved by the Board? If Yes, has it been signed by MD/owner/ CEO/appropriate Board Director?

All such policies being pursued by the Company are duly approved by the Board of Directors and uploaded on the Company's website.

PRINCIPLE 4.5

Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?

Yes. Group General Manager (CSR) has been nominated to implement CSR initiatives. The implementation of CSR policy is overseen by a Board Level Committee on Corporate Social Responsibility (CSR).

PRINCIPLE 4.6

Indicate the link for the policy to be viewed online?

The website of RITES, http://ritesltd.com/upload/misc/CSR-%20Sustainability-Policy-Issue%204Rev5-18.pdf, has a link where the CSR & SD policy is available for all.

PRINCIPLE 4.7

Has the policy been formally communicated to all relevant internal and external stakeholders?

Yes, for internal stakeholders, all these policies are available on-line on Company websites and also perpetuated through normal communication to SBUs/Divisions. For external stakeholders, communication in this regard is pursued through interactions at multiple levels.

PRINCIPLE 4.8

Does the Company have in-house structure to implement the policy/ policies?

The Company has a structured framework and laid down well documented procedures in place to execute and implement its policies. There is an exclusive Department for CSR- headed by GGM/CSR, to implement CSR activities of the Company.

PRINCIPLE 4.9

Does the Company have a grievance redressal mechanism related to the policy/policies to address the stakeholders' grievance related to the policy / policies?

Yes.

PRINCIPLE 4.10

1. **Has the Company mapped its internal and external stakeholders?**

   Yes.

2. **Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?**

   Yes. 'Stakeholder participation' approach where the communities in and around RITES project offices are seen as important stakeholders and therefore their development is seen in alignment with the company's business development. In remote and backward areas, the process of engaging with the external stakeholders, including the community around our areas of operation, gives us significant input relating to the needs of the disadvantaged and vulnerable marginal stakeholders. Besides this, RITES does carry out baseline survey and need assessment around a few of our areas of operation to have greater insight into the needs of the community through structured interactions and feedbacks.

3. **Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.**

   The CSR policy of RITES covers CSR Projects / Programmes undertaken by RITES listed in Schedule-VII of the Act, within the geographical limits of India, preferably towards the benefit of marginalized, disadvantaged, poor and deprived sections of the community and the environment. This way the ultimate objective is to reach the bottom of the pyramid in our demographic strata and touch their lives in a positive manner. Thus, while RITES has been engaged in serving the society through various welfare measures since its inception, it has now adopted a more structured approach in undertaking such welfare measures. Many projects related to infrastructure development, education, healthcare & skill development have been undertaken in remote areas mainly populated with such disadvantaged groups.

Principle 5: Businesses should respect and promote human rights

PRINCIPLE 5.1

Do you have policy/policies for principle 5?

All policies of the Company take into account the Human Rights of not only employees but also people likely to be affected by the projects company prepares for our clients.

The Company is committed to conducting its business operations and strategies with universally accepted principles in the area of Human Rights, Child labour, Anti-corruption and Environment. The Company embraces and supports those principles, particularly that on Human Rights viz.: "Businesses should support and respect the protection of internationally proclaimed human rights" and "Make sure that they are not complicit in human rights abuses". The Company is fully committed to the principles of United Nations Global Compact on human rights and subscribe to the international agreements/conventions such as Kyoto protocol, Montreal Protocol within the framework of Government of India directives. The Company ensures compliance with various labour legislations such as Payment of Wages Act, 1936, Minimum Wages Act 1948, Equal Remuneration Act 1976, Industrial Disputes Act 1947, Employees State Insurance Act 1948, Employees Provident fund and Miscellaneous Provisions Act 1952, Contract Labour (R&A) Act, 1970, Child Labour (Prohibition and Regulation) Act 1986 etc. As a responsible principal employer, the Company ensures that contractors' employees are treated fairly as per law and for any complaints or disputes, the contractor is advised to settle the issue in accordance with the law. Various in-house policies like service rules, leave rules, gratuity rules, CPF rules, HBA (House Building Advance), multi-purpose advance, also confirm to Human Right values. The Company has also implemented Fair Wage Policy for contractors' workers to provide them wages much above the minimum wages and other statutory and non-statutory benefits.

PRINCIPLE 5.2

Has the policy been formulated in consultation with the relevant stakeholders?

The Company being a Public Sector Enterprise is primarily guided by Government of India policies. The entire gamut of its policies, rules and regulations which govern its functioning have "people first" as its fulcrum. Guidelines on Construction Project Management stipulate implementation of Fair Wage Policy by the contractor.

PRINCIPLE 5.3

Does the policy conform to any national/ international standards? If yes, specify? (50 words)

The policies of the Company are in line with national standards and relevant international standards for its operations and business pursuits.

PRINCIPLE 5.4

Has the policy been approved by the Board? If yes, has it been signed by MD/owner/CEO/ appropriate Board Director?

All the policies are approved either by the Board or by designated Competent Authorities as authorised by Board.

PRINCIPLE 5.5

Does the Company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?

Each Policy incorporates safeguards to ensure that its functioning is overseen by a Competent Authority / Committee.

PRINCIPLE 5.6

Indicate the link for the policy to be viewed online?

The website of the Company *www.ritesltd.com* has the link to various policies, rules and regulations of the Company, e.g. link for HR policies is http://ritesportal.rites.com/iepis/RelS/hrd_manual/hrd.html.

PRINCIPLE 5.7

Has the policy been formally communicated to all relevant internal and external stakeholders?

All Policies of the Company have been suitably communicated to concerned stakeholders, both internal as well as external.

PRINCIPLE 5.8

Does the Company have in-house structure to implement the policy/policies?

Yes. The Company has in place a structured set-up with adequate empowerment to implement requisite policies.

PRINCIPLE 5.9

Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?

Yes (as detailed under Principle 1.9 above).

PRINCIPLE 5.10

Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?

The policies, rules and regulations in the direction as stipulated by the principle 5 are subject to periodic audit/ reviews both by internal and external agencies. As a part of project management, it is ensure that that all the policies are properly followed by the contractors. Moreover, frequent audits like ISO 9001: 2015, Internal Audit, external audit by government agencies are carried out across the organization.

1. **Does the policy of the Company on human rights cover only the Company or extend to the Group/ Joint Ventures/Suppliers/Contractors/NGOs/ Others?**

   The company policies towards upholding the Human Rights are also applicable to subsidiary companies, however, for joint ventures and consortiums policies are decided by the agreement of the partners.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

   Please refer answer to para 3 of Principle 1.10.

Principle 6: Business should respect, protect, and make efforts to restore the environment

PRINCIPLE 6.1

Do you have policy/policies for principle 6?

Kindly refer to the response to Principle 2.10.

PRINCIPLE 6.2

Has the policy been formulated in consultation with the relevant stakeholders?

Yes. All policies of the Company have been formulated in consultation with stakeholders, primarily in compliance with and under the guidelines of Ministry of Environment, Forest and Climate Change, Govt. of India and other statutory bodies.

PRINCIPLE 6.3

Does the policy conform to any national /international standards? If yes, specify? (50 words)

Policies conform to all standards, practices and statutes pertaining to environmental commitments as expected from and as mandated to a Company engaged in the engineering consultancy and project management of transport infrastructure projects.

PRINCIPLE 6.4

Has the policy been approved by the Board? If yes, has it been signed by MD/owner/CEO/ appropriate Board Director?

Yes, the company is providing primarily consultancy services to clients for their projects. For this purpose, the company prepares the feasibility studies and detailed project reports for project approvals and its implementation by various agencies. While preparing such reports the company follows the policies and guidelines of Ministry of Environment and Forest, Govt. of India on environment and related issues.

PRINCIPLE 6.5

Does the Company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?

ED/CS for RITES Corporate office and concerned SBU head in the Regional Project / Inspection Offices is responsible for overall supervision of the implementation of the policy.

PRINCIPLE 6.6

Indicate the link for the policy to be viewed online?

The website of the Company, *www.ritesltd.com*, has a separate link for project management guidelines which takes care of environment and sustainability during the formulation of the projects. Link is: http://ritesportal.rites.com/iepis/Circular/RITESCOCPC2019.pdf.

PRINCIPLE 6.7

Has the policy been formally communicated to all relevant internal and external stakeholders?

The Policy is displayed at all the work centres and has been communicated to each employee as well as contractual employees. A link to the policy has been provided on Company's website for external stakeholders. Further, the Company continuously engages with stakeholders at multiple levels through diverse channels, which helps in the formulation of Company's policies directed at progressively enriching practices and sustainable operations over time.

PRINCIPLE 6.8

Does the Company have in-house structure to implement the policy/policies?

HSE is the integrated part of Quality Management and as a part of our ISO 9001:2015 Corporate MR at Corporate level as well as SBU MRs at the Strategic Business units (SBU's) level have been assigned to implement the policy. Officers are suitably trained, certified and posted at SBU levels to effectively manage and report conformance to the policy.

PRINCIPLE 6.9

Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/ policies?

Yes.

PRINCIPLE 6.10

Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?

The Company undertakes audits at regular pre- defined intervals. External bodies engaged in granting ISO-9001:2015 and other certification agencies conduct regular audits within the certification period to oversee that pre-requisites are being met before granting extensions to these certification. The Company undertakes internal audit at regular pre-defined intervals. External bodies engaged in granting accreditation for EIA conduct regular audits within the certification period to oversee that pre- requisites are being met

before granting extensions to these certification.

1. **Does the policy related to Principle 6 cover only the Company or extends to the Group/ Joint Ventures/Suppliers/Contractors/NGOs/ others.**

   The policies of the Company extend to its wholly owned subsidiaries, other subsidiaries after getting approval of its JV partners on the tenets & premises of environmental commitment.

2. **Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.?**

   RITES is a consultancy organization and as such addresses these requirements of environmental concerns, climate change, global warming etc. during the preparation of Detailed Project Reports by identifying the issues and the measures for its mitigations by the project authorities.

3. **Does the Company identify and assess potential environmental risks?**

   Yes. These are highlights in the Detailed Project Reports submitted to the clients.

4. **Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so.**

   No.

5. **Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.?**

   Yes. The buildings in RITES office complex Gurugram have implemented the rain water harvesting system and have been provided with the solar power panels on the roof tops. Besides, solar power plants have also been installed on the roof tops of Gurugram and Jodhpur Railway Stations under RITES CSR scheme.

   REMCL, a subsidiary company of RITES has successfully commissioned 26MW windmill in Jaiselmer and has implemented many power procurement agreements under 'open access' policy of the Electricity Act, 2003 resulting in substantial energy savings to Indian Railways.

6. **Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

   Yes. The emissions & waste generated by the Company is within permissible limits. Annual Environment Compliance reports are submitted by the respective work units to respective State Pollution Control Boards (SPCB). All the buildings/offices comply with environmental regulations. Procedures are in place for storage, handling and disposal of hazardous chemicals and wastes.

7. **Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year:**

   None.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

PRINCIPLE 7.1

Do you have a policy/policies for principle 7?

Public and regulatory policies relating to transportation projects in India are formulated by the Government of India. The Company, per se, is not engaged in influencing public and regulatory policy. However, being a CPSE, at times, Government does engage the company in formulation of detailed project reports, studies, surveys and cost estimates for some of the national projects. As a responsible corporate citizen of India, company conducts its business in a responsible manner and always pursues the best ethical business practices.

PRINCIPLE 7.2

Has the policy been formulated in consultation with the relevant stakeholders?

The Company being a Public Sector Enterprise is under the control of the Government of India, through the Ministry of Railways.

PRINCIPLE 7.3

Does the policy conform to any national / international standards? If yes, specify? (50 words)

In all our designs and project reports, company makes sure compliance to the relevant national and international standards.

PRINCIPLE 7.4

Has the policy been approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?

The Company follows policies of the Govt. of India. All its internal policies are approved by the Board of Directors or its designated authority.

PRINCIPLE 7.5

Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?

Depending upon the area of operation, the relevant function is under the purview of the concerned Functional Director who ensures that the same is being implemented in a responsible manner. The Board of the Company has constituted a number of Board level Committees to oversee functioning of respective areas which are detailed in the Corporate Governance Report of the Annual Report 2018-19.

PRINCIPLE 7.6

Indicate the link for the policy to be viewed online?

The website of the Company (*www.ritesltd.com*) has links to the various policies through which one can assess that the Company conducts its business in a responsible manner.

PRINCIPLE 7.7

Has the policy been formally communicated to all relevant internal and external stakeholders?

The Company functions in a transparent and ethical manner and its policies are available on-line for all its internal and external stakeholders. Further, being a PSE, it is obliged to provide all information to citizens in line with Right to Information Act, 2005.

PRINCIPLE 7.8

Does the Company have in-house structure to implement the policy/policies?

The concerned SBU head approves all the designs, drawings, reports after due diligence and taking into account field conditions, regulatory requirements / standards.

PRINCIPLE 7.9

Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?

Yes.

PRINCIPLE 7.10

Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?

The Company has a dedicated Internal Audit department and concurrently audits are conducted through external agencies on regular basis to ensure that the policies produce the desired results. Further, External

Independent Monitors (IEMs) review the projects and under ISO 9001:2015 audits are conducted and projects are reviewed for compliance to statutory and regulatory requirements. Being a PSE under Government of India's ambit, the Company is subject to scrutiny by statutory bodies such as CAG.

1. **Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

   Yes. The Company has association with a number of trade chambers and associations such as:

   - Federation of Indian Chambers of Commerce and Industry (FICCI)
   - Confederation of Indian Industries (CII)
   - StandingConference on Public Enterprises (SCOPE)
   - Federation of Indian Export Organisation (FIEO)
   - Engineering Export Promotion Council (EEPC), Ministry of Commerce, Govt. of India

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

   The company always proposes constructive suggestions through SCOPE or other such institutions in areas of corporate governance, energy security, remuneration & wages, finances, taxation matters, pricing policies, sustainable development, corporate social responsibility and labour reforms that are beneficial to the Industry and society. Further, details are available on the Company's site *www.ritesltd.com*.

Principle 8: Businesses should support inclusive growth and equitable development.

PRINCIPLE 8.1

Do you have policy/ policies for principle 8?

The Company has a structured mechanism for Corporate Social Responsibility and Sustainable Development. It aims to strengthen the infrastructure of society in the area of company operations. We identify the needs of the communities, and select and implement programs that address those needs. The CSR projects are targeted towards empowering the marginalized sections of the society. The programs generate employment and business opportunities, improving the living standards of the community in turn improving the economy of the region.

PRINCIPLE 8.2

The Company being a Central Public Sector Enterprise follows CSR Policy as per DPE Guidelines formulated by the Government. of India and relevant provisions of the Companies Act, 2013.

PRINCIPLE 8.3

Does the policy conform to any national/international standards? if Yes, specify? (50 words)

The CSR policy complies with Companies Act, 2013 and DPE Guidelines which meet International norms on CSR

PRINCIPLE 8.4

Has the policy been approved by the Board? If Yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?

Yes, CSR policy of the Company is approved by Board. All activities pursued under CSR schemes are approved by the Competent Authority and CSR Committee.

PRINCIPLE 8.5

Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?

The Company has a Committee on CSR chaired by Independent Director which conforms to the DPE Guidelines on CSR as well as Section 135 of the Companies Act, 2013. GGM/CSR is the nodal officer for implementation of CSR initiatives of RITES who executes the activities through social organizations.

PRINCIPLE 8.6

Indicate the link for the policy to be viewed online?

The Company's website, *www.ritesltd.com*, has link to CSR policy.

PRINCIPLE 8.7

Has the policy been formally communicated to all relevant internal and external stakeholders?

Yes, for internal stakeholders, all these policies are available on-line on Company websites and also through normal official communication to all SBUs. For external stakeholders, communication in this regard is pursued through interactions at multiple levels.

PRINCIPLE 8.8

Does the Company have in-house structure to implement the policy/ policies?

The Company has a structured framework and laid down well documented procedures in place to execute and implement its policies. There is an exclusive Department for CSR- headed by GGM/CSR, to implement CSR activities throughout the organization.

PRINCIPLE 8.9

Does the Company have a grievance redressal mechanism related to the policy/policies to address the stakeholders' grievance related to the policy / policies?

Yes.

PRINCIPLE 8.10

1. **Does the Company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8?**

   RITES is committed to understand the developmental needs of economically weaker, differently abled and less privileged sections in identified geographical locations in India primarily around the remote operational areas of the company thus creating a more inclusive and equitable world.

   Corporate Social Responsibility (CSR) at RITES is a structured mechanism of engaging and benefiting the local communities in the areas where we operate. It aims to strengthen the fabric of the society that we operate in. Through our implementation partners we identify the needs of the communities, and select and implement programs that address those needs. Our CSR projects are targeted towards empowering the weakest sections of the society, such as children, women, and the elderly. Our programs aim at improving the infrastructure of the localities so as to improve mobility, access to education and clean environment.

2. **Are the programmes/projects undertaken through in-house team/own foundation/ external NGO/government structures/any other organization?**

   The CSR projects or programs are aligned to national theme / directions from the Ministry of Railways / DPE and accordingly projects are selected and implemented through executing agencies and progress is monitored by RITES own in-house team to make sure that funds made available are properly utilized and project results in intended benefits to targeted beneficiaries.

3. **Have you done any impact assessment of your initiative?**

   Apart from our own assessment, Impact assessment, both concurrent and final, are conducted by expert third party agency to assess the direct and indirect impact of a few selected projects.

4. **What is your Company's direct contribution to community development projects-Amount in INR and the details of the projects undertaken?**

   In the year 2018-19, the amount of total CSR spend is ₹ 10.23 crore

Amount utilized for the annual theme of School Education & Health Care ₹ 3.65 crore)

List of projects in aspirational districts in Health and Education:

- Financial Support to 100 Ekal Vidyalayas in Mewat, Jaisalmer & Udham Singh Nagar Aspirational districts of India. (₹13.13 lakh)
- Repair and Renovation in Government School (s) in district Gurugram / Mewat, Haryana. (₹ 10.50 lakh)

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

RITES endeavours to understand the stakeholder expectations through a structured engagement process and communication strategy and leverages this understanding for betterment of all the stakeholders. Company's endeavour in this regard are uniquely positioned to herald a business paradigm that is based on an interconnected vision of all people's well-being, growth and contentment: by enabling citizens and local communities to be informed partners in the enterprise, be accountable in its consumption of environmental resources; and foster local communities that are prosperous and content; and manage their resources commonly and sustainably. To generate goodwill in the communities in and around RITES operational areas by not only mitigating operational impact but through creating social value that is sustainable and inclusive.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

PRINCIPLE 9.1

Do you have policy/policies for principle 9?

Company is into the business of engineering design, consultancy and project management including export and leasing of locomotives and other railway rolling stock, quality assurance, construction supervision and other related services in the railways, highways, urban transport, ports, airports and land ports. The clients mainly include Central and State Government Ministries/Departments, public sector enterprises and large private corporate. The engagement with the clients is through a long and continuing relationship based on successful execution of projects within the time targets. At various stages of the projects, clients approvals are sought before proceeding further. Regular meetings are held with the Ministry of Railways, MHA, MEA, NHAI, NTPC and other clients to resolve the issues, if any.

PRINCIPLE 9.2

Has the policy been formulated in consultation with the relevant stakeholders?

The Company has laid down policies and guidelines for engaging with and providing value to their customers and consumers in a responsible manner. As a part of our quality management system, the clients satisfaction index is measured and reviewed at the highest level in the management.

PRINCIPLE 9.3

Does the policy conform to any national/ international standards? If yes, specify? (50 words)

The projects / assignments are completed in accordance with work order, agreement/contract and these contract specifications are in line with national / international standards such as World Bank, CPWD and Indian Railways, Military Engineering Services, FIDIC etc. Moreover, the Company ensures that policies followed are as per guidelines of the Government of India.

PRINCIPLE 9.4

Has the policy been approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?

Yes, the marketing and business policies including the clients engagement is approved by the Board of Directors.

PRINCIPLE 9.5

Does the Company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?

Yes. The division under the overall guidance of the Functional Director concerned are responsible for implementation of this policy through SBUs.

PRINCIPLE 9.6

Indicate the link for the policy to be viewed online?

The corporate film and brochure are available on the company's website. However, contract agreement for the concerned assignment is a confidential document and is not available for public. Further the general guidelines on standard terms of business and also contract terms and conditions of conducting business with the Company are available on the site *www.ritesltd.com*.

PRINCIPLE 9.7

Has the policy been formally communicated to all relevant internal and external stakeholders?

Yes.

PRINCIPLE 9.8

Does the Company have in-house structure to implement the policy/policies?

As given in response against 9.5 above.

PRINCIPLE 9.9

Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?

Yes. Details are given in Principle 1.9.

PRINCIPLE 9.10

Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?

Yes. As a part of ISO 9001:2015 internal as well as external independent audits are carried out for evaluation of working of this policy.

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year:**
   There are no customer complaints/consumer cases pending against the company as on the end of financial year.
2. **Does the Company display product information on the product label, over and above what is mandated as per local laws?**
   Yes. Please see RITES corporate brochure.
3. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti- competitive behaviour during the last five years and pending as on end of financial year:**
   There are no case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti- competitive behaviour during the last five years and pending as on end of financial year.
4. **Did your Company carry out any consumer survey/ consumer satisfaction trends?**
   Yes. The Company interacts on regular basis with its B2B customers' with respect to timely delivery of quality parameters within the project milestones. This kind of interaction with our partners ensures customer satisfaction. Any concerns related to the product by any of our consumers are addressed immediately. Customer satisfaction index is being evaluated and discussed in the corporate management review as a part of quality management system.

Annexure - D

DIVIDEND DISTRIBUTION POLICY

Preamble

The Shares of RITES Limited (the "Company") are listed on National Stock Exchange of India Limited, Mumbai and Bombay Stock Exchange Limited, Mumbai.

Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016 has inserted Regulation 43A w.e.f. 08th July, 2016 to the Securities and Exchange Board of India (LODR) Regulations, 2015. As per Regulation 43A, the top five hundred listed entities based on market capitalization (calculated as on March 31 of every financial year) shall formulate a dividend distribution policy which shall be disclosed in their annual reports and on their websites. Considering the fact that the Company, as of 31st March 2019, is amongst the top 500 listed entities as per the criteria, the dividend distribution policy has been formulated.

The Board of Directors of the Company (the "Board") has approved the Dividend Distribution Policy of the Company (the "Policy") in its meeting held on May 29, 2019.

Objective

The objective of this Policy is to ensure a regular dividend income for the members and long term capital appreciation for all stakeholders of the Company. The Company would ensure to strike the right balance between the quantum of dividend paid and amount of profits retained in the business for various purposes. The Board of Directors will refer to the Policy while declaring/recommending dividends on behalf of the Company. Through this Policy, the Company would endeavour to maintain a consistent approach to dividend pay-out plans, subject to the applicable laws and conditions.

The policy has been framed broadly in line with the provisions of the Companies Act, 2013 and also taking into consideration guidelines issued by other Regulatory Authorities, to the extent applicable.

Statutory and Government guidelines

The Board of the Company shall comply with the following statutory and government guidelines and requirements while taking decision of a dividend payout:

a. Companies Act 2013 and rules & regulations there under ("Act").

b. Guidelines or directives issued by Government of India.

c. Any other law to the extent applicable.

The Company endeavours to declare dividend as per the guidelines issued by Department of Investment & Public Asset Management (DIPAM), Govt. of India from time to time.

Financial Parameters

a. Financial performance for the year.

b. Distributable surplus available as per the "Act".

c. Liquidity position.

Internal and External factors that would be considered for declaration of dividend

a. Capital expenditure requirements considering expansion and other opportunities.

b. Borrowing levels and the capacity to borrow.

c. Cost and availability of alternative source of financing.

d. Covenants of loan agreements.

e. Macroeconomic and business conditions.

f. Regulatory norms.

g. Any other relevant factors that the board may deem fit to consider before declaring dividend.

Circumstances under which the shareholders of the company may or may not expect dividend

The company has been consistently paying out dividends to its shareholders and is expected to continue in future as well, unless the company is restrained to declare dividends due to financial and other internal and external factors as mentioned above. The company would aim to strike a balance between rewarding shareholders through dividend and ensuring that sufficient profits are retained for growth of the Company and other needs.

Utilization of Retained Earnings

The Company's retained earnings shall be applied for:

a. Capital and Revenue Expenditures for the growth of the business and operations of the Company.

b. Issue of bonus shares or buy back of shares as per Government guidelines.

c. Any other purpose which the board may consider appropriate.

Manner and Timelines for Dividend Payout

a. Dividend for every financial year shall be decided by the Board considering various statutory requirements, financial performance of the company and other internal and external factors enumerated earlier in the policy.

b. Interim dividend(s), if any, may be declared by the Board in addition to Final Dividend.

c. Subject to applicable laws, the payment of interim dividend shall be made within 30 days from the date of approval by the Board to the shareholders entitled to receive dividend on the record date.

d. Recommendation for final dividend, if any, shall be done by the Board usually in the Board meeting that considers and approves the annual financial statements, subject to approval of shareholders of the company.

e. Subject to applicable laws, the payment of final dividend shall be made within 30 days from the date of approval by the members to the shareholders entitled to receive dividend on the record date.

f. The payment of Interim Dividend shall be subject to subject to Shareholders' ratification.

Parameters to be adopted with regard to various classes of shares

As on date, the Company has issued only one class of equity shares. All the members of the Company on the record date are entitled to receive the same amount of dividend declared per share. The policy shall be revisited at the time of issue of any new class of shares depending upon the nature and guidelines thereof.

Other Provisions

The Board of Directors of the Company has approved the Dividend Distribution Policy of the Company.

The Board of Directors of the Company shall have the right to carry out any changes in the Policy, as it may deem appropriate.

INDEPENDENT AUDITOR'S REPORT

To the Members of RITES Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying Standalone Ind AS Financial Statements of RITES Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, notes to the Standalone Ind AS Financial Statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Ind AS Financial Statements") in which are included the returns for the year ended on that date audited by the branch auditors of the company's branches located at Eastern, Western and Southern Region.

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit including other comprehensive income, statement of changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Ind AS Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Standalone Ind AS Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Ind AS Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Ind AS Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	*Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard).* The application of the new revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized at a point in time or over time. Additionally, new revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.	We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows: • Evaluated the design of internal controls relating to implementation of the new revenue accounting standard. • Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation and inspection of evidence in respect of operation of these controls. • Selected a sample of continuing and new contracts and performed the following procedures: – Read, analysed and identified the distinct performance obligations in these contracts. – Compared these performance obligations with that identified and recorded by the Company.

Sr. No.	Key Audit Matter	Auditor's Response
	Refer Notes 1.2.1 and 2.38 to the Standalone Ind AS Financial Statements.	– Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration. – Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings.
2	***Evaluation of uncertain tax positions*** The Company has disputed tax positions which involves significant judgment to determine the possible outcome of these disputes. Refer Note 2.44.2.1.iii to the Standalone Ind AS Financial Statements.	***Principal Audit Procedures*** Obtained details of completed tax assessments and demands for the year ended March 31, 2019 from management and management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. We also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions.

Information Other than the Standalone Ind AS Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the Standalone Ind AS Financial Statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of our audit report.

Our opinion on the Standalone Ind AS Financial Statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Ind AS Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and those charged with Governance for the Standalone Ind AS 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, changes in Equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. 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.

In preparing the Standalone Ind AS Financial Statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic

decisions of users taken on the basis of these Standalone Ind AS Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risk, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Ind AS Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Standalone Ind AS Financial Statements, including the disclosures, and whether the Standalone Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Ind AS Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) We did not audit the financial statements of three branches included in the Standalone Ind AS Financial Statements of the Company whose financial statements reflect total assets of ₹ 1259.01 crore at 31st March, 2019 and the total revenue of ₹ 630.78 crore for the year ended on that date, as considered in the Standalone Ind AS Financial Statements. The financial statements of these branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of branches, is based solely on the report of such branch auditors.

(b) The Standalone Ind AS Financial Statements include company's shares of total assets of ₹ 14 crore as at 31st March 2019 and company's share of total revenue of ₹ 2.18 crore and share of net profit including other comprehensive income of ₹ 0.46 crore for the year ended 31st March 2019, in respect of five joint operations, whose financial statements have not been audited by us. The financial statements of these joint operations have been audited by the joint operations auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of joint operations, is based solely on the report of such joint operations auditors.

(c) The Standalone Ind AS financial statements of the Company for the year ended March 31, 2018 were audited by another firm of Chartered Accountants under the Companies Act 2013 who, vide their report dated July 30, 2018, expressed an unmodified opinion on those financial statements.

Our opinion is not modified in respect of above matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, 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 and proper returns adequate for the purposes of our audit have been received from the branches not visited by us;

   (c) The reports on the accounts of the branch offices of the Company audited under Section 143(8) of the Act by branch auditors have been sent to us and have been properly dealt with by us in preparing this report;

   (d) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, statement of changes in Equity, and the Cash Flow Statement dealt with by this report are in agreement with the books of account and with the returns received from the branches not visited by us;

   (e) In our opinion, the aforesaid Standalone 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;

   (f) 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;

   (g) 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 "Annexure III";

   (h) In our opinion and to the best of our information and according to the explanations given to us, provisions of Section 197 of the Act are not applicable to the company in view of the exemption given by notification no. G.S.R 463(E) dated 5th June, 2015, issued by Ministry of Corporate Affairs.

   (i) 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 the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS Financial Statements – Refer Note 2.44.2.1 to the 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 J.C. Bhalla & Co.
Chartered Accountants
Firm's Regn. No. 001111N



(Anshuman Mallick)
Partner
Membership No. 547705

Place : Gurugram
Date : 29th May, 2019

ANNEXURE I TO THE INDEPENDENT AUDITOR'S REPORT REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF RITES LIMITED.

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of all Fixed Assets.

   (b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

   (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 leasehold building where lease deeds are pending for execution (Refer Note no. 2.60 of the standalone financial statements). Details of such properties are as under:

S. No.	Particulars	Gross Block as on 31.03.2019 (₹ in crore)	Net Block as on 31.03.2019 (₹ in crore)
1.	Office Building at Central Metro Railway Building, 56, C.R Avenue, Kolkata	3.46	1.32
2.	Physical Testing Laboratory at 52 A&B, C.R Avenue, Kolkata	1.24	0.46
3.	Office Building at DLF Cyber city, Bhubaneshwar	5.64	5.43
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.

2. In our opinion and according to the information and explanations given to us, the inventory (excluding inventory in transit) has been physically verified by the management during the year at reasonable intervals and no material discrepancies were noticed on physical verification.

3. (a) According to the information and explanations given to us, the Company has not granted loans, secured or unsecured, during the year, to any Companies, firms, limited liability partnership or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013. Accordingly, clause (iii) (a) of paragraph 3 of the Companies (Auditor's Report) Order, 2016 is not applicable to the Company.

   (b) During the financial year 2016-17, the Company had granted unsecured loan to SAIL-RITES Bengal Wagon Industry Pvt. Ltd. (SRBWIPL), a joint venture Company. The Company has granted a moratorium period of thirty months with respect to principal and interest. Repayment of such principal and interest will commence from July 2019.

   (c) Since the repayment of principal and interest in respect of loan granted to SRBWIPL will commence from July, 2019, no amount is overdue for more than ninety days as at the end of the financial year.

4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

5. As per the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Section 73 to Section 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under during the year. Accordingly, clause (v) of paragraph 3 of the Companies (Auditor's Report) Order, 2016 is not applicable to the Company.

6. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Companies Act, 2013 in respect of products sold and services rendered by the Company.

7. (a) According to the information and explanations given to us and on the basis of our verification of records of the Company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess, Goods and Services Tax and other statutory dues applicable

to it. According to the information and explanations given to us, no undisputed amounts payable in respect of aforesaid dues were in arrears as at March 31, 2019 for a period of more than six months from the date they became payable, except as follows:

Name of the Statute	Nature of the Dues	Amount (₹ in crore)	Period to which the amount relates	Due Date	Date of Payment
Income Tax	TDS	-*	October, 2017	07.11.2017	07.05.2019
Income Tax	TDS	0.05	March, 2018	30.04.2018	07.05.2019

*Less than ₹ 1 lakh

(b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Goods and Services Tax which have not been deposited on account of any dispute are as under:

Name of the statute	Nature of due	Amount Involved (₹ in crore)	Amount paid under protest (₹ in crore)	Period	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	2.21	NIL	A.Y. 2009-10	Income Tax Appellate Tribunal
Income Tax Act, 1961	Penalty	0.56	NIL	A.Y. 2009-10	Commissioner of Income Tax (Appeal)
Income Tax Act, 1961	Income Tax	0.75	0.75	A.Y. 2010-11	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	2.31	2.31	A.Y. 2012-13	Income Tax Appellate Tribunal
Income Tax Act, 1961	Penalty	2.20	NIL	A.Y. 2012-13	Commissioner of Income Tax (Appeal)
Income Tax Act, 1961	Income Tax	2.71	NIL	A.Y. 2013-14	Income Tax Appellate Tribunal
Income Tax Act, 1961	Penalty	0.24	NIL	A.Y. 2013-14	Commissioner of Income Tax (Appeal)
Income Tax Act, 1961	Income Tax	6.30	NIL	A.Y. 2014-15	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	1.87	NIL	A.Y. 2015-16	Income Tax Appellate Tribunal
APVAT	Arrears of sales Tax	0.71	0.71	01.04.2014 To 30.11.2015	Appellate Deputy Commissioner of APVAT
West Bengal VAT	Value Added Tax	1.32	0.20	01.04.2015 To 31.03.2016	President, WBST Appellate- Revisional Board
West Bengal VAT	Value Added Tax	0.42	NIL	01.04.2016 To 31.03.2017	Commissioner of Commercial Tax,
Odisha VAT	Value Added Tax	1.93	0.10	01.04.2014 To 31.03.2016	Appellate Commissioner
Finance Act, 1994	Service Tax Penalty	0.41 0.41	0.04	01.09.2012 To 31.12.2016	Customs, Excise and service Tax Appellate Tribunal

Name of the statute	Nature of due	Amount Involved (₹ in crore)	Amount paid under protest (₹ in crore)	Period	Forum where dispute is pending
Finance Act, 1994	Service Tax Penalty	1.68 1.69	0.12	01.07.2012 To 31.03.2016	Commissioner of Goods and Service Tax (Appeal)

8. According to the information and explanations given to us, the Company has not taken any loans or borrowing from financial institution, bank, government and has not issued any debentures. Accordingly, clause (viii) of paragraph 3 of the Companies (Auditor's Report) Order, 2016 is not applicable to the Company.

9. In our opinion and according to the information and explanation given by the management, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loan during the year. Accordingly, clause (ix) of paragraph 3 of the Companies (Auditor's Report) Order, 2016 is not applicable to the Company.

10. During the course of our examination of the books of accounts and records carried out in accordance with the generally accepted auditing practices and 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 year.

11. In view of exemption given vide notification no. G. S. R 463(E) dated June 5, 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. Accordingly, clause (xi) of paragraph 3 of the Companies (Auditors Report) Order, 2016 is not applicable to the Company.

12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause (xii) of paragraph 3 of the Companies (Auditors Report) Order, 2016 is not applicable to the Company.

13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

14. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause (xiv) of paragraph 3 of the Companies (Auditors Report) Order, 2016 is not applicable to the Company.

15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with any of the directors or persons connected with him. Accordingly, clause (xv) of paragraph 3 of the Companies (Auditors Report) Order, 2016 is not applicable to the Company.

16. According to the information and explanations given to us the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, Clause (xvi) of paragraph 3 of the Companies (Auditor's Report) Order 2016 is not applicable to the Company.

For J.C. Bhalla & Co.
Chartered Accountants
Firm's Regn. No. 001111N



(Anshuman Mallick)
Partner
Membership No. 547705

Place : Gurugram
Date : 29th May, 2019

ANNEXURE II TO THE INDEPENDENT AUDITOR'S REPORT REFERRED TO IN PARAGRAPH 2 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF RITES LIMITED

Report under Section 143 (5) of the Companies Act, 2013 in respect of RITES LIMITED on Standalone Ind AS Financial Statements for the year ended 31st March, 2019.

S. No.	Directions	Auditor's Comments
1.	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	Yes, the Company has SAP system in place to process all the accounting transactions. As per information and explanations given to us and during the course of our audit we have not come across the any accounting transactions which were outside the IT system and have financial implications.
2.	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/ interest etc. made by a lender to the company due to company's inability to repay the loan? If yes, the financial impact may be stated.	According to the information and explanations given to us the Company has not taken any loan. Hence, there are no cases of waiver / write off of debts / loans / interest etc.
3.	Whether funds received/receivable for specific schemes from Central/State agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation.	As per the information and explanations given to us the Company has not received any funds from Central/State agencies for specific schemes during the year.

For J.C. Bhalla & Co.
Chartered Accountants
Firm's Regn. No. 001111N



(Anshuman Mallick)
Partner
Membership No. 547705

Place : Gurugram
Date : 29th May, 2019

ANNEXURE III TO THE INDEPENDENT AUDITOR'S REPORT REFERRED TO IN PARAGRAPH 3(G) UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF RITES LIMITED

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

We have audited the internal financial controls over financial reporting of RITES Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone Ind AS 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 (the "Guidance Note") 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 Act.

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 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 ICAI. 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 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 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 March 31, 2019, 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 J.C. Bhalla & Co.
Chartered Accountants
Firm's Regn. No. 001111N



(Anshuman Mallick)
Partner
Membership No. 547705

Place : Gurugram
Date : 29th May, 2019

BALANCE SHEET AS AT 31ST MARCH, 2019

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2019	AS AT 31.03.2018	AS AT 01.04.2017
ASSETS				
NON CURRENT ASSETS				
PROPERTY, PLANT AND EQUIPMENT	2.1	**338.25**	261.77	259.11
CAPITAL WORK IN PROGRESS	2.2	**2.32**	0.38	4.19
INVESTMENT PROPERTY	2.3	**0.80**	1.22	1.25
INTANGIBLE ASSETS	2.4	**0.62**	0.91	1.73
INTANGIBLE ASSETS UNDER DEVELOPMENT	2.5	**1.59**	1.58	1.58
FINANCIAL ASSETS				
INVESTMENTS	2.6.1	**180.01**	179.76	179.76
LOANS	2.7	**16.30**	18.74	12.29
OTHER FINANCIAL ASSETS	2.8	**43.40**	122.66	236.93
DEFERRED TAX ASSETS (NET)	2.9	**74.03**	58.38	32.49
OTHER NON CURRENT ASSETS	2.10	**120.78**	116.28	130.19
		778.10	761.68	859.52
CURRENT ASSETS				
INVENTORIES	2.11	**104.93**	9.38	50.42
FINANCIAL ASSETS				
INVESTMENTS	2.6.2	**-**	-	193.04
TRADE RECEIVABLES	2.12	**585.75**	458.70	457.58
CASH AND CASH EQUIVALENTS-OWNED FUND	2.13.1	**156.18**	142.08	251.04
CASH AND CASH EQUIVALENTS-CLIENTS FUND	2.14.1	**491.63**	592.26	333.37
OTHER BANK BALANCES-OWNED FUND	2.13.2	**1,116.77**	1,250.67	609.42
OTHER BANK BALANCES-CLIENTS FUND	2.14.2	**1,704.04**	1,584.48	1,659.09
LOANS	2.15	**13.13**	6.49	14.88
OTHER FINANCIAL ASSETS	2.16	**166.38**	111.67	171.58
CURRENT TAX ASSETS (NET)	2.17	**51.00**	36.82	10.35
OTHER CURRENT ASSETS	2.18	**87.32**	83.01	59.18
		4,477.13	4,275.56	3,809.95
TOTAL ASSETS		**5,255.23**	5,037.24	4,669.47
EQUITY AND LIABILITIES				
EQUITY				
EQUITY SHARE CAPITAL	2.19	**200.00**	200.00	200.00
OTHER EQUITY	2.20	**2,183.83**	1,999.11	1,847.88
		2,383.83	2,199.11	2,047.88
LIABILITIES				
NON CURRENT LIABILITIES				
FINANCIAL LIABILITIES				
TRADE PAYABLES				
- TOTAL OUTSTANDING DUES OF MICRO ENTERPRISES AND SMALL ENTERPRISES	2.55	**-**	-	-
- TOTAL OUTSTANDING DUES OTHER THAN MICRO ENTERPRISES AND SMALL ENTERPRISES		**-**	-	0.06
OTHER FINANCIAL LIABILITIES	2.21	**177.37**	163.29	158.40
PROVISIONS	2.22	**6.70**	11.89	112.68
OTHER NON CURRENT LIABILITIES	2.23	**3.36**	92.47	7.27
		187.43	267.65	278.41
CURRENT LIABILITIES				
FINANCIAL LIABILITIES				
TRADE PAYABLES				
- TOTAL OUTSTANDING DUES OF MICRO ENTERPRISES AND SMALL ENTERPRISES	2.55	**9.05**	0.61	1.74
- TOTAL OUTSTANDING DUES OTHER THAN MICRO ENTERPRISES AND SMALL ENTERPRISES		**185.37**	76.19	69.62
OTHER FINANCIAL LIABILITIES	2.24	**2,249.55**	2,228.19	2,054.57
PROVISIONS	2.25	**68.78**	105.64	150.50
OTHER CURRENT LIABILITIES	2.26	**171.22**	159.85	66.75
		2,683.97	2,570.48	2,343.18
TOTAL EQUITY AND LIABILITIES		**5,255.23**	5,037.24	4,669.47
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FORM AN INTEGRAL PART OF STANDALONE FINANCIAL STATEMENTS	1&2			

For and on behalf of the Board

Ajay Kumar Gaur
Director Finance and
Chief Financial 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 J C BHALLA & COMPANY, Chartered Accountants
Firm Registration No. 001111N

(ANSHUMAN MALLICK)
Partner, Membership No. 547705

Place : Gurugram
Date : 29th May, 2019

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2019	YEAR ENDED 31.03.2018
REVENUE			
REVENUE FROM OPERATIONS	2.27	**1,968.97**	1,433.85
OTHER INCOME	2.28	**195.20**	152.50
TOTAL REVENUE		**2,164.17**	1,586.35
EXPENDITURE			
EMPLOYEE BENEFIT EXPENSES	2.29	**483.59**	456.20
TRAVEL		**48.78**	40.84
SUPPLIES & SERVICES		**164.87**	123.26
PURCHASES FOR EXPORT		**222.54**	112.79
CHANGES IN INVENTORIES OF STOCK IN TRADE	2.30	**(95.85)**	40.36
COST OF TURNKEY CONSTRUCTION PROJECTS	2.31	**516.49**	130.77
FINANCE COST	2.32	**3.04**	2.71
DEPRECIATION & AMORTISATION EXPENSES	2.1-2.4	**32.18**	30.18
OTHER EXPENSES	2.33	**111.81**	164.49
TOTAL EXPENDITURE		**1,487.45**	1,101.60
PROFIT BEFORE TAX		**676.72**	484.75
TAX EXPENSES			
- CURRENT TAX	2.34	**(247.72)**	(178.93)
- DEFERRED TAX	2.35	**15.65**	25.89
PROFIT AFTER TAX		**444.65**	331.71
OTHER COMPREHENSIVE INCOME			
ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO PROFIT & LOSS			
- REMEASUREMENTS OF THE DEFINED BENEFIT LIABILITY/ASSET		**(2.61)**	(4.18)
- INCOME TAX		**0.91**	1.45
TOTAL OTHER COMPREHENSIVE INCOME (NET OF TAX)		**(1.70)**	(2.73)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**442.95**	328.98
EARNING PER SHARE (EQUITY SHARE OF ₹ 10/- EACH) - **BASIC & DILUTED**	2.41	₹ **22.23**	16.59
WEIGHTED AVERAGE NUMBER OF EQUITY SHARES USED IN COMPUTING EARNING PER SHARE		**200,000,000**	200,000,000

For and on behalf of the Board

Ajay Kumar Gaur
Director Finance and
Chief Financial 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 J C BHALLA & COMPANY, Chartered Accountants
Firm Registration No. 001111N

(ANSHUMAN MALLICK)
Partner, Membership No. 547705

Place : Gurugram
Date : 29th May, 2019

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2019

A. EQUITY SHARE CAPITAL

(₹ in crore)

BALANCE AS AT 01.04.2018	CHANGES IN EQUITY SHARE CAPITAL DURING THE PERIOD	BALANCE AS AT 31.03.2019
200.00	**-**	**200.00**

(₹ 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

B. OTHER EQUITY

(₹ in crore)

PARTICULARS	RESERVE AND SURPLUS		TOTAL
	GENERAL RESERVE	RETAINED EARNINGS	
BALANCE AS AT 01.04.2018	**1951.85**	**47.26**	**1,999.11**
PROFIT FOR THE PERIOD	-	444.65	**444.65**
REMEASUREMENT OF THE NET DEFINED BENEFIT LIABILITY/ASSET, NET OF TAX EFFECT	-	(1.70)	**(1.70)**
INTERIM DIVIDEND (2018-19)	-	(175.00)	**(175.00)**
FINAL DIVIDEND (2017-18)	-	(40.00)	**(40.00)**
CORPORATE DIVIDEND TAX	-	(43.23)	**(43.23)**
BALANCE AT 31.03.2019	**1,951.85**	**231.98**	**2,183.83**
INTERIM DIVIDEND PER SHARE FOR 2018-19 (₹)	8.75	NUMBER OF SHARES USED IN COMPUTING DIVIDEND PER SHARE	200,000,000
FINAL DIVIDEND PER SHARE FOR 2017-18 (₹)	2.00	NUMBER OF SHARES USED IN COMPUTING DIVIDEND PER SHARE	200,000,000

(₹ in crore)

PARTICULARS	RESERVE AND SURPLUS		TOTAL
	GENERAL RESERVE	RETAINED EARNINGS	
BALANCE AS AT 01.04.2017	**1,833.64**	**-**	**1,833.64**
EFFECTS OF CHANGES IN ACCOUNTING POLICY AND PRIOR PERIOD ERRORS (NET OF TAX)	14.24	-	**14.24**
RESTATED BALANCE AT 01.04.2017	**1,847.88**	**-**	**1,847.88**
PROFIT FOR THE PERIOD	-	331.71	**331.71**
REMEASUREMENT OF THE NET DEFINED BENEFIT LIABILITY/ASSET, NET OF TAX EFFECT (OCI)	-	(2.73)	**(2.73)**
INTERIM DIVIDEND (2016-17)	-	(70.00)	**(70.00)**
FINAL DIVIDEND (2015-16)	-	(78.00)	**(78.00)**
CORPORATE DIVIDEND TAX		(29.75)	**(29.75)**
TRANSFER TO GENERAL RESERVE FROM RETAINED EARNINGS	103.97	(103.97)	**-**
BALANCE AT 31.03.2018	**1,951.85**	**47.26**	**1,999.11**
INTERIM DIVIDEND PER SHARE FOR 2017-18 (₹)	3.50	NUMBER OF SHARES USED IN COMPUTING DIVIDEND PER SHARE	200,000,000
FINAL DIVIDEND PER SHARE FOR 2016-17 (₹)	3.90	NUMBER OF SHARES USED IN COMPUTING DIVIDEND PER SHARE	200,000,000

For and on behalf of the Board

Ajay Kumar Gaur
Director Finance and
Chief Financial 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 J C BHALLA & COMPANY, Chartered Accountants
Firm Registration No. 001111N

(ANSHUMAN MALLICK)
Partner, Membership No. 547705

Place : Gurugram
Date : 29th May, 2019

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ in crore)

PARTICULARS	YEAR ENDED 31.03.2019	YEAR ENDED 31.03.2018
CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX	**676.72**	484.75
OTHER COMPREHENSIVE INCOME BEFORE TAX	**(2.61)**	(4.18)
ADJUSTMENTS FOR:		
- DEPRECIATION AND AMORTIZATION	**32.18**	30.18
- LOSS/(PROFIT) ON SALE OF ASSETS (NET)	**(0.06)**	(0.13)
- INTEREST INCOME	**(123.29)**	(103.01)
- INCOME FROM INVESTMENTS	**(8.81)**	(9.13)
- INCOME FROM INVESTMENT PROPERTIES	**(0.58)**	(0.99)
- FIXED ASSETS WRITTEN OFF	**-**	5.86
- CONVERSION OF PPE INTO INVENTORIES	**-**	6.19
- UNREALIZED GAIN/(LOSSES) FROM CHANGES IN FOREIGN EXCHANGE RATE	**(15.21)**	(2.02)
- PROVISION AND IMPAIRMENT EXPENSES (NET)	**9.38**	69.94
- FINANCE COST	**3.04**	2.71
EFFECT OF EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN CURRENCY CASH & CASH EQUIVALENTS	**(1.93)**	(5.72)
OPERATING PROFIT BEFORE CHANGES IN ASSETS AND LIABILITIES	**568.83**	474.45
CHANGE IN ASSETS AND LIABILITIES:		
ADJUSTMENTS FOR (INCREASE)/DECREASE IN OPERATING ASSETS:		
- INVENTORIES	**(95.55)**	41.04
- TRADE RECEIVABLES	**(134.53)**	(18.65)
- LOANS, OTHER FINANCIAL ASSETS AND OTHER ASSETS	**(20.58)**	7.45
ADJUSTMENTS FOR INCREASE/(DECREASE) IN OPERATING LIABILITIES:		
- TRADE PAYABLES	**116.49**	4.73
- OTHER FINANCIAL LIABILITIES, OTHER LIABILITIES AND PROVISIONS (NET OF CLIENT FUNDS)	**(75.40)**	41.91
CASH GENERATED FROM OPERATIONS	**359.26**	550.93
- INCOME TAX PAID	**(230.11)**	(171.13)
NET CASH FROM OPERATING ACTIVITIES	**129.15**	379.80
CASH FLOWS FROM INVESTING ACTIVITIES		
- PURCHASE/CONSTRUCTION OF FIXED ASSETS	**(145.48)**	(61.76)
- PROCEEDS FROM SALE OF FIXED ASSETS	**0.07**	0.16
- INVESTMENTS IN SHARES, BONDS ETC.	**(0.25)**	50.00
- DEPOSITS WITH BANK NOT CONSIDERED AS CASH AND CASH EQUIVALENTS	**160.67**	(567.40)
- INTEREST INCOME	**118.22**	109.16
- INCOME FROM INVESTMENTS	**8.81**	9.13
- INCOME FROM INVESTMENT PROPERTIES	**0.58**	0.99
NET CASH FROM INVESTING ACTIVITIES	**142.62**	(459.72)

(₹ in crore)

PARTICULARS	YEAR ENDED 31.03.2019	YEAR ENDED 31.03.2018
CASH FLOW FROM FINANCING ACTIVITIES		
- DIVIDEND PAID	**(215.00)**	(148.00)
- DIVIDEND TAX PAID	**(43.23)**	(29.75)
- FINANCE COST	**(1.37)**	(0.05)
NET CASH FROM FINANCING ACTIVITIES	**(259.60)**	(177.80)
EFFECT OF EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN CURRENCY CASH & CASH EQUIVALENTS	**1.93**	5.72
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**14.10**	(252.00)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	**142.08**	394.08
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**156.18**	142.08

RECONCILIATION OF CASH AND CASH EQUIVALENTS

(₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2019	YEAR ENDED 31.03.2018
CASH AND CASH EQUIVALENTS-OWNED FUND	2.13.1	**156.18**	142.08
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		**156.18**	142.08
COMPONENTS OF CASH AND CASH EQUIVALENTS (REFER NOTE NO. 2.13.1)		**156.18**	142.08

NON CASH TRANSACTIONS - INVESTING ACTIVITIES

(₹ in crore)

PARTICULARS	YEAR ENDED 31.03.2019	YEAR ENDED 31.03.2018
CONVERSION OF PPE INTO INVENTORIES	**-**	6.19

NOTE:

1. CASH AND CASH EQUIVALENTS CONSIST OF CASH AND BANK BALANCES INCLUDING FDs AND LIQUID INVESTMENTS
2. 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/S 133 OF COMPANIES ACT, 2013 ("ACT") READ WITH RULE 4 OF THE COMPANIES (INDIAN ACCOUNTING STANDARDS) RULES 2015 AND THE RELEVANT PROVISION OF THE ACT.
3. FIGURES IN BRACKET INDICATE CASH OUTFLOW.
4. THE ABOVE STATEMENT OF CASH FLOWS HAS BEEN PREPARED ON THE BASIS OF RITES OWNED FUNDS ONLY. FUNDS ON THE BEHALF OF THE CLIENT AND ITS CORRESPONDING LIABILITIES HAVE NOT BEEN CONSIDERED.

For and on behalf of the Board

Ajay Kumar Gaur
Director Finance and
Chief Financial 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 J C BHALLA & COMPANY, Chartered Accountants
Firm Registration No. 001111N

(ANSHUMAN MALLICK)
Partner, Membership No. 547705

Place : Gurugram
Date : 29th May, 2019

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, doubling and electrification on turnkey basis.

The Company is a "Miniratna", Schedule-"A", Category-I CPSE and ISO 9001:2015 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, Gurugram, Haryana-122001 (India). President of India through Ministry of Railways is presently holding 87.40% equity share of the company (Refer Note No. 2.52).

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 2.63. 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 29th May, 2019.

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 with the Companies (Indian Accounting Standards) Rules as amended from time to time.

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 CONTRACTS WITH CUSTOMERS

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

To determine whether to recognise revenue, the Company follows a five step process:

- Identifying the contract with a customer
- Identifying the performance obligations
- Determining the transaction price
- Allocating the transaction price to the performance obligations
- Recognising revenue when/as performance obligation(s) are satisfied.

The Company often enters into transactions involving a range of the Company's products and services. In all cases, the total transaction price for a contract is based on performance obligation. The transaction price for a contract excludes amounts received as deposit from client for execution of the project and amount collected on behalf of third party (for example, some GST)

Revenue is recognised either at a point in time or over time, when (or as) the Company satisfies performance obligations by transferring the promised goods or services to its customers.

The Company recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the balance sheet. Similarly, if the Company satisfies a performance obligation before the consideration is due, the Company recognises a contract asset in its balance sheet.

When there is uncertainty as to realisability, recognition of revenue is postponed until such uncertainty is removed.

1.2.1.1 Consultancy Fee

Revenue from providing services is recognized in the accounting period in which services are rendered. Revenue is recognized based on performance obligation satisfied either over time or at a point in time.

In case performance obligation satisfied over time revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided.This is determined based on 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.

In other cases where performance obligation is not satisfied over time, revenue is recognized at a point in time.

In case of contracts, where customer pays fixed amount based on a payment schedule, if services rendered by the Company exceed the payment, a contract asset is recognised. If payments exceed services rendered, a contract liability is recognised.

Mobilization fee is considered as customer advance until recognized as revenue based on the stage of completion of activities/transactions as per the terms of contract/work order.

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.

1.2.1.2 Inspection Fee

Inspection fee is accounted for on the basis of inspection certificates issued.

1.2.1.3 Export Sales

Export sales are accounted for on the basis of bills raised when or as the Company transfers control of the assets to the customer which happens at the point in time the customer has undisputed right on delivered goods.

1.2.1.4 Construction Projects

In construction contracts/ projects, the company recognises revenue over time. Due to high degree of interdependence among various elements of these projects, revenue is accounted for considering these activities as a single performance obligation.

To depict the progress by which the Company transfers control of the promised goods to the customer, and to establish when and to what extent revenue can be recognised, the Company measures its progress towards complete satisfaction of the performance obligation based on work done.

Any expected loss is recognized as an expense immediately.

1.2.1.5 Lease Services

Lease income arising from operating leases is accounted for on a straight-line basis over the lease terms unless the payments are structured to increase in line with expected general inflation to compensate for expected

inflationary cost increases. 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.

1.2.2 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

	Assets	Useful Life (Years)
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 PROVIDEND 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

Prepaid expenses up to ₹ 5,00,000/- in each case are treated as expenditure/income of the year and accounted for to the natural head of accounts.

Prior Period Adjustments

Material prior period errors are corrected retrospectively by restating the comparative amounts for the prior periods presented in which the error occurred. If the error occurred before the earliest period presented, the opening balances of assets, liabilities and equity for the earliest period presented, are restated unless it is impracticable, in which case, the comparative information is adjusted to apply the new accounting policy prospectively from the earliest date practicable.

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 shares 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)

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive. When estimating the cash flows, the Company consider the following:

- All contractual terms of the financial assets (including extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Trade receivables: In respect of trade receivables, the Company applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

Other financial assets: In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

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 asset has 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 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 Proft 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 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.

2. NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

2.1 PROPERTY, PLANT AND EQUIPMENT

FOLLOWING ARE THE CHANGES IN THE CARRYING VALUE OF PROPERTY, PLANT AND EQUIPMENT FOR THE YEAR ENDED 31.03.2019

(₹ in crore)

DESCRIPTION	GROSS BLOCK					DEPRECIATION/AMORTISATION						NET BLOCK
	AS AT 01/04/2018	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	DELETIONS DURING THE YEAR	TOTAL	AS AT 01/04/2018	FOR THE YEAR	ADJ DURING THE YEAR	ADJ THROUGH RETAINED EARNING	DELETIONS DURING THE YEAR	TOTAL	AS AT 31/03/2019
LEASEHOLD												
BUILDING #	9.58	-	0.44	-	10.02	0.53	0.21	0.04	-	-	0.78	9.24
SUB TOTAL	**9.58**	**-**	**0.44**	**-**	**10.02**	**0.53**	**0.21**	**0.04**	**-**	**-**	**0.78**	**9.24**
OTHERS												
LAND	26.19	-	-		26.19	-	-	-	-	-	-	26.19
BUILDING	34.51	-	-	-	34.51	2.04	0.68	-	-	-	2.72	31.79
RESIDENTIAL QUARTERS	0.98	18.77	-	-	19.75	0.06	0.18	-	-	-	0.24	19.51
OFFICE EQUIPMENTS												
SURVEY AND OTHER INSTRUMENTS	9.50	0.25	-	-	9.75	2.26	1.06	-	-	-	3.32	6.43
COMPUTER AND EQUIPMENTS	9.19	2.06	-	0.12	11.13	6.29	2.03	-	-	0.12	8.20	2.93
SERVER & NETWORK	4.83	0.30	-	-	5.13	3.02	1.07	-	-	-	4.09	1.04
OFFICE AND OTHER EQUIPMENTS	4.48	0.63	-	0.12	4.99	2.98	0.71	-	-	0.11	3.58	1.41
AIR-CONDITIONER AND EQUIPMENTS	1.31	0.11	-	-	1.42	0.57	0.20	-	-	-	0.77	0.65
PLANT & MACHINERY												
AIR CONDITIONER PLANT	6.80	-	-	-	6.80	3.37	0.36	-	-	-	3.73	3.07
LOCOMOTIVES NEW @	99.16	84.52	-	-	183.68	11.82	8.47	-	-	-	20.29	163.39
LOCOMOTIVES IN SERVICE @	136.40	-	-	-	136.40	52.01	15.45	-	-	-	67.46	68.94
FURNITURE & FIXTURES												
FURNITURES	4.15	0.55	-	-	4.70	1.67	0.50	-	-	-	2.17	2.53
FIXTURES	1.90	0.11	-	-	2.01	1.42	0.24	-	-	-	1.66	0.35
VEHICLE												
VEHICLES	1.72	0.22	-	-	1.94	0.89	0.27	-	-	-	1.16	0.78
SUB TOTAL	**341.12**	**107.52**	**-**	**0.24**	**448.40**	**88.40**	**31.22**	**-**	**-**	**0.23**	**119.39**	**329.01**
TOTAL	**350.70**	**107.52**	**0.44**	**0.24**	**458.42**	**88.93**	**31.43**	**0.04**	**-**	**0.23**	**120.17**	**338.25**

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 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	AS AT 31/03/2018	AS AT 01/04/2017
LEASEHOLD													
BUILDING #	9.58	-	-	-	9.58	0.34	0.19	-	-		0.53	9.05	9.24
MULTIFUNCTIONAL COMPLEX	5.76	-	-	5.76	-	0.08	0.08	-	-	0.16	-	-	5.68
SUB TOTAL	**15.34**	**-**	**-**	**5.76**	**9.58**	**0.42**	**0.27**	**-**	**-**	**0.16**	**0.53**	**9.05**	**14.92**
OTHERS													
LAND	30.35	0.06	(4.22)		26.19	-		-	-	-	-	26.19	30.35
BUILDING	34.51	-	-	-	34.51	1.36	0.68	-	-	-	2.04	32.47	33.15
RESIDENTIAL QUARTERS	0.98	-	-	-	0.98	0.04	0.02	-	-	-	0.06	0.92	0.94

(₹ in crore)

DESCRIPTION	GROSS BLOCK					DEPRECIATION/AMORTISATION						NET BLOCK	
	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	AS AT 31/03/2018	AS AT 01/04/2017
OFFICE EQUIPMENTS													
SURVEY AND OTHER INSTRUMENTS	4.86	4.65	-	0.01	9.50	1.39	0.87	-	-	-	2.26	7.24	3.47
COMPUTER AND EQUIPMENTS	7.29	1.91	-	0.01	9.19	4.33	1.97	-	-	0.01	6.29	2.90	2.96
SERVER & NETWORK	4.30	0.53	-	-	4.83	1.97	1.05	-	-	-	3.02	1.81	2.33
OFFICE AND OTHER EQUIPMENTS	4.01	0.50	-	0.03	4.48	2.25	0.75	-	-	0.02	2.98	1.50	1.76
AIR-CONDITIONER AND EQUIPMENTS	1.15	0.17	-	0.01	1.31	0.37	0.20	-	-	-	0.57	0.74	0.78
PLANT & MACHINERY													
AIR CONDITIONER PLANT	6.80	-	-	-	6.80	2.72	0.65	-	-	-	3.37	3.43	4.08
LOCOMOTIVES NEW @	60.30	38.86	-	-	99.16	6.87	4.95	-	-	-	11.82	87.34	53.43
LOCOMOTIVES IN SERVICE * @	142.59	-	(6.19)		136.40	35.59	16.42	-	-	-	52.01	84.39	107.00
FURNITURE & FIXTURES													
FURNITURES	3.50	0.67	-	0.02	4.15	1.06	0.61	-	-	-	1.67	2.48	2.44
FIXTURES	1.67	0.23	-	-	1.90	1.20	0.22	-	-	-	1.42	0.48	0.47
VEHICLE													
VEHICLES	1.64	0.08	-	-	1.72	0.61	0.28	-	-	-	0.89	0.83	1.03
VEHICLES ABROAD	0.01	-	-	0.01	-	0.01	-	-	-	0.01	-	-	-
SUB TOTAL	**303.96**	**47.66**	**(10.41)**	**0.09**	**341.12**	**59.77**	**28.67**	**-**	**-**	**0.04**	**88.40**	**252.72**	**244.19**
TOTAL	**319.30**	**47.66**	**(10.41)**	**5.85**	**350.70**	**60.19**	**28.94**	**-**	**-**	**0.20**	**88.93**	**261.77**	**259.11**

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. 2.60).
- AGGREGATE DEPRECIATION AND AMORTISATION HAS BEEN INCLUDED UNDER DEPRECIATION AND AMORTISATION EXPENSES IN THE PROFIT AND LOSS.

REFER NOTE NO. 2.40.1
@ REFER NOTE NO. 2.40.2
* ASSETS TRANSFERRED TO INVENTORIES AT WRITTEN DOWN VALUE OF ₹ NIL (PREVIOUS YEAR ₹ 6.19 CRORE) 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 31.03.2019	**0.38**	**1.94**	**-**	**-**	**2.32**	**-**	**-**		**-**	**-**	**-**	**2.32**
AS AT 31.03.2018	4.19	0.17	(3.98)	-	0.38	-	-		-	-	-	0.38
AS AT 01.04.2017												4.19

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 31.03.2019	**1.33**	**-**	**(0.44)**	**-**	**0.89**	**0.11**	**0.02**	**(0.04)**	**-**	**-**	**0.09**	**0.80**
AS AT 31.03.2018	1.33	-		-	1.33	0.08	0.03		-	-	0.11	1.22
AS AT 01.04.2017												1.25
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	
COMPUTER SOFTWARES (ACQUIRED)												
AS AT 31.03.2019	**5.76**	**0.44**		**-**	**6.20**	**4.85**	**0.73**		**-**	**-**	**5.58**	**0.62**
AS AT 31.03.2018	5.37	0.39		-	5.76	3.64	1.21		-	-	4.85	0.91
AS AT 01.04.2017												1.73

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	
COMPUTER SOFTWARES (ACQUIRED)												
AS AT 31.03.2019	**1.58**	**0.01**		**-**	**1.59**	**-**	**-**		**-**	**-**	**-**	**1.59**
AS AT 31.03.2018	1.58	-		-	1.58	-	-		-	-	-	1.58
AS AT 01.04.2017												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 31.03.2019	AS AT 31.03.2018	AS AT 01.04.2017
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 Dimunition in value of Investment		**(0.05)** **-**	(0.05) -	(0.05) -
(iii) Railway Energy Management Company Limited		**35.70**	35.70	35.70
35,700,000 (previous year 35,700,000) equity shares of face value of ₹ 10 each, fully paid-up.		**35.71**	35.71	35.71
JOINT VENTURES				
(i) SAIL-RITES Bengal Wagon Industry Private Limited		**24.00**	24.00	24.00
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		**0.26**	0.01	0.01
2,60,000 (previous year 13,000) equity shares of face value of ₹ 10 each, fully paid-up.		**24.26**	24.01	24.01
COOPERATIVE SOCIETIES				
(i) Moru Mahal Co-operative Society Limited	2.63	**-**	-	-

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2019	AS AT 31.03.2018	AS AT 01.04.2017
5 (previous year 5) Equity Shares of face value of ₹ 50/- each, fully paid-up acquired for purchase of residential quarter.				
(ii) Amit Industrial Premises Co-operative Society Limited	2.63	-	-	-
10 (previous year 10) Equity Shares of face value of ₹ 50/- each, fully paid-up acquired for purchase of laboratory.				
OTHERS (INVESTMENT CARRIED AT AMORTISED COST)				
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)		**60.01**	59.76	59.76
B) INVESTMENT IN QUOTED TAX FREE BONDS OF (INVESTMENT CARRIED AT AMORTISED COST):				
(i) 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
(ii) 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
(iii) 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
(iv) 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
(v) 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
(vi) 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	120.00
TOTAL (NON CURRENT)		**180.01**	179.76	179.76

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2019	AS AT 31.03.2018	AS AT 01.04.2017
2.6.2 CURRENT INVESTMENTS				
A) INVESTMENT IN UNQUOTED MUTUAL FUNDS (INVESTMENT CARRIED AT FAIR VALUE THROUGH PROFIT OR LOSS):				
UTI LIQUID CASH PLAN				
NIL (PREVIOUS YEAR NIL) UNITS		-	-	71.28
CANARA ROBECO LIQUID FUND				
NIL (PREVIOUS YEAR NIL) UNITS		-	-	71.76 143.04
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 6.32% 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
TOTAL (CURRENT)		-	-	193.04
GRAND TOTAL		**180.01**	179.76	372.80
A AGGREGATE AMOUNT OF QUOTED INVESTMENTS		**120.00**	120.00	170.00
B MARKET VALUE OF QUOTED INVESTMENTS (INCLUDING INTEREST ACCRUED)*		**129.58**	127.19	178.56
C AGGREGATE AMOUNT OF UNQUOTED INVESTMENTS		**60.01**	59.76	202.80
D AGGREGATE AMOUNT OF IMPAIRMENT IN VALUE OF INVESTMENTS		**0.05**	0.05	0.05

* MARKET VALUE OF SOME OF THE BONDS ARE NOT AVAILABLE AS THESE BONDS ARE NOT FREQUENTLY TRADED, HENCE TAKEN AT AMORTISED COST.
** UNDER LIQUIDATION.
*** 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 31.03.2019	AS AT 31.03.2018	AS AT 01.04.2017
SECURITY DEPOSITS CONSIDERED GOOD-UNSECURED		**2.40**	3.55	2.64
LOANS TO EMPLOYEES CONSIDERED GOOD-SECURED		**7.59**	6.14	6.10
LOANS TO EMPLOYEES CONSIDERED GOOD-UNSECURED		**1.41**	2.05	3.55
LOANS TO EMPLOYEES WHICH HAVE SIGNIFICANT INCREASE IN CREDIT RISK		-	-	-
LOANS TO EMPLOYEES -CREDIT IMPAIRED		-	-	-
LOANS TO JV (RELATED PARTY) CONSIDERED GOOD-SECURED		-	-	-
LOANS TO JV (RELATED PARTY) CONSIDERED GOOD-UNSECURED	2.39	**4.90**	7.00	-
LOANS TO JV (RELATED PARTY) WHICH HAVE SIGNIFICANT INCREASE IN CREDIT RISK		-	-	-
LOANS TO JV (RELATED PARTY)-CREDIT IMPAIRED		-	-	-
TOTAL		**16.30**	18.74	12.29

2.8 OTHER NON CURRENT FINANCIAL ASSETS

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2019	AS AT 31.03.2018	AS AT 01.04.2017
INTEREST ACCRUED (INCLUDING ACCRUED BUT NOT DUE) ON:				
- BANK DEPOSITS		-	1.84	2.35
- LOANS TO SRBWIPL (RELATED PARTY)	2.39	-	0.76	-
RETENTION MONEY		16.52	16.90	15.23
AMOUNT RECOVERABLES		-	0.03	-
GOVT. OF MOZAMBIQUE RECEIVABLES	2.57	-	35.03	68.49
BANK DEPOSITS HAVING MATURITY OVER 12 MONTHS FROM REPORTING DATE:				
- OWNED FUND	2.13.3	0.30	27.07	100.92
- CLIENTS FUND	2.14.3	26.58	41.03	49.94
TOTAL		43.40	122.66	236.93

2.9 DEFERRED TAX ASSETS/ (LIABILITY) (NET)

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2019	AS AT 31.03.2018	AS AT 01.04.2017
DEFERRED INCOME TAX ASSETS:				
LEAVE ENCASHMEMT AND OTHER PROVISIONS		24.31	16.12	21.45
PROVISION FOR DOUBTFUL DEBTS, SECURITY DEPOSITS/ EMD, ADVANCES ETC.		61.23	55.15	27.87
PRIOR PERIOD ADJUSTMENT (NET)		-	(4.00)	(7.64)
TOTAL DEFERRED INCOME TAX ASSETS - I		85.54	67.27	41.68
DEFERRED INCOME TAX LIABILITIES:				
PROPERTY, PLANT & EQUIPMENT		11.51	8.89	9.19
TOTAL DEFERRED INCOME TAX LIABILITIES - II		11.51	8.89	9.19
DEFERRED INCOME TAX ASSETS (NET)	2.48	74.03	58.38	32.49

2.10 OTHER NON CURRENT ASSETS

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2019	AS AT 31.03.2018	AS AT 01.04.2017
CAPITAL ADVANCE		68.51	32.94	11.44
ADVANCES OTHER THAN CAPITAL ADVANCE				
PREPAID EXPENSES		0.94	0.47	1.08
PRE-PAYMENT TOWARDS LEASEHOLD ASSETS		6.73	7.18	7.62
DEFERRED COST TOWARDS STAFF LOAN		2.11	1.85	2.08
DEFERRED COST TOWARDS GOVT OF MOZAMBIQUE RECEIVABLES		-	0.47	1.78
ADVANCE INCOME TAX (NET OF PROVISION)	2.48	42.49	73.37	106.19
TOTAL		120.78	116.28	130.19

2.11 INVENTORIES

(AT THE LOWER OF COST AND NET REALISABLE VALUE)

(₹ in crore)

PARTICULARS	AS AT 31.03.2019	AS AT 31.03.2018	AS AT 01.04.2017
(AS CERTIFIED BY MANAGEMENT)			
STOCK IN TRADE*	103.33	7.48	47.84
STORES & SPARES	1.60	1.90	2.58
TOTAL #	104.93	9.38	50.42

*Includes inventory lying with third parties of ₹ 33.74 crore (previous year ₹ 4.36 crore, 01.04.2017 ₹ 38.83 crore).
*Includes stock in transit of ₹ 65.99 crore (previous year ₹ 1.01 crore, 01.04.2017 ₹ 3.83 crore).
The cost of inventories recognized as an expense during the year of ₹ 128.99 crore (previous year ₹ 161.45 crore)
Note - All inventories are expected to be utilised/sold within twelve months except certain items, which are utilised on need basis. Quantum of such items, which may be utilised beyond one year, is not determinable and is not expected to be material with reference to the total value of inventories.

2.12 CURRENT TRADE RECEIVABLES

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2019	AS AT 31.03.2018	AS AT 01.04.2017
TRADE RECEIVABLE CONSIDERED GOOD -SECURED		-	-	-
TRADE RECEIVABLE CONSIDERED GOOD -UNSECURED**		585.75	458.70	457.58
TRADE RECEIVABLE WHICH HAVE SIGNIFICANT INCREASE IN CREDIT RISK		-	-	-
TRADE RECEIVABLE -CREDIT IMPAIRED		95.30	82.83	63.53
		681.05	541.53	521.11
LESS: ALLOWANCE FOR EXPECTED CREDIT LOSSES		(95.30)	(82.83)	(63.53)
TOTAL*		585.75	458.70	457.58
* Includes dues from companies where directors are interested		-	-	-
** Includes dues from subsidiaries (note no. 2.39.2.1)		0.76	0.91	0.47

2.13 CASH AND BANK BALANCES-OWNED FUND

(₹ in crore)

PARTICULARS	AS AT 31.03.2019		AS AT 31.03.2018		AS AT 01.04.2017	
2.13.1 CASH AND CASH EQUIVALENTS						
BANK BALANCES IN :						
CURRENT ACCOUNTS	32.02		21.99		47.73	
DEPOSITS #	124.07	156.09	119.00	140.99	202.97	250.70
CHEQUES IN HAND		0.09		1.09		0.34
TOTAL		156.18		142.08		251.04
2.13.2 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS						
EARMARKED BALANCE WITH BANKS*		0.04		-		-
DEPOSITS ## @		1,116.73		1,250.67		609.42
TOTAL		1,116.77		1,250.67		609.42
2.13.3 BANK BALANCE MORE THAN 12 MONTHS MATURITY-OWNED FUND (NOTE NO. 2.8)						
DEPOSITS ###		0.30		27.07		100.92
TOTAL		0.30		27.07		100.92
TOTAL CASH & BANK BALANCE-OWNED FUND		1,273.25		1,419.82		961.38

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 ₹ 54.39 crore (previous year ₹ 0.56 crore, 01.04.2017 ₹ 4.24 crore) on account of bank balance held as margin money deposits against guarantees issued by banks.
* Earmarked bank balance is for unpaid dividend

2.14 CASH AND BANK BALANCES-CLIENTS FUND

(₹ in crore)

PARTICULARS	AS AT 31.03.2019	AS AT 31.03.2018	AS AT 01.04.2017
2.14.1 CASH AND CASH EQUIVALENTS			
BANK BALANCES IN :			
CURRENT ACCOUNTS	184.48	57.24	58.09
DEPOSITS #	307.15	535.02	275.28
TOTAL	491.63	592.26	333.37

(₹ in crore)

PARTICULARS	AS AT 31.03.2019	AS AT 31.03.2018	AS AT 01.04.2017
2.14.2 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS			
DEPOSITS ##	**1,704.04**	1,584.48	1,659.09
TOTAL	**1,704.04**	1,584.48	1,659.09
2.14.3 BANK BALANCE MORE THAN 12 MONTHS MATURITY-CLIENT FUND (NOTE NO. 2.8)			
DEPOSITS ###	**26.58**	41.03	49.94
TOTAL	**26.58**	41.03	49.94
2.14.4 BOOK OVERDRAFT#### (NOTE NO. 2.24)	**(5.25)**	(7.73)	(26.58)
TOTAL CASH & BANK BALANCE-CLIENTS FUND*	**2,217.00**	2,210.04	2,015.82

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.
* Equivalent amount appears in client liabilities at Note no. 2.21 & Note No. 2.24.

2.15 CURRENT LOANS

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2019		AS AT 31.03.2018		AS AT 01.04.2017	
SECURITY DEPOSITS CONSIDERED GOOD-UNSECURED		**5.74**		2.52		3.46	
SECURITY DEPOSITS CONSIDERED DOUBTFUL-UNSECURED		**0.32**		0.49		0.68	
		6.06		3.01		4.14	
LESS: ALLOWANCES FOR EXPECTED CREDIT LOSSES		**(0.32)**	**5.74**	(0.49)	2.52	(0.68)	3.46
LOANS TO EMPLOYEES CONSIDERED GOOD-SECURED			**1.78**		1.11		1.10
LOANS TO EMPLOYEES CONSIDERED GOOD-UNSECURED			**3.51**		2.86		3.32
LOANS TO EMPLOYEES WHICH HAVE SIGNIFICANT INCREASE IN CREDIT RISK			**-**		-		-
LOANS TO EMPLOYEES -CREDIT IMPAIRED			**-**		-		-
LOANS TO JV (RELATED PARTY) CONSIDERED GOOD-SECURED			**-**		-		-
LOANS TO JV (RELATED PARTY) CONSIDERED GOOD-UNSECURED	2.39		**2.10**		-		7.00
LOANS TO JV (RELATED PARTY) WHICH HAVE SIGNIFICANT INCREASE IN CREDIT RISK			**-**		-		-
LOANS TO JV (RELATED PARTY)-CREDIT IMPAIRED			**-**		-		-
TOTAL			**13.13**		6.49		14.88

2.16 OTHER CURRENT FINANCIAL ASSETS

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2019		AS AT 31.03.2018		AS AT 01.04.2017	
GOVT. OF TANZANIA RECEIVABLES CONSIDERED DOUBTFUL-UNSECURED	2.58	62.61		59.04		58.72	
LESS: ALLOWANCES FOR EXPECTED CREDIT LOSSES		(62.61)	-	(59.04)	-	-	58.72
AMOUNT RECOVERABLES CONSIDERED GOOD-UNSECURED		21.86		15.81		13.38	
AMOUNT RECOVERABLES CONSIDERED DOUBTFUL-UNSECURED		16.65		16.65		15.94	
		38.51		32.46		29.32	
LESS: ALLOWANCES FOR EXPECTED CREDIT LOSSES		(16.65)	21.86	(16.65)	15.81	(15.94)	13.38
INTEREST ACCRUED (INCLUDING ACCRUED BUT NOT DUE) ON:							
- BANK DEPOSITS HAVING MATURITY:							
WITHIN 3 MONTHS FROM THE DATE OF ACQUISITION		0.09		0.09		0.29	
OVER 3 MONTHS FROM THE DATE OF ACQUISITION AND UPTO 12 MONTHS FROM REPORTING DATE		41.15		34.92		39.40	
- BONDS		5.89		5.89		7.47	
- LOANS TO SRBWIPL (RELATED PARTY)		1.44	48.57	-	40.90	0.14	47.30
RETENTION MONEY			17.80		14.23		7.21
GOVT. OF MOZAMBIQUE RECEIVABLES			38.04		35.87		36.20
ADVANCES TO RELATED PARTIES	2.39		0.13		1.17		4.48
UNBILLED REVENUE			39.98		3.69		4.29
TOTAL			166.38		111.67		171.58

2.17 CURRENT TAX ASSETS (NET)

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2019	AS AT 31.03.2018	AS AT 01.04.2017
INCOME TAX RECEIVABLES	2.48	51.00	36.82	10.35
TOTAL		51.00	36.82	10.35

2.18 OTHER CURRENT ASSETS

(₹ in crore)

PARTICULARS	AS AT 31.03.2019		AS AT 31.03.2018		AS AT 01.04.2017	
PREPAID EXPENSES		5.75		4.94		4.52
ADVANCES TO SUPPLIERS		71.37		61.55		37.71
OTHER ADVANCES	6.64		6.66		4.42	
LESS: PROVISION FOR DOUBTFUL ADVANCES	(0.35)	6.29	(0.35)	6.31	(0.39)	4.03
EXPORT INCENTIVE RECEIVABLE		2.73		7.67		9.61
PRE-PAYMENT TOWARDS LEASEHOLD ASSETS		0.44		0.44		0.44
DEFERRED COST TOWARDS STAFF LOAN		0.24		0.79		0.84
DEFERRED COST TOWARDS GOVT OF MOZAMBIQUE RECEIVABLES		0.50		1.31		2.03
TOTAL		87.32		83.01		59.18

2.19 EQUITY SHARE CAPITAL

(₹ in crore)

PARTICULARS	AS AT 31.03.2019	AS AT 31.03.2018	AS AT 01.04.2017
2.19.1 AUTHORISED			
300,000,000 (PREVIOUS PERIOD 300,000,000) EQUITY SHARES OF ₹ 10/- EACH	**300.00**	300.00	300.00
2.19.2 ISSUED, SUBSCRIBED AND FULLY PAID-UP			
200,000,000 (PREVIOUS PERIOD 200,000,000) EQUITY SHARES OF ₹ 10/- EACH	**200.00**	200.00	200.00
	200.00	200.00	200.00

	No. of Shares	(₹ in crore)	No. of Shares	(₹ in crore)	No. of Shares	(₹ in crore)
2.19.3 RECONCILIATION OF NUMBER OF EQUITY SHARES						
OPENING BALANCE	**200,000,000**	**200.00**	200,000,000	200.00	100,000,000	100.00
ADD/(LESS) DURING THE PERIOD	**-**	**-**	-	-	100,000,000	100.00
CLOSING BALANCE	**200,000,000**	**200.00**	200,000,000	200.00	200,000,000	200.00

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.

PARTICULARS	AS AT 31.03.2019	AS AT 31.03.2018	AS AT 01.04.2017
	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. 2.52)	**174,800,000**	199,960,000	199,960,000
	(87.40 %)	(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.

COMPANY ISSUED 10 CRORE BONUS SHARES OF ₹ 10 EACH DURING 2016-17 AMOUNTING TO ₹ 100 CRORE. EARLIER COMPANY ISSUED 6 CRORE BONUS SHARES OF ₹ 10 EACH DURING 2012-13 AMOUNTING TO ₹ 60 CRORE.

2.20 OTHER EQUITY

(₹ in crore)

PARTICULARS	AS AT 31.03.2019	AS AT 31.03.2018	AS AT 01.04.2017
2.20.1 RESERVE & SURPLUS			
GENERAL RESERVE*	**1,951.85**	1,951.85	1,847.88
2.20.2 RETAINED EARNING	**231.98**	47.26	-
TOTAL **	**2,183.83**	1,999.11	1,847.88

* THE GENERAL RESERVE REPRESENTS AMOUNT KEPT BY THE COMPANY OUT OF ITS PROFIT FOR FUTURE PURPOSES. IT IS NOT EARMARKED FOR ANY SPECIFIC PURPOSE.

** INCLUDES OCI OF (₹ 2.81 CRORE) {PREVIOUS YEAR (₹1.11 CRORE), 01.04.2017 ₹ 1.62 CRORE}.

2.21 OTHER NON CURRENT FINANCIAL LIABILITIES

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2019	AS AT 31.03.2018	AS AT 01.04.2017
CLIENTS DEPOSITS	2.14	**26.58**	41.03	49.94
SECURITY DEPOSITS - CLIENTS	2.14	**123.28**	118.47	83.81
SECURITY DEPOSITS		**27.51**	3.79	24.65
TOTAL		**177.37**	163.29	158.40

2.22 NON CURRENT PROVISIONS

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2019	AS AT 31.03.2018	AS AT 01.04.2017
EMPLOYEE BENEFITS	2.36	**2.66**	2.61	97.55
WARRANTIES	2.44	**4.04**	9.28	15.13
TOTAL		**6.70**	11.89	112.68

2.23 OTHER NON CURRENT LIABILITIES

(₹ in crore)

PARTICULARS	AS AT 31.03.2019	AS AT 31.03.2018	AS AT 01.04.2017
CLIENTS ADVANCES	**3.36**	92.47	7.27
TOTAL	**3.36**	92.47	7.27

2.24 OTHER CURRENT FINANCIAL LIABILITIES

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2019	AS AT 31.03.2018	AS AT 01.04.2017
CLIENTS DEPOSITS	2.14	**1,987.46**	1,979.37	1,852.49
SECURITY DEPOSITS - CLIENTS	2.14	**79.68**	71.17	29.58
SECURITY DEPOSITS		**36.22**	24.76	50.94
FOREIGN SERVICE CONTRIBUTION	2.59	**5.87**	5.64	5.62
SALARY PAYABLES		**67.03**	58.38	48.10
BOOK OVERDRAFT-CLIENTS FUND*	2.14.4	**5.25**	7.73	26.58
STAFF & OTHER CLAIMS		**6.89**	6.20	5.66
PAYABLE TO RELATED PARTIES	2.39	**0.17**	0.15	-
SUNDRY CREDITORS FOR OTHER EXPENSES		**60.94**	74.79	35.60
UNCLAIMED DIVIDEND**		**0.04**	-	-
TOTAL		**2,249.55**	2,228.19	2,054.57

* Book overdraft due to issuance of cheques, which will be cleared against term deposits clients fund available in banks.

** No amount is due for payment to Investor Education & Protection Fund

2.25 CURRENT PROVISIONS

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2019	AS AT 31.03.2018	AS AT 01.04.2017
EMPLOYEE BENEFITS	2.36	**25.81**	73.57	113.72
EXCISE DUTY		**-**	-	1.79
WARRANTIES	2.44	**35.90**	32.07	34.99
COMMITMENTS	2.44	**7.07**	-	-
TOTAL		**68.78**	105.64	150.50

2.26 OTHER CURRENT LIABILITIES

(₹ in crore)

PARTICULARS	AS AT 31.03.2019	AS AT 31.03.2018	AS AT 01.04.2017
CLIENTS ADVANCES	**169.18**	133.77	46.61
STATUTORY LIABILITIES	**2.04**	26.08	20.14
TOTAL	**171.22**	159.85	66.75

2.27 REVENUE FROM OPERATIONS

(₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2019	YEAR ENDED 31.03.2018
SALE OF SERVICES			
CONSULTANCY FEE	2.62	**760.36**	713.73
INSPECTION FEE		**331.18**	249.61
LEASE SERVICES	2.40.1	**103.61**	92.28
		1,195.15	1,055.62
SALE OF PRODUCTS			
EXPORT SALES		**206.75**	231.61
OTHERS			
TURNKEY CONSTRUCTION PROJECTS		**567.07**	146.62
TOTAL		**1,968.97**	1,433.85

Note- Revenue from operation does not include GST/Service Tax of ₹ 231.82 crore (previous year ₹ 167.75 crore)

2.28 OTHER INCOME

(₹ in crore)

PARTICULARS		YEAR ENDED 31.03.2019		YEAR ENDED 31.03.2018	
INTEREST EARNED ON:					
-	DEPOSITS WITH BANK	**109.15**		84.31	
-	TAX FREE BONDS	**9.02**		11.30	
-	STAFF ADVANCES	**1.29**		1.48	
-	LOAN TO RELATED PARTIES	**0.74**		1.68	
-	INTEREST ON INCOME TAX REFUND	**3.09**	**123.29**	4.24	103.01
PROVISION NO LONGER REQUIRED			**15.81**		8.81
PROFIT ON SALE OF FIXED ASSETS			**0.07**		0.15
LIABILITIES WRITTEN BACK			**13.83**		6.46
DEFERRED INCOME TOWARDS GOVT OF MOZAMBIQUE RECEIVABLES			**1.42**		2.03
DIVIDEND FROM:					
-	RITES (AFRIKA) (RELATED PARTY)	**0.03**		0.03	
-	RAILWAY ENERGY MANAGEMENT COMPANY LTD (RELATED PARTY)	**4.64**		1.88	
-	CURRENT INVESTMENTS	**4.14**	**8.81**	7.22	9.13
EXPORT INCENTIVES			**7.84**		9.03
RENT FROM INVESTMENT PROPERTIES			**0.58**		0.99
EXCHANGE VARIATION			**17.12**		6.89
MISCELLANEOUS INCOME			**6.43**		6.00
TOTAL			**195.20**		152.50

2.29 EMPLOYEE BENEFIT EXPENSES

(₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2019	YEAR ENDED 31.03.2018
SALARIES-DOMESTIC		**310.18**	281.49
SALARIES-ABROAD		**8.61**	3.52
SALARIES CONTRACT EMPLOYEES		**29.60**	25.59
FOREIGN SERVICE CONTRIBUTION	2.59	**4.06**	5.62
CONTRIBUTION TO PROVIDENT FUND & OTHER FUNDS	2.36	**25.42**	24.48
GRATUITY	2.36	**8.78**	10.60
POST RETIRAL BENEFITS (PENSION/MEDICAL)	2.36	**21.74**	29.13
STAFF WELFARE EXPENSES		**22.43**	18.54
LEAVE TRAVEL CONCESSION	2.36	**-**	0.01
PERFORMANCE RELATED PAYMENT		**35.00**	24.00
LEAVE ENCASHMENT	2.36	**17.77**	33.22
TOTAL		**483.59**	456.20

2.30 CHANGES IN INVENTORIES OF STOCK IN TRADE

(₹ in crore)

PARTICULARS	YEAR ENDED 31.03.2019	YEAR ENDED 31.03.2018
OPENING BALANCE	**7.48**	47.84
CLOSING BALANCE	**103.33**	7.48
NET (INCREASE)/ DECREASE IN INVENTORIES	**(95.85)**	40.36

2.31 COST OF TURNKEY CONSTRUCTION PROJECTS

(₹ in crore)

PARTICULARS	YEAR ENDED 31.03.2019	YEAR ENDED 31.03.2018
SUPPLIES & SERVICES	**516.49**	130.77
TOTAL	**516.49**	130.77

2.32 FINANCE COST

(₹ in crore)

PARTICULARS	YEAR ENDED 31.03.2019	YEAR ENDED 31.03.2018
UNWINDING WARRANTY	**1.67**	2.66
INTEREST- OTHERS*	**1.37**	0.05
TOTAL	**3.04**	2.71

*Includes Interest on Income tax of ₹ 1.13 crore (previous year ₹ 0.03 crore)

2.33 OTHER EXPENSES

(₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2019	YEAR ENDED 31.03.2018
PRINTING, STATIONERY AND DOCUMENTATION		**4.08**	3.61
BUSINESS PROMOTION		**2.00**	2.22
AUDITORS' REMUNERATION	2.33.1	**0.26**	0.20
AUDITORS' OUT OF POCKET EXPENSES	2.33.1	**0.04**	0.04
RATES & TAXES		**3.43**	4.60
OFFICE RENT		**5.40**	5.73
POSTAGE & TELECOMMUNICATION		**5.55**	5.35
OFFICE MAINTENANCE		**9.28**	9.32
REPAIRS TO MACHINERY/EQUIPMENTS		**3.63**	3.40
FREIGHT & FORWARDING (OUTWARD)		**2.34**	2.66
POWER AND FUEL CHARGES		**4.46**	4.69
STORES AND SPARES CONSUMED-LEASED		**0.24**	2.14
STORES AND SPARES CONSUMED-OTHERS		**2.06**	6.16
BOOKS AND PERIODICALS		**0.15**	0.15
INTERNAL AUDIT FEE		**0.12**	0.13
ADVERTISEMENT AND PUBLICITY		**9.83**	3.39

(₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2019	YEAR ENDED 31.03.2018
SUBSCRIPTION AND MEMBERSHIP FEE		0.58	0.36
LEGAL AND PROFESSIONAL FEE		3.01	2.08
INSURANCE CHARGES		0.86	0.74
BANK CHARGES		1.05	2.10
FIXED ASSETS WRITTEN OFF		-	5.86
HIRE CHARGES OF EQUIPMENTS		0.01	0.02
VEHICLE RUNNING AND MAINTENANCE		0.90	0.85
MANPOWER DEVELOPMENT		1.72	1.82
LOSS ON SALE OF FIXED ASSETS		0.01	0.02
IMPAIRMENT LOSS FOR FINANCIAL ASSETS:			
- PROVISION FOR IMPAIRMENT		15.88	78.72
- BAD DEBTS		9.66	1.77
PROVISION FOR:			
- COMMITMENTS		7.07	-
- DOUBTFUL ADVANCES		-	0.01
- WARRANTIES		2.24	-
DIRECTORS' SITTING FEE		0.27	0.21
CORPORATE SOCIAL RESPONSIBILITY	2.54	10.23	9.90
OPERATING LEASE PAYMENTS		0.44	0.44
AMORTISED DEFERRED COST TOWARDS GOVT OF MOZAMBIQUE RECEIVABLES		1.42	2.03
ADVANCES/RECOVERABLE WRITTEN OFF		0.11	0.83
MISCELLANEOUS EXPENSES		3.48	2.94
TOTAL		111.81	164.49

2.33.1 AUDITORS' REMUNERATION

(₹ in crore)

PARTICULARS	YEAR ENDED 31.03.2019	YEAR ENDED 31.03.2018
(A) STATUTORY AUDITORS		
STATUTORY AUDIT FEE	0.06	0.05
TAX AUDIT FEE	0.02	0.02
LIMITED REVIEW/QUARTERLY AUDIT AND CONSOLIDATION FEE	0.03	0.06
OTHER SERVICES, i.e. CERTIFICATION ETC.	0.09	-
SUB TOTAL (A)	0.20	0.13
(B) BRANCH AUDITORS		
STATUTORY AUDIT FEE	0.02	0.02
TAX AUDIT FEE	0.01	0.01
LIMITED REVIEW AUDIT FEE	0.03	0.04
SUB TOTAL (B)	0.06	0.07
AUDITORS' REMUNERATION (A+B)	0.26	0.20
AUDITORS' OUT OF POCKET EXPENSES	0.04	0.04

2.34 CURRENT TAX

(₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2019	YEAR ENDED 31.03.2018
- CURRENT YEAR		(227.75)	(173.64)
- EARLIER YEAR		(19.97)	(5.29)
TOTAL	2.48	(247.72)	(178.93)

2.35 DEFERRED TAX

(₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2019	YEAR ENDED 31.03.2018
CREDIT/(CHANGE) RELATING TO TEMPORARY DIFFERENCES			
- CURRENT YEAR		(5.53)	25.89
- EARLIER YEAR		21.18	-
TOTAL	2.48	15.65	25.89

DISCLOSURES AS PER INDIAN ACCOUNTING STANDARDS (IND AS):

2.36 Disclosure on Employee Benefits (Indian Accounting Standard-19) is as follows:

2.36.1 Defined Benefit Plan

2.36.1.1.1 Gratuity (Funded)-Regular Employees.

2.36.1.1.1.1 Changes in Present Value of the Benefit Obligation are as follows:

(₹ in crore)

Particulars	31.03.19	31.03.18
Present Value of obligation as at beginning of year	**134.06**	119.72
Interest Cost	**10.05**	8.95
Current Service Cost	**7.46**	7.28
Benefits paid	**(16.07)**	(7.25)
Actuarial (Gain)/Loss on obligation	**3.06**	5.36
Present Value of Obligation as at end of year	**138.56**	134.06

Bifurcation of Present Benefit Obligation at the end of year in current and non-current.

(₹ in crore)

Particulars	31.03.19	31.03.18
Current liability (Amount due within one year)	**14.26**	12.64
Non-Current liability (Amount due over one year)	**124.30**	121.42
Present Value of Obligation as at end of year	**138.56**	134.06

2.36.1.1.1.2 Changes in the Fair Value of Plan Assets are as follows:

(₹ in crore)

Particulars	31.03.19	31.03.18
Fair Value of Plan Assets at beginning of year	**120.24**	80.83
Actual Interest Income	**9.67**	7.29
Contributions	**13.38**	38.88
Benefits Paid	**(12.75)**	(6.76)
Fair value of Plan Assets at the end of year	**130.54**	120.24

Major categories of plan assets (as percentage of total plan assets) : All figures given in the table below are as provided by the company

Particulars		31.03.2019	31.03.2018
a)	Government of India Securities	**-**	-
b)	State Government securities	**-**	-
c)	High Quality Corporate Bonds	**-**	-
d)	Equity Shares of listed companies	**-**	-
e)	Property	**-**	-
f)	Funds Managed by Insurer	**100 %**	100 %
g)	Bank Balance	**-**	-
	Total	**100 %**	100 %

2.36.1.1.1.3 The amount recognized in the Balance Sheet is as follows:

(₹ in crore)

Particulars	31.03.19	31.03.18
Defined Benefit Obligation at end of year	**138.56**	134.06
Fair value of Plan Assets at the end of year	**130.54**	120.24
Funded Status – (Surplus)/ Deficit	**8.02**	13.82
Net (Liability)/ Asset recognized in Balance Sheet	**(8.02)**	(13.82)

2.36.1.1.1.4 Amount recognized in the Statement of Profit & Loss is as follows:

(₹ in crore)

Particulars	31.03.19	31.03.18
Current Service Cost	**7.46**	7.28
Net Interest on Net Defined Benefit Liability	**1.04**	2.91
Expenses recognized in the statement of Profit & Loss	**8.50**	10.19

Bifurcation of Actuarial Gain/Loss on Obligation

(₹ in crore)

	31.03.19	31.03.18
Actuarial (Gain)/Loss on arising from Change in Demographic Assumption	**--**	--
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	**(3.48)**	4.62
Actuarial (Gain)/Loss on arising from Experience Adjustment	**6.56**	0.74

2.36.1.1.1.5 Amount recognized in Other Comprehensive Income is as follows:

(₹ in crore)

Particulars	31.03.19	31.03.18
Actuarial (Gains)/Losses on Liability	**3.07**	5.36
Actuarial (Gains)/Losses on Assets	**(0.65)**	(1.25)
Other Comprehensive (Income)/Expense	**2.42**	4.11

2.36.1.1.1.6 The principal actuarial assumptions are as follows:

Particulars	31.03.19	31.03.18
Discounting rate (%)	**7.50%**	7.50%
Future salary increase (%)	**8.25%**	9.00%
Retirement Age (Years)	**60**	60
Mortality rates inclusive of provision for disability		100% of IALM (2006 - 08)
Attrition at Ages	**Withdrawal Rate (%)**	Withdrawal Rate (%)
Up to 30 Years	**3.00**	3.00
From 31 to 44 years	**2.00**	2.00
Above 44 years	**1.00**	1.00

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 ₹ 8.42 crore (increase by ₹ 9.59 crore) as on 31st March, 2019 and if the expected salary growth increases (decreases) by

1%, the defined benefit obligations would increase by ₹ 4.68 crore (decrease by ₹ 4.93 crore) as on 31st March, 2019.

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 ₹ 8.02 crore to defined benefit plan obligations towards gratuity during the year 2019-20. Remeasurement (gain)/loss of defined employee benefit plans in Other Comprehensive Income (OCI) for the year ended 31.03.2019 and 31.03.2018 are ₹ 2.42 crore and ₹ 4.11 crore respectively.

The defined benefit obligation shall mature as follows:

Year ending March, 31	Defined benefit obligations (₹ in crore)
2020	**14.25**
2021	**2.47**
2022	**9.50**
2023	**12.24**
2024	**13.57**
2025	**12.57**
2025 onward	**73.97**

2.36.1.1.2 Gratuity (Funded)-Contract Employees.

2.36.1.1.2.1 Changes in Present Value of the Benefit Obligation are as follows:

(₹ in crore)

Particulars	31.03.19	31.03.18
Present Value of obligation as at beginning of year	**2.26**	2.01
Interest Cost	**0.17**	0.15
Current Service Cost	**0.27**	0.26
Benefits paid	**(0.28)**	(0.25)
Actuarial (Gain)/Loss on obligation	**0.18**	0.09
Present Value of Obligation as at end of year	**2.60**	2.26

Bifurcation of PBO at the end of year in current and noncurrent.

(₹ in crore)

Particulars	31.03.19	31.03.18
Current liability (Amount due within one year)	**0.10**	0.08
Non-Current liability (Amount due over one year)	**2.50**	2.18
Total Present Value of Obligation as at end of year	**2.60**	2.26

2.36.1.1.2.2 Changes in the Fair Value of Plan Assets are as follows:

(₹ in crore)

Particulars	31.03.19	31.03.18
Fair Value of Plan Assets at beginning of year	**2.04**	-
Actual Interest Income	**0.14**	0.03
Contributions	**0.22**	2.01
Benefits Paid	**-**	-
Fair value of Plan Assets at the end of year	**2.40**	2.04

Major categories of plan assets (as percentage of total plan assets) : All figures given in the table below are as provided by the company

Particulars	31.03.19	31.03.18
Government of India Securities	--	--
State Government securities	--	--
High Quality Corporate Bonds	--	--
Equity Shares of listed companies	--	--
Property	--	--
Funds Managed by Insurer	100 %	100 %
Bank Balance	--	--
Total	100 %	100 %

2.36.1.1.2.3 The amount recognized in the Balance Sheet is as follows:

(₹ in crore)

Particulars	31.03.19	31.03.18
Defined Benefit Obligation at end of year	2.60	2.26
Fair value of Plan Assets at the end of year	2.40	2.04
Funded Status – (Surplus)/ Deficit	0.20	0.22
Net (Liability)/ Asset recognized in Balance Sheet	(0.20)	(0.22)

2.36.1.1.2.4 Amount recognized in the Statement of Profit & Loss is as follows:

(₹ in crore)

Particulars	31.03.19	31.03.18
Current Service Cost	0.27	0.26
Net Interest on Net Defined Benefit Liability	0.02	0.15
Expenses recognized in the statement of Profit & Loss	0.29	0.41

Bifurcation of Actuarial Gain/Loss on Obligation

(₹ in crore)

Particulars	31.03.19	31.03.18
Actuarial (Gain)/Loss on arising from Change in Demographic Assumption	--	--
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	(0.13)	0.14
Actuarial (Gain)/Loss on arising from Experience Adjustment	0.32	(0.06)

2.36.1.1.2.5 Amount recognized in Other Comprehensive Income is as follows:

(₹ in crore)

Particulars	31.03.19	31.03.18
Actuarial (Gains)/Losses on Liability	0.18	0.09
Actuarial (Gains)/Losses on Assets	0.01	(0.03)
Other Comprehensive (Income)/Expense	0.19	0.06

2.36.1.1.2.6 The principal actuarial assumptions are as follows:

Particulars	31.03.19	31.03.18
Discounting rate (%)	7.50%	7.50%
Future salary increase (%)	4.12%	4.50%
Retirement Age (Years)	60	60
Mortality rates inclusive of provision for disability		100% of IALM (2006 - 08)
Attrition at Ages	**Withdrawal Rate (%)**	**Withdrawal Rate (%)**
Up to 30 Years	3.00	3.00
From 31 to 44 years	2.00	2.00
Above 44 years	1.00	1.00

2.36.1.1.2.7 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 ₹ 0.31 crore (increase by ₹0.37 crore) as on 31st March, 2019 and if the expected salary growth increases (decreases) by 1%, the defined benefit obligations would increase by ₹ 0.38 crore (decrease by ₹ 0.32 crore) as on 31st March, 2019.

However, the actual change in assumptions would not necessarily behave in isolation to each other. The defined benefit obligations would change accordingly.

The defined benefit obligation shall mature as follows:

(₹ in crore)

Year ending March, 31	Defined benefit obligations
2020	0.11
2021	0.11
2022	0.05
2023	0.12
2024	0.04
2025	0.08
2025 onward	2.09

2.36.1.2 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.

As per the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the company has no right to the benefits either in the form of refund from the plan or lower future contribution to the plan towards the net surplus of ₹ 3.45 crore determined through actuarial valuation. Accordingly company has not recognized the surplus as assets as it pertains to the provident fund trust and not to the company.

The company contributed ₹ 24.96 crore and ₹ 23.78 crore to the provident fund during the year ended 31st March, 2019 and 31st March, 2018 respectively.

2.36.1.3 Other Benefits

2.36.1.3.1 Other Benefits (Funded):- Earned Leave and Medical Leave- Regular Employees

2.36.1.3.1.1 Changes in Present Value of the Benefit Obligation are as follows:

(₹ in crore)

Particulars	Earned Leave (Regular Employee)		Medical Leave (Regular Employee)	
	31.03.19	31.03.18	31.03.19	31.03.18
Present Value of obligation as at beginning of year	**66.19**	59.11	**59.25**	51.24
Interest Cost	**4.96**	4.42	**4.44**	3.83
Current Service Cost	**5.65**	5.67	**3.57**	3.60
Benefits paid	**(16.85)**	(16.43)	**(2.60)**	(1.53)
Actuarial (Gain)/Loss on obligation	**7.75**	13.42	**(2.90)**	2.11
Present Value of Obligation as at end of year	**67.70**	66.19	**61.76**	59.25

2.36.1.3.1.2 Changes in the Fair Value of Plan Assets are as follows:

(₹ in crore)

Particulars	Earned Leave (Regular Employee)		Medical Leave (Regular Employee)	
	31.03.19	31.03.18	31.03.19	31.03.18
Fair Value of Plan Assets at beginning of year	**59.50**	-	**51.22**	-
Actual Interest Income	**3.46**	0.39	**3.01**	0.34
Contributions	**-**	59.11	**-**	50.88
Benefits Paid	**-**	-	**-**	-
Fair value of Plan Assets at the end of year	**62.96**	59.50	**54.23**	51.22

2.36.1.3.1.3 The amount recognized in the Balance Sheet is as follows:

(₹ in crore)

Particulars	Earned Leave (Regular Employee)		Medical Leave (Regular Employee)	
	31.03.19	31.03.18	31.03.19	31.03.18
Defined Benefit Obligation at end of year	**67.70**	66.19	**61.76**	59.25
Fair value of Plan Assets at the end of year	**62.96**	59.50	**54.23**	51.22
Funded Status – (Surplus)/ Deficit	**4.74**	6.69	**7.53**	8.03
Net (Liability)/ Asset recognized in Balance Sheet	**(4.74)**	(6.69)	**(7.53)**	(8.03)

2.36.1.3.1.4 Amount recognized in the Statement of Profit & Loss is as follows:

(₹ in crore)

Particulars	Earned Leave (Regular Employee)		Medical Leave (Regular Employee)	
	31.03.19	31.03.18	31.03.19	31.03.18
Current Service Cost	**5.65**	5.67	**3.57**	3.60
Net Interest on Net Defined Benefit Liability	**0.50**	4.42	**0.60**	3.83
Net Actuarial (gain)/loss recognized in the year	**8.75**	13.02	**(2.07)**	1.77
Expenses recognized in the statement of Profit & Loss	**14.90**	23.11	**2.10**	9.20

2.36.1.3.1.5 The principal actuarial assumptions are as follows:

Particulars	Earned Leave (Regular Employee)		Medical Leave (Regular Employee)	
	31.03.19	31.03.18	31.03.19	31.03.18
Discounting rate (%)	**7.50%**	7.50%	**7.50%**	7.50%
Future salary increase (%)	**8.25%**	9.00%	**8.25%**	9.00%

2.36.1.3.1.6 Sensitivity Analysis of the defined benefit obligation.

(₹ in crore)

Particulars	Increase (Decrease) in present value of obligation as on 31.03.2019	
	Earned Leave (Regular Employee)	Medical Leave (Regular Employee)
Impact due to Increase of 1% discount rate	(5.43)	(3.97)
Impact due to Decrease of 1% discount rate	6.36	4.55
Impact due to Increase of 1% in Salary.	6.27	4.47
Impact due to Decrease of 1% in Salary.	(5.46)	(3.98)

2.36.1.3.2 Other Benefits (unfunded):- Earned Leave (Contract employee), LTC and Long Service Award (Regular employee).

2.36.1.3.2.1 Present value of the defined benefits plan obligations

(₹ in crore)

Particulars	Earned Leave (Contract Employee)		LTC (Regular employee)		Long Service Award (Regular employee)	
	31.03.19	31.03.18	31.03.19	31.03.18	31.03.19	31.03.18
Opening Balance	**1.22**	0.86	**0.11**	0.13	**1.46**	1.58
Interest Cost	**0.09**	0.06	**0.01**	0.01	**0.12**	0.12
Current Service Cost	**0.48**	0.53	**0.00**	0.01	**0.11**	0.11
Benefit paid	**(0.75)**	(0.53)	**(0.03)**	(0.04)	**(0.29)**	(0.25)
Actuarial (Gain)/Loss on obligation	**0.20**	0.30	**(0.07)**	0.00	**(0.09)**	(0.10)
Closing Balance	**1.24**	1.22	**0.02**	0.11	**1.31**	1.46

2.36.1.3.2.2 Total expenses recognized in the Statement of Profit & Loss are as follows:

(₹ in crore)

Particulars	Earned Leave (Contract Employee)		LTC (Regular employee)		Long Service Award (Regular employee)	
	31.03.19	31.03.18	31.03.19	31.03.18	31.03.19	31.03.18
Current Service Cost	**0.48**	0.53	**0.00**	0.01	**0.11**	0.11
Interest Cost	**0.09**	0.06	**0.01**	0.01	**0.12**	0.12
Actuarial (Gain)/Loss	**0.20**	0.30	**(0.07)**	0.00	**(0.09)**	(0.10)
Expenses recognized in the statement of Profit & Loss	**0.77**	0.89	**(0.06)**	0.02	**0.14**	0.13

2.36.1.3.2.3 The principal actuarial assumptions used at the Balance Sheet date are as follows:

Particulars	Earned Leave (Contract employee)		LTC (Regular employee)		Long Service Award (Regular employee)	
	31.03.19	31.03.18	31.03.19	31.03.18	31.03.19	31.03.18
Discount rate (%)	**7.50%**	7.50%	**7.50%**	7.50%	**7.50%**	7.50%
Future salary increase (%)	**4.12%**	4.50%	**8.25%**	9.00%	**-**	-

2.36.1.3.2.4 Sensitivity Analysis of the defined benefit obligation.

(₹ in crore)

Particulars	Increase (Decrease) in present value of obligation as on 31.03.2019	
	Earned Leave (Contract employee)	LTC
Impact due to Increase of 1% discount rate	(0.17)	(0.00)
Impact due to Decrease of 1% discount rate	0.20	(0.00)
Impact due to Increase of 1% in Salary.	0.21	-
Impact due to Decrease of 1% in Salary.	(0.17)	-

2.36.2 Defined Contribution Plans

2.36.2.1 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 ₹ 16.98 crore (previous year ₹ 17.26 crore) towards post retirement pension fund, ₹ 4.11 crore (previous year ₹ 4.13 crore) towards pension under EPFO and ₹ 4.77 crore (previous year ₹ 11.87 crore) towards medical schemes.

2.37 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 Chairman & Managing Director who is also Chief Executive Officer.

2.37.1 Company has identified four operational reportable segments based on operations being carried out which are as under:-

- Consultancy Services
- Leasing of railway rolling stock & equipments
- Export of rolling stock, equipments and spares
- Turnkey Construction Projects

2.37.2 Geographical wise revenue segment is disclosed as under:-

(a) Revenue within India from consultancy includes quality assurance & project management services, turnkey construction projects and domestic lease rental services to clients located inside India.

(b) Revenue from outside India includes services rendered, export sales of rolling stock & spare parts and lease rental services to the clients located outside India.

2.37.3 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.

2.37.4 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.

2.37.5 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.

2.37.6 Operational Segments:

Year ended 31.03.19

(₹ in crore)

Description	Consultancy Services		Leasing		Export Sale	Turnkey Construction Projects- Domestic	Total
	Domestic	Abroad	Domestic	Abroad			
Revenue	1018.74	72.80	103.61	-	206.75	567.07	**1968.97**
Identifiable operating expenses	581.02	31.20	59.52	-	144.33	548.43	**1364.50**
Segmental profit from operations	437.72	41.60	44.09	-	62.42	18.64	**604.47**
Add: Interest Income*							**123.29**
Add: Other Income **							**71.91**
Less: Finance Cost (including unwinding of warranty)							**3.04**

(₹ in crore)

Description	Consultancy Services		Leasing		Export Sale	Turnkey Construction Projects- Domestic	Total
	Domestic	Abroad	Domestic	Abroad			
Less: Un-allocable Expenses							**119.91**
Net Profit Before Tax							**676.72**
Less: Income Tax (including Deferred Tax)							**232.07**
Net Profit After Tax							**444.65**
Additional Information							
Depreciation and amortisation							**32.18**
Non-cash expenses/ (income) other than depreciation and amortization							**25.65**
Reversal of Provisions							**15.81**
Profit on sale of PPE							**0.07**
Loss on sale of PPE							**0.01**

Year ended 31.03.18

(₹ in crore)

Description	Consultancy Services		Leasing		Export Sale	Turnkey Construction Projects- Domestic	Total
	Domestic	Abroad	Domestic	Abroad			
Revenue	901.06	62.28	82.54	9.74	231.61	146.62	1433.85
Identifiable operating expenses	540.22	33.00	51.16	4.37	177.34	142.91	949.00
Segmental profit from operations	360.84	29.28	31.38	5.37	54.27	3.71	484.85
Add: Interest Income*							103.01
Add: Other Income **							49.49
Less: Finance Cost (including unwinding of warranty)							2.71
Less: Un-allocable Expenses							149.89
Net Profit Before Tax							484.75
Less: Income Tax (including Deferred Tax)							153.04
Net Profit After Tax							331.71
Additional Information:							
Depreciation and amortisation							30.18
Non-cash expenses/ (income) other than depreciation and amortization							87.18
Reversal of Provisions							8.81
Profit on sale of PPE							0.15
Loss on sale of PPE							0.02

2.37.7 Geographical Segment

(₹ in crore)

Description	Year ended 31.03.2019					Year ended 31.03.2018			
	India	Abroad			Total	India	Abroad		Total
		Asia	Africa	America			Asia	Africa	
Revenue	1689.41	210.08	64.56	4.92	**1968.97**	1130.17	220.64	83.04	1433.85
Identifiable operating expenses	1188.27	146.50	26.23	3.50	**1364.50**	734.29	172.72	41.99	949.00
Segmental profit from operations	501.14	63.58	38.33	1.42	**604.47**	395.88	47.92	41.05	484.85
Add: Interest Income*					**123.29**				103.01
Add: Other Income **					**71.91**				49.49
Less: Finance Cost (including unwinding of warranty)					**3.04**				2.71
Less: Un-allocable Expenses					**119.91**				149.89
Net Profit Before Tax					**676.72**				484.75
Less: Income Tax (including Deferred Tax)					**232.07**				153.04
Net Profit After Tax					**444.65**				331.71
Additional Information									
Depreciation and amortization					**32.18**				30.18
Non-cash expenses/ (income) other than depreciation and amortization					**25.65**				87.18
Reversal of Provisions					**15.81**				8.81
Profit on sale of PPE					**0.07**				0.15
Loss on sale of PPE					**0.01**				0.02

* Interest income includes interest on bank deposits, bonds, staff advances, loans, income tax refunds etc.
**Other income includes provision/liability 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 31.03.2019 and 31.03.2018.

2.37.8 Revenue of ₹ 694.57 crore (previous year ₹ 535.07 crore) from major customers is given below:

(₹ in crore)

Description	Year ended 31.03.2019				Year ended 31.03.2018			
	Consultancy	Export Sales	Turnkey Construction Projects-Domestic	Total	Consultancy	Export Sales	Turnkey Construction Projects-Domestic	Total
Customer 1	221.05	-	473.52	**694.57**	185.00	-	143.87	328.87
Customer 2	-	-	-	-	-	206.20	-	206.20
Total	221.05	-	473.52	**694.57**	185.00	206.20	143.87	535.07

Note:- PSUs under the same ministry have not been considered as one customer.

2.38 Disclosures on Revenue from contracts with customers (Ind AS-115) are as follows:

First time adoption of Ind AS-115 Revenue from Contracts with Customers

Company has decided to adopt the Full Retrospective Approach in preparation of its Financial Statements. The adoptions of the standard have no material impact on the financial statements of the Company.

2.38.1 Significant management judgments on Revenue Recognition:

Recognised amounts of contract revenues and related receivables reflect management's best estimate of each contract's outcome and stage of completion which is determined based on 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. For more complex contracts in particular, costs to complete and contract profitability are subject to significant estimation and uncertainty.

2.38.2 Company has contracts with customers for different services which are given below:-

- Consultancy Services
- Export of rolling stock, equipments and spares
- Turnkey Construction Projects

Beside above, company has contracts with customers for wet leasing which are covered under Ind AS -17.

2.38.3 Company has recognized revenue either on the basis of over time or point in time depending upon satisfaction of performance obligation on transferring control of goods or services to customers. Revenue has been recognized by the company over time basis if any one of the following condition is met:

- Customer simultaneously receives and consumes the benefits
- Company's performance creates or enhances an assets that the customer controls as the assets is created or enhanced
- Company's performance does not create with alternative use and company has enforceable right to payment for performance completed to date.

In case, none of the above condition is met, revenue recognized by the company on the basis of point in time.

2.38.4 **Disaggregation Revenue information:**

The below presents Disaggregated Revenues from contract with customer for the year ended 31st March 2019 from various streams of revenue. The company believe that this Disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factor.

(₹ in crore)

Particulars	Consultancy Services		Inspection Fee		Export Sale	Turnkey Construction Projects- Domestic	Total
	Domestic	Abroad	Domestic	Abroad			
2018-19	**691.89**	**68.47**	**326.84**	**4.34**	**206.75**	**567.07**	**1865.36**
2017-18	653.21	60.52	247.85	1.76	231.61	146.62	1341.57

2.38.5 Company is rendering many project management consultancy services for and on behalf of clients where fee is due to company for professional services.

2.38.6 In most of the cases, payments from customers are linked with performance obligations. Wherever on the reporting date work has been performed and payment is not due as per the contract, in such cases contract assets have been created. However, where payment has been received including advance but performance has not been completed, in such cases contract liabilities have been created. Advances received by the company for execution of work are in the nature of security i.e a source of protection and are not for financing the project.

2.38.7 Company provides warranty in the nature of assurance for which provisions are made as per the Ind AS-37.

2.38.8 During the year provision for impairment of amount receivable from client for services rendered/goods supplied amounting to ₹ 21.97 crore (previous year ₹ 21.45 crore) which includes provisions for lease services amounting to ₹ 0.17 crore (previous year ₹ 0.12 crore).

2.38.9 Balances of Receivables/Contract assets/Contract liabilities are as under:

(₹ In crore)

	As on 31.03.2019	As on 31.03.2018
Receivables (includes lease receivables of ₹ 25.41 crore (Previous year ₹ 18.40 crore))	**681.05**	541.53
Contract assets	**73.64**	34.28
Contract liabilities (includes lease liabilities of ₹ 0.27 crore (Previous year ₹ 0.27 crore))	**172.54**	226.24

2.38.10 During the year ended March31, 2019, ₹ 3.69 crore of unbilled revenue as of April1, 2018 has been reclassified to Trade receivables upon billing to customers on completion of milestones.

2.38.11 The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31, 2019 is ₹ 5945 crore which pertains to various segment of the company. Company likely to recognize these revenue over a period ranging from one years to three years.

2.38.12 Company has not incurred any cost for obtaining contracts except administrative cost required for preparation of offers and the same is charged to statement of Profit and Loss.

2.38.13 Cost incurred in fulfilling the contract is charged to Statement of Profit and Loss if it is not recoverable otherwise the same is part of unbilled revenue and unbilled assets.

2.39 Related Party Disclosures (Indian Accounting Standard-24) are as follows:-

2.39.1.1 Subsidiary Companies

Name of Subsidiaries	Country	Holding as on	
		31.03.19	31.03.18
M/s RITES (Afrika) (Pty) Ltd. (RAPL)	Botswana	**100%**	100%
M/s RITES Infrastructure Services Ltd. (RISL)*	India	**100%**	100%
M/s Railway Energy Management Company Ltd. (REMCL)	India	**51%**	51%

Above does not include RITES Mohawarean Arabia Company Ltd. (RMAC), which is under liquidation and investment in equity made by the Company has already been recovered.

*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.

2.39.1.2 **Joint Ventures**

Name of Joint Ventures	Country	Holding as on	
		31.03.19	31.03.18
M/s SAIL-RITES Bengal Wagon Industry Private Limited	India	**50%**	50%
M/s BNV Gujarat Rail Private Limited	India	**26%**	26%

2.39.1.3 **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

2.39.1.4 **Key Management Personnel**

Chairman & Managing Director (Chief Executive Officer)
Mr. Rajeev Mehrotra

Whole Time Directors
Mr. Arbind Kumar, Director Projects (upto 31.08.2018)
Mr. Ajay Kumar Gaur, Director Finance (Chief Financial Officer)
Mr. Mukesh Rathore,Director Technical
Mr. Gopi Sureshkumar Varadarajan, Director Projects (from 27.09.2018)

Government Nominee Directors
Mr. A.P. Dwivedi, Director
Mr. Bhupendra Kumar Agarwal, Director

Non-Executive (Independent) Directors
Dr. Vidya Rajiv Yeravdekar
Mr .Anil Kumar Goel
Mr. Satish Sareen
Dr. Pramod Kumar Anand
Ms.Geethakumary
Dr. Rajendra N.Goyal

Company Secretary
Mr. Ashish Srivastava, Company Secretary

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	
	31.03.19	31.03.18	31.03.19	31.03.18	31.03.19	31.03.18
Investment	-	-	-	-	-	-
Recoverable/ Advances	-	-	-	(0.58)	0.13	(2.43)
Consultancy Fee/ Income from Construction Turnkey Projects	2.04	1.57	-	-	7.96	5.54
Interest Received	-	-	-	-	-	1.06
Dividend Received	0.03	0.03	-	-	4.64	1.88

Balances with Subsidiary Companies:

(₹ in crore)

Particulars	RAPL		RISL*		REMCL	
	As on		As on		As on	
	31.03.19	31.03.18	31.03.19	31.03.18	31.03.19	31.03.18
Investments	0.01	0.01	0.05	0.05	35.70	35.70
Recoverable /Advances	-	-	-	-	0.13	1.17
Receivables	-	0.05	-	-	0.76	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 financial year 2017-18 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	
	31.03.19	31.03.18	31.03.19	31.03.18
Investments (equity)		-	0.25	-
Recoverable(Payable)/Advances	(0.02)	(0.23)	-	-
Operating Income (Consultancy Fee/Income from Construction Turnkey Projects/Export Sales/Leasing Service)	0.40	0.01	-	-
Interest on Loan given*	0.74	0.62	-	-

Balances with Joint Ventures

(₹ in crore)

Particulars	SAIL-RITES Bengal Wagon Industry Private Ltd.		BNV Gujarat Rail Private Limited	
	As on		As on	
	31.03.19	31.03.18	31.03.19	31.03.18
Investments(equity)	**24.00**	24.00	**0.26**	0.01
Recoverable (Payable)/Advances	**(0.17)**	(0.15)	**-**	-
Receivables	**0.42**	0.02	**-**	-
Loan (Working Capital)*	**7.00**	7.00	**-**	-
Interest accrued on Loan given*	**1.44**	0.76	**-**	-

***** With a moratorium period of 30 months upto Juy 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, 2019.

2.39.2.3 Transactions with other related parties (Post-Retirement Benefits Trusts/Plans):

Refer note no 2.36 & 2.39.1.3.

2.39.2.4 Transactions with Key Managerial Personnel:

(₹ in crore)

Description	Year ended	
	31.03.19	31.03.18
Compensation to CMD, Whole Time Directors & Company Secretary:		
Short Term Employee Benefits	**2.34**	2.18
Post-employment Benefits	**0.48**	0.53
Other Long Term Benefits	**0.32**	0.21
Sub-Total	**3.15**	2.92
Sitting fee to Non-Executive (Independent) Directors	**0.27**	0.21
Total	**3.42**	3.13

2.39.3 Entities under the control of same Government

Government of India (GOI) as on 31st march 2019 is holding 87.4% equity shares of the company, which are held by President of India through Ministry of Railways. GOI controls the company through Ministry of Railways (refer note no: - 2.52)

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	
	31.03.19	31.03.18
Revenue	**761.47**	400.37
Interest on tax free bonds	**9.02**	11.31
Liability written back	**0.19**	0.00
Procurements	**155.58**	90.17
Fee for services obtained	**40.34**	16.76
Provision for bad debts	**3.09**	3.06
Consumables	**0.43**	0.37
Training Exp.	**0.00**	0.02
Redemption of Tax Free Bonds	**0.00**	50.00

Significant balances with Government related entities:

(₹ in crore)

Particulars	As on	
	31.03.19	31.03.18
Capital Advances	8.79	4.80
Other Advances	18.97	45.30
Payables	0.15	4.08
Advance Received	4.75	9.96
Clients Funds Received	4.67	101.83
Receivables	187.66	153.11
Tax Free Bonds	120.00	120.00
Interest on tax free bonds	5.89	5.89

2.40 **Disclosures on Leases (Indian Accounting Standard-17) are as follows**:

Finance Lease

2.40.1 Leasehold building (refer note no-2.1) includes office spaces in commercial complex acquired from SCOPE and a builder on a land provided by DDA on perpetual lease (WDV as on 31.3.19 ₹ 3.81 crore) and land provided by IDCO for 70 years lease (WDV as on 31.3.19 ₹ 5.43 crore) for which company has made one time upfront payment in full and there is no contingent rent or restriction as per the arrangement. It also includes fully depreciated building constructed on the land provided by railways on nominal license fee.

Operating Lease:- As Lessor

2.40.2 The company has leasing arrangement of locomotives in domestic and overseas markets mainly on cancelable basis which includes 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.

Detail of the leased assets: New & In-Service Locomotives (refer note no. 2.1)

(₹ in crore)

Description	Year ended	
	31.03.19	31.03.18
Gross carrying amount	320.08	235.56
Accumulated depreciation	87.75	63.83
Net carrying amount	232.33	171.73
Depreciation provided for the year	23.92	21.37

Future minimum lease payments receivable under long-term operating leases in the aggregate is ₹2.22 crore (Previous Year ₹ Nil) and for each of the following period:

(₹ in crore)

Particulars	As at 31.03.19	As at 31.03.18
Less than one year	2.22	-
Between one and five years	-	-
More than five years	-	-

2.40.3 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 was upto 31st October, 2018.
Details of the leased assets: Office Premises*

(₹ in crore)

Description	Year ended	
	31.03.19	31.03.18
Gross carrying amount	0.96	1.43
Accumulated depreciation	0.13	0.16
Net carrying amount	0.83	1.27
Depreciation provided for the year	0.03	0.04

* Leased assets include building, air conditioners, AC plant, furniture and fixture.

2.40.4 The company has not sub-leased any of the assets taken on lease.

As Lessee

2.40.5 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 ₹28.36 crore (previous year ₹ 30.62 crore) as under :

(₹ in crore)

Description	Year ended	
	31.03.2019	31.03.2018
Included in Travel Expense	**19.59**	18.25
Included in Domestic salary	**3.37**	6.59
Included in Office Rent	**5.40**	5.78
Total	**28.36**	30.62

2.40.6 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	
		31.03.19	31.03.2018
A	Net Profit available for Equity Shareholder (₹ in crore)	**444.65**	331.71
B	Weighted average number of Equity Shares	**200,000,000**	200,000,000
C	Earnings Per Share(Basic & Diluted) (A)/(B)	**₹ 22.23**	₹ 16.59
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
Joint ventures			
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%
Joint operations			
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%

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 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%

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	
	31.03.19	31.03.18	31.03.19	31.03.18
Fixed Assets (Net)/Non Current Assets	**97.67**	97.37	**0.13**	-
Current Assets, Loans & Advances	**71.97**	23.09	**0.80**	0.04
Current Liabilities & Provisions	**93.38**	50.72	**0.02**	0.01
Non Current Liabilities & Provisions	**34.26**	44.23	**-**	-
Capital	**48.00**	48.00	**1.00**	0.05
Retained Earnings / (losses)	**(5.99)**	(22.49)	**(0.08)**	(0.02)
Revenue	**216.98**	83.97	**-**	-
Expenditure including Tax	**200.49**	88.12	**0.07**	0.01
Profit / (Loss) After Tax	**16.49**	(4.14)	**(0.07)**	(0.01)
Additional information:				
Cash and Cash Equivalents	**0.02**	0.40	**0.77**	0.04
Current financial liabilities (excluding trade and other payables and provisions)	**61.88**	37.05	**-**	-
Non- Current financial liabilities (excluding trade and other payables and provisions)	**34.26**	44.23	**-**	-
Depreciation and Amortisation	**6.81**	6.78	**-**	-
Interest Income	**0.01**	0.02	**-**	-
Interest Expense	**7.80**	7.35	**-**	-
Income tax expenses or (income)	**1.37**	-	**-**	-

BNV Gujarat Rail Private Limited was incorporated in financial year 2016-17, but no commercial activity was started till 31.03.2019.

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	
	2018-19	2017-18	2018-19	2017-18
Net Assets				
Net Assets of Joint Venture	**42.00**	25.51	**0.92**	0.03
Proportionate share in Joint Venture (%)	**50%**	50%	**26%**	26%
Share of interest in net assets of Joint Venture	**21.00**	12.76	**0.24**	0.01
Carrying amount of interest in Joint Venture	**21.00**	12.76	**0.24**	0.01
Net Profit				
Net Profit / (Loss) After Tax of Joint Venture	**16.48**	(4.14)	**(0.07)**	(0.01)
Proportionate share in Joint Venture (%)	**50%**	50%	**26%**	26%
Share of interest in net profit after tax of Joint Venture	**8.24**	(2.07)	**(0.02)**	-
Amount of interest in net profit after tax of Joint Venture	**8.24**	(2.07)	**(0.02)**	-

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) 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, 2019.

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 31.03.19	Year ended 31.03.18	Year ended 31.03.19	Year ended 31.03.18	Year ended 31.03.19	Year ended 31.03.18	Year ended 31.03.19	Year ended 31.03.18	Year ended 31.03.19	Year ended 31.03.18
Fixed Assets (Net)/ Non Current Assets	**3.25**	3.20	**-**	-	**-**	-	**0.01**	0.01	**-**	-
Current Assets, Loans & Advances	**18.98**	18.55	**5.84**	5.92	**3.68**	3.74	**1.78**	1.69	**1.72**	1.50
Current Liabilities & Provisions	**0.77**	0.73	**3.99**	4.10	**3.46**	3.52	**2.37**	2.44	**0.83**	0.84
Non Current Liabilities & Provisions	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Capital	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Retained Earnings / (losses)	**21.46**	21.02	**1.85**	1.82	**0.22**	0.21	**(0.58)**	(0.74)	**0.89**	0.66
Revenue	**0.62**	0.51	**0.10**	0.10	**0.11**	0.11	**1.85**	0.65	**3.16**	5.93
Expenditure including Tax	**0.17**	0.17	**0.07**	0.22	**0.10**	0.40	**1.69**	1.11	**2.68**	5.27
Profit/(Loss) After Tax	**0.45**	0.34	**0.03**	(0.12)	**0.01**	(0.29)	**0.15**	(0.46)	**0.48**	0.66
Additional information:										
Cash and Cash Equivalents	**0.00**	0.01	**0.31**	0.10	**1.22**	0.17	**0.10**	-	**1.25**	0.19
Current financial liabilities (excluding trade and other payables and provisions)	**-**	-	**-**	-	**-**	-	**0.13**	-	**-**	-

(₹ in crore)

Description / JVs	RICON		Geoconsult-RITES		Geoconsult - RITES, NRT-1		Geoconsult ZT GmbH-RITES		Geoconsult-RITES (JV)	
	Year ended 31.03.19	Year ended 31.03.18	Year ended 31.03.19	Year ended 31.03.18	Year ended 31.03.19	Year ended 31.03.18	Year ended 31.03.19	Year ended 31.03.18	Year ended 31.03.19	Year ended 31.03.18
Non- Current financial liabilities (excluding trade and other payables and provisions)	-	-	-	-	-	-		-	-	-
Depreciation and Amortisation	-	-	-	-	-	-	-	0.01	-	-
Interest Income	0.62	0.51	0.10	0.10	0.11	0.11	0.01	0.01	-	-
Interest Expense	-	-	-	-	-	-	-	-	-	-
Income tax expenses or (income)	0.17	0.15	0.02	-	0.01	-	-	-	0.23	0.40

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.
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.
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 Uttrakhand.	M/s DHI (India) Water & Environment Pvt. Ltd.

Project Name	Name of entities
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
DPR for MRTS in Vijayawada	M/s Systra SA, France M/s Gopa Omfra GmbH
Consultancy services for prepertion of DPR for development of Economic corridors, Inter Corridors, Feeder Routes to improvement of efficiency of freight movement in India.(Lot-2/ Punjab/Pkg-3)s	M/s Matrix Geo solution Pvt Ltd
Consultancy services for preparation of DPR for development of Economic corridor Inter corridors & feeder routes to improve the efficiency of freight movement in India (Lot-2/ Haryana/Package-1)	M/s Matrix Geo solution Pvt Ltd
PMC Services from concept to completion for construction/ modification & extension of existing passenger terminal building at Srinagar Airport.	M/s Behal Joshi & Associates

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 01.04.18	Additional Provision made during the year	Provisions used during the year	Unused amount reversed during the year	Unwinding Cost	Carrying amount as on 31.03.19
Warranties	41.36	6.90	5.33	4.66	1.67	**39.94**
Commitments	-	7.07		-	-	**7.07**

(₹ 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

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 2018-19 is of 7.65% vice 6.74% for the year 2017-18. The effect of interest rate change on the above provisions is ₹ 0.01 crore.

Commitments pertain to estimated expenditure to be incurred for removing the defects in connection with construction/PMC projects and estimated period for utilization of provision for commitments is less than one year.

2.44.2 Contingent liabilities and commitments to the extent not provided for include:

2.44.2.1 **Contingent Liabilities (As certified by the Management)**

(I) Claims (excluding interest) against the company not acknowledged as debts are ₹ 575.58 crore (previous year ₹672.50 crore). Out of which ₹ 530.26 crore (previous year ₹ 639.49 crore) have been received for on behalf of clients and company does not envisage any liability as the same will be on account of clients. These Claims includes ₹ 25.92 crore (previous year ₹ 25.92 crore) against the company for which company has made counter claims of ₹ 63 crore (previous year ₹ 63.00 crore) on the executing agency (refer note no.2.56.1).

(II) 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.

(III) Other money for which the company is contingently liable:

(a) Demand on account of income tax includes of ₹ 6.87 crore (excluding interest) (previous year ₹ 3.62 crore) which are being contested by the company. This excludes ₹ 12.28 crore relating to cases where company has already won the same at different appellate authorities during earlier years, against which income tax department has gone for appeal at higher appellate authorities. In similar cases of past years, the appeal of the income tax department has been dismissed.

(b-1) Demand on account of service tax, VAT etc. amounting to ₹ 4.38 crore (previous year ₹ 2.03 crore) which are being contested by the company at different forums.

(b-2) Further these claim does not include claim against company for and on behalf of the client and management does not foresee any liability on the company as the same are being contesting by the company for and on behalf of the client.

2.44.2.2 **Commitments**

Gross estimated amount of capital commitment is ₹ 219.92 crore (previous year ₹ 197.39 crore) against which amount of contracts remaining to be executed on capital account as certified by the management and not provided for amounting to ₹ 151.40 crore (previous year ₹ 164.44 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 31.03.19	Year ended 31.03.18
Rental income	**0.57**	0.99
Direct proportionate operating expenses relating to rental income (including repair & maintenance)	**0.29**	0.19
Profit before depreciation	**0.28**	0.80
Depreciation for the year	**0.03**	0.04
Profit from investment property	**0.25**	0.76

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 was upto 31st October, 2018. Now company intend to lease 366 sq. m area of furnished accommodation in near future. Hence 179 sq. m area capitalized under investment property has been transferred to property plant and equipments.

2.45.2 Fair Value

Market value of investment property as on 31.03.2019 is ₹ 1.76 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, 2019 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**#	3490.25	3490.25	-	-	-	-
Investments:						
Equity*	0.04	-	-	0.04	-	-
Tax Free Bonds	120.00	120.00	-	-	-	-
Trade Receivables**	585.75	585.75	-	-	-	-
Loans**	29.43	29.43	-	-	-	-
Other Financial Assets**	182.90	182.90	-	-	-	-
Total	**4408.37**	**4408.33**	**-**	**0.04**	**-**	**-**
Financial Liabilities:						
Trade Payables**	194.42	194.42	-	-	-	-
Other Financial Liabilities**	2421.67	2421.67	-	-	-	-
Total	**2616.09**	**2616.09**	-	-	**-**	**-**

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**	25.23	25.23	-	-	-	-
Other Financial Assets**	166.23	166.23	-	-	-	-
Total	**4400.06**	**4400.02**	**-**	**0.04**	**-**	**-**
Financial Liabilities:						
Trade Payables**	76.80	76.80	-	-	-	-
Other Financial Liabilities**	2383.75	2383.75	-	-	-	-
Total	**2460.55**	**2460.55**	**-**	**-**	**-**	**-**

* 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.
Cash and bank balance includes fund on behalf of client.

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, 2019 are as follows:

(₹ in crore)

Particulars	As on 31.03.19	Fair value measurement at end of the reporting year using		
		Level 1	Level 2	Level 3
Financial Assets:				
Investments: - Equity*	0.04	-	-	0.04

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:				
Investments: - Equity*	0.04	-	-	0.04

* 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.

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 31.03.19	As on 31.03.2018	As on 31.03.19	As on 31.03.2018
	US Dollar (Figure in Millions)		(₹ in crore)	
Cash & Cash equivalents	**21.62**	0.02	**147.32**	0.15
Loans	**0.01**	0.01	**0.06**	0.04
Trade Receivables	**12.22**	1.80	**83.25**	11.58
Other Current Assets	**0.25**	0.18	**1.69**	1.15
Other financial assets	**7.30**	12.92	**49.77**	83.01
Trade Payable	**2.84**	3.17	**19.39**	20.40
Other financial liabilities	**20.22**	0.12	**137.82**	0.78
Net assets/(liabilities)	**18.34**	11.64	**124.88**	74.75

For the year ended 31st March, 2019 and 31st March, 2018, every percentage increase/decrease in the exchange rate between the INR & US Dollar has affected the Company's incremental margins by approximately 0.18% (previous year 0.15%) 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.

The above foreign currency exposure is unhedged as these are covered through foreign currency risk management policy.

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 ₹ 681.05 crore (previous year ₹ 541.53 crore) and unbilled revenue amounting to ₹ 39.98 crore (previous year ₹ 3.69 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 ₹ 95.30 crore (previous year ₹ 82.83 crore). Keeping in view the nature of business expected credit loss is provided for on case to case basis as per the policy on impairment of financial assets.

No significant credit risk on cash and bank balances including clients' funds amounting to ₹ 3490.25 crore (previous year ₹ 3629.86 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 ₹1241.10 crore (previous year ₹ 1396.74 crore) with Schedule banks with negligible credit risks.

Non-Strategic Investments primarily include investments in tax free bonds of ₹120 crore (previous year ₹ 120 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 which are insured, and are mortgage against 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 ₹ 1793.16 crore (previous year ₹ 1705.08 crore) including cash and bank balance (owned funds) of ₹ 1272.95 crore (previous year ₹ 1392.75 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	2018-19	2017-18
Revenue from Operations	**(1.74)**	-
Employee Benefits Expenses	**(2.28)**	-
Other Income	**(7.67)**	(17.86)
Deferred Tax	**4.08**	6.24
Total	**(7.61)**	(11.62)

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	2018-19			2017-18
Line Items	**Impact on 2017-18**	**Prior to 01.04.17**	**Total**	**Prior to 01.04.17**
Cash and bank balances-owned fund	-	-	-	9.78
Other financial assets	6.14	3.27	9.41	-
Other current assets	-	-	-	8.08
Deferred Tax Assets (Net)	(2.56)	(1.52)	(4.08)	(6.24)
Total Assets	3.58	1.75	5.33	11.62
Other current financial liabilities	(1.19)	(1.09)	(2.28)	-
Total Liabilities	(1.19)	(1.09)	(2.28)	-
Net Assets (Equity)	4.77	2.84	7.61	11.62

2.47.2.2 Impact on Statement of Profit & Loss Items is as follows:

(₹ in crore)

Prior Period for the year 2018-19	
Line Items	**Impact on 2017-18**
Other Income	6.14
Total Revenue	6.14
Employee Benefit Exp.	(1.19)
Total Expenditure	(1.19)
Profit Before Tax	7.33
Deferred Tax	(2.56)
Profit After Tax	4.77

Aforesaid prior period figures are crystallized during the year 2018-19 though these are prior period transactions and tax benefit on such transactions is available in the year ended 2018-19. However, these figures are re-stated as per IND AS 8 to the respective years.

2.47.3 Impact of Prior Period Errors in Earning Per Share (Basic & Diluted):

Year	2017-18
Impact on Profit attributable to Equity Share Holders (₹ in crore)	4.77
Weighted average nos. of Equity Shares	20,00,00,000
Impact on Earnings Per Share (Basic & Diluted)	₹ 0.24

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	
	31.03.2019	31.03.2018
Income Tax Expenses:		
- Current Taxes	**227.75**	173.64
- Earlier Years(Net)	**19.97**	5.29
Sub Total	**247.72**	178.93
OCI	**(0.91)**	(1.45)
Total	**246.81**	177.48
Deferred Tax (Net) – Prior Periods	**(21.18)**	-
Deferred Tax (Net) – Current Years	**5.53**	(25.89)
Total	**231.16**	151.59

Entire deferred income tax for the year ended 31st March, 2019 and 31st March, 2018 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	
	31.03.2019	31.03.2018
Profit before Tax	**676.72**	492.83
Enacted Tax Rates in India on Normal Income	**34.94%**	34.61%
Enacted Tax Rates in India on LTCG	**23.30%**	23.07%
Special Enacted Tax Rates in India on Dividend from foreign company	**17.47%**	17.30%
Computed Expected Tax Expense	**236.47**	170.56
Tax effect of Income Exempted from Taxation	**(6.22)**	(7.06)
Tax effect due to deductable temporary differences in Depreciation	**(0.12)**	(0.78)
Tax effect due to deductable temporary differences in other than Depreciation	**(1.78)**	(22.21)
Tax effect due to earlier period taxes	**(1.21)**	5.29
Additional Tax Effect due to Income from HP	**(0.02)**	(0.04)
Effect of Non-Deductible Expenditures for determining taxable Profit	**4.03**	5.69
Tax Effect due to Income from foreign dividend	**(0.01)**	(0.01)
Tax effect due to income from joint operations	**0.02**	0.15
Tax effect due to re-measurement loss of Defined Benefit Liability/assets	**0.91**	1.45
Income tax expenses (including tax effect on OCI) for the year	**232.07**	153.04
Tax effect due to OCI	**(0.91)**	(1.45)
Current Tax Expense for the year	**231.16**	151.59

Details of income tax assets and liabilities as on 31st March, 2019 and 31st March, 2018 are as follows:

(₹ in crore)

Particulars	As on	
	31.03.19	31.03.18
Income Tax Assets	320.33	282.38
Less: Current income tax liabilities	226.84	172.19
Net Current Income Tax Assets/(Liability) at the end	93.49	110.19

The gross movement in the current income tax asset/(liability) for the year ended 31st March, 2019 and 31st March, 2018 is as follows:

(₹ in crore)

Particulars	Year Ended	
	31.03.2019	31.03.2018
Net current income tax asset/(liability) at the beginning of the year	110.19	116.54
Current Income Tax on OCI	0.91	1.45
Income Tax paid	230.11	171.13
Current income tax expense	(247.72)	(178.93)
Net Current Income Tax Asset/(Liability) at the end of the year	93.49	110.19

Tax effects of significant temporary differences that resulted in deferred income tax asset and liabilities are as follows:

(₹ in crore)

Particulars	As on	
	31.03.2019	31.03.2018
Deferred Income Tax Assets:		
Accrued Compensation to Employees	24.31	16.12
Provisions for Doubtful Debts, Security Deposits/EMD, Advances Etc.	61.23	55.15
Prior period adjustment (net)	-	(4.00)
Total Deferred Income Tax Assets – I	85.54	67.27
Deferred Income Tax Liabilities:		
Depreciation on Property Plant & Equipment, Furniture & Fixtures, Loco & Coaches	11.51	8.89
Total Deferred Income Tax Liabilities – II	11.51	8.89
Deferred Income Tax Assets after set off	74.03	58.38
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.

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, 2019 and 31st March, 2018 are as follows:

(₹ in crore)

Movement During the year ended 31st March 2019	As at 31st March 2018	Recognised in Profit and Loss	Recognised in OCI	As at 31st March 2019
Tax Effect of items constituting deferred Tax Liabilities				
(i) Property, Plant & Equipments	8.89	2.62	-	**11.51**
(ii) Acturial Gain on Defined Benefit Obligations	-	-	-	**-**
(iii) Prior Period Adjustment	4.00	(4.00)	-	**-**
TOTAL-A	**12.89**	**(1.38)**	**-**	**11.51**
Tax Effects of Items Constituting deferred Tax Assets				
(i) Provisions for Leave Encashment of Employees	2.74	21.22	-	**23.96**
(ii) Acturial Loss on Defined Benefit Obligations	-	-	-	**-**
(iii) Provision for superannuation Medical	13.31	(12.96)	-	**0.35**
(iv) Other Employee Benefits	0.07	(0.07)	-	**-**
(v) Prov. For Doubtful Debts & Advances	55.15	6.08	-	**61.23**
(vi) Prior Period Adjustment	-	-	-	**-**
TOTAL-B	**71.27**	**14.27**	**-**	**85.54**
Deferred Tax (Assets)/Liabilities (A-B)	**(58.38)**	**(15.65)**	**-**	**(74.03)**

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)

Movement During the year ended 31st March 2018	As at 31st March 2017	Recognised in Profit and Loss	Recognised in OCI	As at 31st March 2018
Tax Effect of items constituting deferred Tax Liabilities				
(i) Property, Plant & Equipments	9.19	(0.30)	-	8.89
(ii) Acturial Gain on Defined Benefit Obligations	-	-	-	-
(iii) Prior Period Adjustment	7.64	(3.64)	-	4.00
TOTAL-A	16.83	(3.94)	-	12.89
Tax Effects of Items Constituting deferred Tax Assets				
(i) Provisions for Leave Encashment of Employees	20.46	(17.72)	-	2.74
(ii) Acturial Loss on Defined Benefit Obligations	-	-	-	-
(iii) Provision for superannuation Medical	-	13.31	-	13.31
(iv) Other Employee Benefits	0.99	(0.92)	-	0.07
(v) Prov. For Doubtful Debts & Advances	27.87	27.28	-	55.15
(vi) Prior Period Adjustment	-	-	-	-
TOTAL-B	**49.32**	**21.95**	**-**	**71.27**
Deffered Tax (Assets)/Liabilities (A-B)	**(32.49)**	**(25.89)**	**-**	**(58.38)**

The composition of deferred assets relating to temporary differences during the year ended 31st March, 2019 is primarily on account of Property Plant and Equipment, Trade Receivable and Compensation to Employees and Prepaid Expenses.

2.49 Disclosures on Presentation of Financial Statements (Indian Accounting Standard-1) are as follows:

2.49.1 Change in Significant Accounting policies:

a. Revenue recognition

Ind AS-115 on Revenue from contracts with customers is applicable w.e.f 1.4.2018. Ind AS-115 has replaced Ind AS-18 & Ind AS-11 on revenue recognition. Accordingly, policies on revenue recognition has been modified to align with new Ind AS-115 on revenue contract with customers. There is no material impact on account of change in the said accounting policies.

b. Prepaid expenses

Keeping in view size and nature of business limit for prepaid expenses in each case has been enhanced from ₹ 0.01 crore to ₹ 0.05 crore There is increase(decrease) in profit(net of taxes) of ₹0.04 crore (previous year ₹ 0.06 crore) and reduction in Other current Assets of ₹0.19 crore (previous year ₹ 0.24 crore) due to change in this accounting policy.

c. Prior Period Adjustments

Ind As 8 requires to correct/adjust the prior period items to the respective periods based on materiality. Accordingly, policy on Prior Period Adjustment has been revised and there is increase/decrease in profit (net of taxes) amounting to (₹0.87 crore) { previous year (₹ 5.27 crore)}.

2.49.2 Reclassifications and comparative figures

Certain reclassifications have been made to the comparative period's financial statements to enhance comparability with the current year's financial statements.

As a result, certain line items have been reclassified in the balance sheet, statement of profit and loss, and statement of cash flows, the details of which are as under:

Items of balance sheet before and after reclassification for the year ended 31st march 2018.

(₹ in crore)

Particulars	Before Reclassification	Reclassification	After Reclassification
Non Current Assets			
Loans	15.19	3.55	18.74
Other financial assets	126.21	(3.55)	122.66
Current Assets			
Loans	3.97	2.52	6.49
Other financial assets	112.45	(2.52)	109.93
Non Current Liabilities			
Other Financial Liabilities	122.26	41.03	163.29
Current Liabilities			
Other Financial Liabilities	2,074.31	156.16	2,230.47
Other Current Liabilities	357.04	(197.19)	159.85

Items of statement of profit & loss before and after reclassification for the year ended 31st march 2018

(₹ in crore)

Particulars	Before Reclassification	Reclassification	After Reclassification
Revenue			
Other Income	163.34	(9.64)	153.70
Expenditure			
Supplies & Services	115.98	6.33	122.31
Cost of Export Sales	172.07	(172.07)	-
Purchases	-	112.79	112.79
Changes in Inventories of Stock in Trade	-	40.36	40.36
Finance Cost	-	2.71	2.71
Other Expenses	162.10	0.24	162.34

2.49.3 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.

2.49.4 Subsequent Event-Dividend

Company has proposed a sum of ₹ 80 Crore (₹ 4.00 per share to 20 crore equity shares) as final dividend for FY 2018-19 subject to approval of shareholders in Annual General Meeting. If approved, the dividend would result in a cash outflow of ₹ 96.44 crore inclusive of dividend distribution tax of ₹ 16.44 crore.

2.50 Disclosures on Accounting for Government Grant (Indian Accounting Standard-20) are as follows:

The Company is receiving government grant in form of export incentive on export of Rolling Stock and Spare parts. There are two types of export incentive i.e duty drawback and MEIS Scrips. The Company has recognized ₹ 7.84 crore (previous year ₹ 9.03 crore) as export incentive. The export incentive receivable at the end of during the year is ₹ 2.73 crore (previous year ₹ 7.67 crore).

2.51 **Disclosure as per regulation 34(3) of listing agreements with the stock exchange**

(₹ in crore)

	Financial Year	Outstanding balance	Maximum amount due during the year
Investment in Subsidiaries			
(i) Railway Energy Management Company Ltd.	31.03.2019	35.70	35.70
	31.03.2018	35.70	35.70
ii) RITES (Afrika) (Pty) Ltd., Botswana	31.03.2019	0.01	0.01
	31.03.2018	0.01	0.01
Investment in Joint Ventures			
(i) SAIL-RITES Bengal Wagon Industry Private Limited	31.03.2019	24.00	24.00
	31.03.2018	24.00	24.00
(ii) BNV Gujarat Rail Private Limited	31.03.2019	0.26	0.26
	31.03.2018	0.01	0.01
Loans & advances to Subsidiaries			
(i) Railway Energy Management Company Ltd.	31.03.2019	-	-
	31.03.2018	-	4.76
(ii) RITES (Afrika) (Pty) Ltd., Botswana	31.03.2019	-	-
	31.03.2018	-	-
Loans & advances to Joint Ventures			
(iii) SAIL-RITES Bengal Wagon Industry Private Limited	31.03.2019	8.44	8.44
	31.03.2018	7.76	7.76
(iv) BNV Gujarat Rail Private Limited	31.03.2019	-	-
	31.03.2018	-	-

Other Disclosures:

2.52 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.

2.53 Assets and liabilities are classified between current and non-current considering 12 months period as operating cycle.

2.54 Information on CSR expenditure:

(a) Gross amount required to be spent including advances given during the year 2018-19 ₹ 10.20 crore (previous year 2017-18 ₹ 9.90 crore).

(b) Expenditure incurred including advance on CSR during the year on:

(₹ in crore)

Particulars		Amount Paid		Yet to be Paid		Total	
		2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
(i)	Construction/ acquisition of any asset	-	-	-	-	-	-
(ii)	On purposes other than (i) above*	10.23	9.90	-	-	10.23	9.90
	Total	10.23	9.90	-	-	10.23	9.90

* Includes following expenditure on account of admin overhead and capacity builds

(a) Salary Expenses ₹ 0.50 crore (previous year ₹0.46 crore)
(b) Other Expense ₹ 0.01 crore (previous year ₹ 0.04 crore)

2.55 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)

Particulars		As on 31.03.19	As on 31.03.18
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	9.05	2.57
	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 identify supplier registered under The Micro, Small and Medium Enterprises Development Act, 2006, by obtaining confirmations from all suppliers at time issue of tender. Information has been collated only to the extent of information received.

2.56 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 sole 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 applicable interest in favour of the company. Client filed a petition in the Civil Court of Ranchi on 31st July, 2011 & thereafter amendment for setting aside the aforesaid award of the appellate authority. The said petition of client was dismissed by the court on 22.11.2017 and preliminary objections of company is allowed. Thereafter the company filed writ petition before honourable Jharkhand High court on 05.07.2018 to issue the direction to client to pay the awarded amount. Till date no hearing is schedule by the Hon'ble Jharkhand High court.

2.56.1 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 has raised the 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. The executing agency had filed two petitions i.e. arbitration appeal before hon'ble Jharkhand high court on 25.05.2017 and commercial revocation to set aside the award before the commercial court,Ranchi on 06.01.2018. The arbitration appeal has already been dismissed by hon'ble Jharkhand high court on 11.03.2019 and the commercial revocation is still pending and the next date of hearing is fixed on 01.06.2019. In view of above, the 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.

2.56.2 Cumulative interest up to 31.03.2019 due from the executing agency of ₹ 28 crore (previous year ₹ 25.98 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 ₹ 2.02 crore for the year (previous year ₹ 2.02 crore).

2.57 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 were 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.

2.57.1 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.

2.57.2 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, 2nd and 3rd installments of USD 5.655 million each as per schedule of payment has also been received in financial year 2016-17 , 2017-18 and 2018-19respectively and balance one installment of USD 5.655 million is due in the FY 2019-20 as per schedule of payment.

2.57.3 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.

2.58 Under the settlement agreement with Government of Tanzania, last three installments out of six installments of principal amounting to ₹ 62.61crore (equivalent US$ 9.19 million) {Previous year is ₹ 59.04 crore (equivalent US$ 9.19 million)} are still outstanding despite of continuous follow-up and legal notice issued to Government of Tanzania and the company therefore has made provision for impairment for the same during the financial year 2017-18. Company has also initiated arbitration proceedings as per provisions of settlement deed. Interest on principal and on delayed payments of ₹ 23.45 crore (equivalent US$ 3.44 million) {Previous year is ₹ 20.88 crore (equivalent US$ 3.25 million)} have not been recognised.

2.59 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.

2.60 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 crore).

2.60.1 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.

2.61 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 has been shown in the books as capital advance.

2.62 In one of the overseas project, fee of ₹ 11.22 crore upto 31st March 2019 (previous year ₹11.22 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.

2.63 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 31.03.2019	As at 31.03.2018
Non-current investment			
(i) Moru Mahal Co-operative Society Ltd.	2.6.1	**250.00**	250.00
(ii) Amit Industrial Co-operative Society Ltd.		**500.00**	500.00

2.64 (a) Balances shown under debtors, advances and creditors are subject to confirmation / reconciliation/ adjustment, if any. The company has been sending letters for confirmation to parties. However, the Company does not expect any material dispute w.r.t. the recoverability/payment of the same.

(b) In the opinion of the management, the value of current assets, loans and advances on realization in the ordinary course of business, will not be less than the value at which these are stated in the balance sheet.

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 & 2.15.

2.66 **Recent Accounting Pronouncements**:

Indian Accounting Standard (Ind AS) 116 on Leases: On March 30, 2019 Ministry of Corporate Affairs has notified Ind AS-116 on Leases. This standard will replace the existing Indian Accounting Standard (Ind AS) 17. The effective date for adoption of Ind AS 116 on Leases is annual periods beginning on or after April 1, 2019. The impact of this standard will be subject to detailed assessments but is not expected to be material, except for change in presentation and disclosure requirements.

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, 2019.

The preparation of financial statements of RITES Limited for the year ended 31 March, 2019 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 29 May, 2019.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of RITES Limited for the year ended 31 March, 2019 under section 143(6)(a) of the Act. 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 supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143(6)(b) of the Act.

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: 1st July, 2019

INDEPENDENT AUDITOR'S REPORT

To the Members of RITES Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying Consolidated Ind AS Financial Statements of RITES Limited (hereinafter referred to as the 'Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), and its jointly controlled entities, which comprise the consolidated Balance Sheet as at March 31, 2019, and the consolidated statement of Profit and Loss including Other Comprehensive Income, the consolidated statement of changes in equity and the consolidated cash flows Statement for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory statement (hereinafter referred to as "the consolidated Ind AS financial statements").

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its jointly controlled entities as at March 31, 2019, the consolidated profit including other comprehensive income, consolidated statement of changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Consolidated Ind AS Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group and its jointly controlled entities in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Consolidated Ind AS Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Ind AS Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Ind AS Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sr. No.	Key Audit Matter	Auditor's Response
1	*Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard).* The application of the new revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized at a point in time or over time. Additionally, new revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.	We assessed the Group's process to identify the impact of adoption of the new revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows: • Evaluated the design of internal controls relating to implementation of the new revenue accounting standard. • Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation and inspection of evidence in respect of operation of these controls. • Selected a sample of continuing and new contracts and performed the following procedures: – Read, analysed and identified the distinct performance obligations in these contracts. – Compared these performance obligations with that identified and recorded by the Group.

Sr. No.	Key Audit Matter	Auditor's Response
	Refer Notes 1.2.1 and 2.43 to the Consolidated Ind AS Financial Statements.	– Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration. – Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings.
2	***Evaluation of uncertain tax positions*** The Group has disputed tax positions which involves significant judgment to determine the possible outcome of these disputes. Refer Note 2.49.2.1.iiia to the Consolidated Ind AS Financial Statements.	***Principal Audit Procedures*** Obtained details of completed tax assessments and demands for the year ended March 31, 2019 from management and management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. We also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions.

Information Other than the Consolidated Ind AS Financial Statements and Auditor's Report thereon

The holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Annual Report, but does not include the Consolidated Ind AS Financial Statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of our audit report.

Our opinion on the Consolidated Ind AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Ind AS Financial Statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its jointly controlled entities 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; 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 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.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group and of its jointly controlled entities are responsible for assessing the ability of the Group and of its jointly controlled entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its jointly controlled entities are responsible for overseeing the financial reporting process of the Group and of its jointly controlled entities.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Ind AS Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or

error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Ind AS Financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risk, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and its jointly controlled entities ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Ind AS Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its jointly controlled entities to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Ind AS financial statements, including the disclosures, and whether the Consolidated Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its jointly controlled entities to express an opinion on the Consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of holding company included in the Consolidated Ind AS financial statements of which we are the Independent auditors. For the other entities included in the Consolidated Ind AS financial statements, such other auditors remains responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the holding company and such entities regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Ind AS Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(i) We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets of ₹ 211.78 Crores as at 31st March, 2019, total revenue of ₹ 90.15 Crores and net cash flows amounting to ₹ 9.56 Crores for the year ended on that date, as considered in the consolidated Ind AS financial statements. The Consolidated Ind AS financial statements include the Group's share of Net Profit (Including Other Comprehensive Income) of ₹ 8.22 Crores for the year ended March 31, 2019, in respect of two jointly controlled entities. These financial statements 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 jointly controlled entities, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and jointly controlled entities, is based solely on the reports of the other auditors.

(ii) Further, of these subsidiaries and jointly controlled entities, one subsidiary located outside India whose financial statements and other financial information has been prepared in accordance with accounting principles generally accepted in Botswana and which have been audited by another auditor under generally accepted auditing standards applicable in Botswana. The Holding Company's management has converted the financial statements of such subsidiary located outside India from accounting principles generally accepted in Botswana to accounting principles generally accepted in India. We have audited these conversion adjustments made

by the Holding Company's management. Our opinion, in so for as it relates to the financial information of such subsidiary located outside India, is based on the report of other auditor and the conversion adjustments prepared by the management of the Holding Company and audited by us.

(iii) The Consolidated Ind AS Financial Statements of the Group for the year ended March 31, 2018 were audited by another firm of Chartered Accountants under the Companies Act, 2013 who, vide their report dated July 30, 2018, expressed an unmodified opinion on those financial statements.

Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. In terms of sub section (5) of section 143 of the Act, based on our audit and on the consideration of the report of the auditor of a subsidiary company, as referred in the 'Other Matters' paragraph 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, based on our audit and on the consideration of the report of the other auditors on separate financial statements and the other financial information of subsidiaries and jointly controlled Companies, as referred in the 'Other Matters' paragraph we report, to the extent applicable, 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 (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement 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;
   (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 and its subsidiaries. On the basis of the reports of the statutory auditors who are appointed under Section 139 of the Act, of its jointly controlled companies, none of the directors of the jointly controlled companies incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act;
   (f) With respect to the adequacy of 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) In our opinion and to the best of our information and according to the explanations given to us, provisions of Section 197 of the Act are not applicable to the Group and its jointly controlled companies with respect to the managerial remuneration paid/provided during the year ended March 31, 2019; and
   (h) 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 and based on the consideration of the report of the other auditors on separate financial statements and the other financial information of subsidiaries and jointly controlled Companies, as referred in the 'Other Matters' paragraph:
      i. The Consolidated Ind AS Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group and jointly controlled companies – Refer Note 2.49.2.1 to the consolidated Ind AS financial statements;
      ii. The Group and jointly controlled entities did not have any material foreseeable losses on long-term contracts including derivative contracts;
      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiary companies and jointly controlled companies incorporated in India.

For J.C. Bhalla & Co.
Chartered Accountants
Firm's Regn. No. 001111N

(Anshuman Mallick)
Partner
Membership No. 547705

Place : Gurugram
Date : 29th May, 2019

ANNEXURE I TO THE INDEPENDENT AUDITOR'S REPORT REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF RITES LIMITED

Report under Section 143 (5) of the Companies Act, 2013 in respect of RITES LIMITED on the Consolidated Ind AS Financial Statements for the year ended 31st March, 2019.

S. No.	Directions	Auditor's Comments
1.	Whether the Holding Company and a subsidiary Company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	Yes, the Holding Company has SAP system and a subsidiary Company has Tally ERP.9 software in place to process all the accounting transactions. As per information and explanations given to us and during the course of our audit we have not come across the any accounting transactions which were outside the IT system and have financial implications.
2.	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/ interest etc. made by a lender to the company due to company's inability to repay the loan? If yes, the financial impact may be stated.	According to the information and explanations given to us the Holding Company has not taken any loan. However, one of subsidiary Company has taken loan but there are no cases of waiver / write off of debts / loans / interest etc.
3.	Whether funds received/receivable for specific schemes from Central/ State agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation.	As per the information and explanations given to us the Holding Company and a subsidiary Company has not received any funds from Central/State agencies for specific schemes during the year.

For J.C. Bhalla & Co.
Chartered Accountants
Firm's Regn. No. 001111N



(Anshuman Mallick)
Partner
Membership No. 547705

Place : Gurugram
Date : 29th May, 2019

ANNEXURE II TO THE INDEPENDENT AUDITOR'S REPORT REFERRED TO IN PARAGRAPH 2(F) UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF RITES LIMITED

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of RITES LIMITED (hereinafter referred to as "the Holding Company") and its subsidiary company and its jointly controlled companies, which are companies incorporated in India, as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Holding Company, its subsidiary company and its jointly controlled companies, 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 the respective 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.

AUDITOR'S 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 the ICAI and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, 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, to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors, as referred to in Other Matters paragraph, the Holding Company, its subsidiary company and its jointly controlled companies 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 March 31, 2019, based on the internal control over financial reporting criteria established by the Holding 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 reports under Section 143(3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to the one subsidiary company and two jointly controlled companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not modified in respect of this matter.

For J.C. Bhalla & Co.
Chartered Accountants
Firm's Regn. No. 001111N



(Anshuman Mallick)
Partner
Membership No. 547705

Place : Gurugram
Date : 29th May, 2019

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2019

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2019	AS AT 31.03.2018	AS AT 01.04.2017
ASSETS				
NON CURRENT ASSETS				
PROPERTY, PLANT AND EQUIPMENT	2.1	**476.54**	400.03	403.46
CAPITAL WORK IN PROGRESS	2.2	**2.32**	0.38	4.19
INVESTMENT PROPERTY	2.3	**0.80**	1.22	1.25
INTANGIBLE ASSETS	2.4	**0.62**	0.92	1.74
INTANGIBLE ASSETS UNDER DEVELOPMENT	2.5	**1.59**	1.58	1.58
INVESTMENT IN JOINT VENTURES APPLYING EQUITY METHOD	2.6	**21.24**	12.77	14.84
FINANCIAL ASSETS				
INVESTMENTS	2.7	**120.04**	120.04	120.04
LOANS	2.9	**16.30**	18.74	12.29
OTHER FINANCIAL ASSETS	2.10	**44.23**	125.53	242.04
DEFERRED TAX ASSETS (NET)	2.11	**71.87**	53.07	27.78
OTHER NON CURRENT ASSETS	2.12	**124.80**	119.48	131.95
		880.35	853.76	961.16
CURRENT ASSETS				
INVENTORIES	2.13	**104.93**	9.38	50.42
FINANCIAL ASSETS				
INVESTMENTS	2.8	**-**	-	193.04
TRADE RECEIVABLES	2.14	**609.52**	467.70	465.23
CASH AND CASH EQUIVALENTS-OWNED FUND	2.15.1	**168.96**	145.16	264.73
CASH AND CASH EQUIVALENTS-CLIENTS FUND	2.16.1	**491.63**	592.75	333.37
OTHER BANK BALANCES-OWNED FUND	2.15.2	**1,133.52**	1,273.35	629.99
OTHER BANK BALANCES-CLIENTS FUND	2.16.2	**1,717.40**	1,584.48	1,659.09
LOANS	2.17	**13.13**	6.49	14.89
OTHER FINANCIAL ASSETS	2.18	**173.28**	116.50	167.56
CURRENT TAX ASSETS (NET)	2.19	**50.93**	36.80	10.34
OTHER CURRENT ASSETS	2.20	**87.80**	83.51	59.26
		4,551.10	4,316.12	3,847.92
TOTAL ASSETS		**5,431.45**	5,169.88	4,809.08
EQUITY AND LIABILITIES				
EQUITY				
EQUITY SHARE CAPITAL	2.21	**200.00**	200.00	200.00
OTHER EQUITY	2.22	**2,222.10**	2,013.61	1,851.23
EQUITY ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY		**2,422.10**	2,213.61	2,051.23
NON-CONTROLLING INTERESTS	2.22.5	**71.65**	56.77	44.83
		2,493.75	2,270.38	2,096.06
LIABILITIES				
NON CURRENT LIABILITIES				
FINANCIAL LIABILITIES				
BORROWINGS	2.23	**39.93**	47.65	75.76
TRADE PAYABLES				
- TOTAL OUTSTANDING DUES OF MICRO ENTERPRISES AND SMALL ENTERPRISES	2.61	**-**	-	-
- TOTAL OUTSTANDING DUES OTHER THAN MICRO ENTERPRISES AND SMALL ENTERPRISES		**-**	-	0.06
OTHER FINANCIAL LIABILITIES	2.24	**177.37**	163.29	158.40
PROVISIONS	2.25	**6.70**	11.89	112.68
OTHER NON CURRENT LIABILITIES	2.26	**3.36**	92.47	7.27
		227.36	315.30	354.17
CURRENT LIABILITIES				
FINANCIAL LIABILITIES				
TRADE PAYABLES				
- TOTAL OUTSTANDING DUES OF MICRO ENTERPRISES AND SMALL ENTERPRISES	2.61	**9.05**	0.61	1.74
- TOTAL OUTSTANDING DUES OTHER THAN MICRO ENTERPRISES AND SMALL ENTERPRISES		**186.80**	76.48	69.73
OTHER FINANCIAL LIABILITIES	2.27	**2,273.69**	2,239.85	2,065.31
PROVISIONS	2.28	**68.85**	105.74	150.54
OTHER CURRENT LIABILITIES	2.29	**171.95**	161.52	71.53
		2,710.34	2,584.20	2,358.85
TOTAL EQUITY AND LIABILITIES		**5,431.45**	5,169.88	4,809.08
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FORM AN INTEGRAL PART OF CONSOLIDATED FINANCIAL STATEMENTS	1&2			

For and on behalf of the Board

Ajay Kumar Gaur
Director Finance and
Chief Financial 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 J C BHALLA & COMPANY, Chartered Accountants
Firm Registration No. 001111N

(ANSHUMAN MALLICK)
Partner, Membership No. 547705

Place : Gurugram
Date : 29th May, 2019

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2019	YEAR ENDED 31.03.2018
REVENUE			
REVENUE FROM OPERATIONS	2.30	**2,047.45**	1,497.45
OTHER INCOME	2.31	**192.18**	153.53
TOTAL REVENUE		**2,239.63**	1,650.98
EXPENDITURE			
EMPLOYEE BENEFIT EXPENSES	2.32	**487.09**	458.76
TRAVEL		**49.54**	41.41
SUPPLIES & SERVICES		**167.47**	126.68
PURCHASES FOR EXPORT		**222.54**	112.79
CHANGES IN INVENTORIES OF STOCK IN TRADE	2.33	**(95.85)**	40.36
COST OF TURNKEY CONSTRUCTION PROJECTS	2.34	**516.49**	130.77
TRANSMISSION AND WHELLING CHARGES		**5.10**	4.84
FINANCE COSTS	2.35	**7.47**	11.34
DEPRECIATION & AMORTISATION EXPENSES	2.1-2.5	**38.39**	36.34
OTHER EXPENSES	2.36	**119.56**	166.99
TOTAL EXPENDITURE		**1,517.80**	1,130.28
PROFIT BEFORE SHARE OF NET PROFIT/(LOSS) OF JOINT VENTURES		**721.83**	520.70
SHARE OF NET PROFIT/(LOSS) OF JOINT VENTURES	2.37	**8.22**	(2.07)
PROFIT BEFORE TAX		**730.05**	518.63
TAX EXPENSES			
- CURRENT TAX	2.38	**(259.08)**	(187.33)
- DEFERRED TAX	2.39	**18.80**	25.29
PROFIT AFTER TAX		**489.77**	356.59
OTHER COMPREHENSIVE INCOME			
ITEMS THAT WILL BE RECLASSIFIED SUBSEQUENTLY TO PROFIT & LOSS			
- FOREIGN CURRENCY TRANSLATION RESERVE		**(0.14)**	0.76
- INCOME TAX EFFECT		**-**	-
		(0.14)	0.76
ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO PROFIT & LOSS			
- REMEASUREMENTS OF THE DEFINED BENEFIT LIABILITY/ASSET		**(2.61)**	(4.18)
- INCOME TAX EFFECT		**0.91**	1.45
		(1.70)	(2.73)
TOTAL OTHER COMPREHENSIVE INCOME (NET OF TAX)		**(1.84)**	(1.97)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**487.93**	354.62
PROFIT FOR THE YEAR ATTRIBUTABLE TO:			
EQUITY SHAREHOLDERS OF THE COMPANY		**469.51**	342.48
NON-CONTROLLING INTERESTS		**20.26**	14.11
		489.77	356.59
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO:			
EQUITY SHAREHOLDERS OF THE COMPANY		**467.67**	340.51
NON-CONTROLLING INTERESTS		**20.26**	14.11
		487.93	354.62
EARNING PER SHARE (EQUITY SHARE OF ₹ 10/- EACH) - **BASIC & DILUTED**	2.46	₹ **23.48**	17.12
WEIGHTED AVERAGE NUMBER OF EQUITY SHARES USED IN COMPUTING EARNING PER SHARE		**200,000,000**	200,000,000

For and on behalf of the Board

Ajay Kumar Gaur
Director Finance and
Chief Financial 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 J C BHALLA & COMPANY, Chartered Accountants
Firm Registration No. 001111N

(ANSHUMAN MALLICK)
Partner, Membership No. 547705

Place : Gurugram
Date : 29th May, 2019

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2019

A. EQUITY SHARE CAPITAL

(₹ in crore)

BALANCE AS AT 01.04.2018	CHANGES IN EQUITY SHARE CAPITAL DURING THE PERIOD	BALANCE AS AT 31.03.2019
200.00	**0.00**	**200.00**

(₹ 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

B. OTHER EQUITY

(₹ in crore)

PARTICULARS	OTHER EQUITY ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY					NON-CONTROLLING INTERESTS	TOTAL
	RESERVE AND SURPLUS		FOREIGN CURRENCY TRANSLATION RESERVE	DISCONTINUED OPERATIONS	TOTAL		
	GENERAL RESERVE	RETAINED EARNINGS					
BALANCE AS AT 01.04.2018	**1966.00**	**47.26**	**0.87**	**(0.52)**	**2,013.61**	**56.77**	**2,070.38**
PROFIT FOR THE PERIOD	-	469.51			**469.51**	20.26	**489.77**
OTHER COMPREHENSIVE INCOME		(1.70)	(0.14)		**(1.84)**		**(1.84)**
INTERIM DIVIDEND (2018-19)	-	(175.00)			**(175.00)**		**(175.00)**
FINAL DIVIDEND (2017-18)	-	(40.00)			**(40.00)**	(4.46)	**(44.46)**
CORPORATE DIVIDEND TAX	-	(44.18)			**(44.18)**	(0.92)	**(45.10)**
BALANCE AT 31.03.2019	**1,966.00**	**255.89**	**0.73**	**(0.52)**	**2,222.10**	**71.65**	**2,293.75**
INTERIM DIVIDEND PER SHARE FOR 2018-19 (₹)	8.75	NUMBER OF SHARES USED IN COMPUTING DIVIDEND PER SHARE					200,000,000
FINAL DIVIDEND PER SHARE FOR 2017-18 (₹)	2.00	NUMBER OF SHARES USED IN COMPUTING DIVIDEND PER SHARE					200,000,000

(₹ in crore)

PARTICULARS	OTHER EQUITY ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY					NON-CONTROLLING INTERESTS	TOTAL
	RESERVE AND SURPLUS		FOREIGN CURRENCY TRANSLATION RESERVE	DISCONTINUED OPERATIONS	TOTAL		
	GENERAL RESERVE	RETAINED EARNINGS					
BALANCE AS AT 01.04.2017	**1,837.40**	**-**	**0.11**	**(0.52)**	**1,836.99**	**44.83**	**1,881.82**
EFFECTS OF CHANGES IN ACCOUNTING POLICY AND PRIOR PERIOD ERRORS (NET OF TAX)	14.24	-			**14.24**	-	**14.24**
RESTATED BALANCE AS AT 01.04.2017	**1,851.64**	**-**	**0.11**	**(0.52)**	**1,851.23**	**44.83**	**1,896.06**
PROFIT FOR THE PERIOD	-	342.48			**342.48**	14.11	**356.59**
OTHER COMPREHENSIVE INCOME		(2.73)	0.76		**(1.97)**		**(1.97)**
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	114.36	(114.36)			**-**		**-**
BALANCE AT 31.03.2018	**1,966.00**	**47.26**	**0.87**	**(0.52)**	**2,013.61**	**56.77**	**2,070.38**
INTERIM DIVIDEND PER SHARE FOR 2017-18 (₹)	3.50	NUMBER OF SHARES USED IN COMPUTING DIVIDEND PER SHARE					200,000,000
FINAL DIVIDEND PER SHARE FOR 2016-17 (₹)	3.90	NUMBER OF SHARES USED IN COMPUTING DIVIDEND PER SHARE					200,000,000

For and on behalf of the Board

Ajay Kumar Gaur
Director Finance and
Chief Financial 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 J C BHALLA & COMPANY, Chartered Accountants
Firm Registration No. 001111N

(ANSHUMAN MALLICK)
Partner, Membership No. 547705

Place : Gurugram
Date : 29th May, 2019

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2019	YEAR ENDED 31.03.2018
CASH FLOW FROM OPERATING ACTIVITIES			
NET PROFIT BEFORE TAX		**730.05**	518.63
ADJUSTMENTS FOR:			
- OTHER COMPREHENSIVE INCOME BEFORE TAX		**(2.75)**	(3.42)
- DEPRECIATION AND AMORTIZATION		**38.39**	36.34
- LOSS/(PROFIT) ON SALE OF ASSETS (NET)		**(0.06)**	(0.13)
- SHARE OF PROFIT/(LOSS) OF JOINT VENTURES		**(8.22)**	2.07
- INTEREST INCOME		**(124.85)**	(105.21)
- INCOME FROM INVESTMENTS		**(4.14)**	(7.22)
- FINANCE COST		**7.47**	11.34
- INCOME FROM INVESTMENT PROPERTIES		**(0.63)**	(1.05)
- FIXED ASSETS WRITTEN OFF		**-**	5.86
- CONVERSION OF PPE INTO INVENTORIES		**-**	6.19
- UNREALIZED GAIN/(LOSSES) FROM CHANGES IN FOREIGN EXCHAGE RATE		**(15.21)**	(2.02)
- PROVISION AND IMPAIRMENT EXPENSES (NET)		**12.28**	69.94
EFFECT OF EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN CURRENCY CASH & CASH EQUIVALENTS		**(1.93)**	(5.72)
OPERATING PROFIT BEFORE CHANGES IN ASSETS AND LIABILITIES		**630.40**	525.60
CHANGE IN ASSETS AND LIABILITIES:			
ADJUSTMENTS FOR (INCREASE)/DECREASE IN OPERATING ASSETS:			
- INVENTORIES		**(95.55)**	41.04
- TRADE RECEIVABLES		**(152.20)**	(20.00)
- LOANS, OTHER FINANCIAL ASSETS AND OTHER ASSETS		**(22.68)**	(1.84)
ADJUSTMENTS FOR INCREASE/(DECREASE) IN OPERATING LIABILITIES:			
- TRADE PAYABLES		**117.63**	4.91
- OTHER FINANCIAL LIABILITIES, OTHER LIABILITIES AND PROVISIONS (NET OF CLIENT FUNDS)		**(76.80)**	41.29
CASH GENERATED FROM OPERATIONS		**400.80**	591.00
- INCOME TAX PAID		**(242.16)**	(180.96)
NET CASH FROM OPERATING ACTIVITIES		**158.64**	410.04
CASH FLOWS FROM INVESTING ACTIVITIES			
- PURCHASE/CONSTRUCTION OF FIXED ASSETS		**(151.71)**	(61.83)
- PROCEEDS FROM SALE OF FIXED ASSETS		**0.07**	0.16
- INVESTMENTS IN JOINT VENTURES		**(0.25)**	0.00
- INVESTMENTS IN SHARES,BONDS ETC.		**-**	50.00
- DEPOSITS WITH BANK NOT CONSIDERED AS CASH AND CASH EQUIVALENTS		**168.61**	(567.39)
- INTEREST INCOME		**119.78**	111.51
- INCOME FROM INVESTMENTS		**4.14**	7.22
- INCOME FROM INVESTMENT PROPERTIES		**0.63**	1.05
NET CASH FROM INVESTING ACTIVITIES		**141.27**	(459.28)
CASH FLOW FROM FINANCING ACTIVITIES			
- INCREASE/(DECREASE) IN SECURED LOAN FROM BANK		**(7.72)**	(28.11)
- FINANCE COST OTHER THAN INTEREST ON BORROWINGS		**(1.42)**	(1.81)
- INTEREST PAID ON BORROWINGS		**(4.58)**	(7.19)
- DIVIDEND PAID		**(215.00)**	(148.00)
- DIVIDEND TAX PAID		**(44.18)**	(30.13)
- INCREASE/(DECREASE) IN NON-CONTROLLING INTEREST		**(5.38)**	(2.17)
NET CASH FROM FINANCING ACTIVITIES		**(278.28)**	(217.41)
EFFECT OF EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN CURRENCY CASH & CASH EQUIVALENTS		**1.93**	5.72
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**23.56**	(260.93)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		**145.16**	406.09
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		**168.72**	145.16

RECONCILIATION OF CASH AND CASH EQUIVALENTS (₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2019	YEAR ENDED 31.03.2018
CASH AND CASH EQUIVALENTS-OWNED FUND	2.15.1	168.96	145.16
LESS : BOOK OVERDRAFT-OWNED FUND	2.27	(0.24)	-
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		168.72	145.16
COMPONENTS OF CASH AND CASH EQUIVALENTS (REFER NOTE NO. 2.15.1)		168.96	145.16

RECONCILIATION OF FINANCIAL LIABILITIES (₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2019	YEAR ENDED 31.03.2018
LONG TERM BORROWING AT THE BEGINNING OF THE PERIOD		55.32	83.43
- CASH FLOWS (REPAYMENT)		(7.72)	(28.11)
- NON CASH CHANGES		-	-
LONG TERM BORROWING AT THE END OF THE PERIOD		47.60	55.32
INTEREST PAYABLE ON BORROWING AT THE BEGINNING OF THE PERIOD	2.27	0.56	0.88
- CASH FLOWS (REPAYMENT)		(4.58)	(7.19)
- NON CASH CHANGES	2.35	4.38	6.87
INTEREST PAYABLE ON BORROWING AT THE END OF THE PERIOD	2.27	0.36	0.56

NON CASH TRANSACTIONS - INVESTING ACTIVITIES (₹ in crore)

PARTICULARS	YEAR ENDED 31.03.2019	YEAR ENDED 31.03.2018
CONVERSION OF PPE INTO INVENTORIES	-	6.19

NOTE:

1. CASH AND CASH EQUIVALENTS CONSIST OF CASH AND BANK BALANCES INCLUDING FDs AND LIQUID INVESTMENTS
2. 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.
3. FIGURES IN BRACKET INDICATE CASH OUTFLOW.
4. THE ABOVE STATEMENT OF CASH FLOWS HAS BEEN PREPARED ON THE BASIS OF RITES OWNED FUNDS ONLY. FUNDS ON THE BEHALF OF THE CLIENT AND ITS CORRESPONDING LIABILITES HAVE NOT BEEN CONSIDERED.

For and on behalf of the Board

Ajay Kumar Gaur
Director Finance and
Chief Financial 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 J C BHALLA & COMPANY, Chartered Accountants
Firm Registration No. 001111N

(ANSHUMAN MALLICK)
Partner, Membership No. 547705

Place : Gurugram
Date : 29th May, 2019

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, doubling and electrification on turnkey basis.

The Company is a "Miniratna", Schedule-"A", Category-I CPSE and ISO 9001:2015 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, Gurugram, Haryana-122001 (India). President of India through Ministry of Railways is presently holding 87.40% equity share of the company. (Refer Note No. 2.58)

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. (SRBWIPL) (50%) & BNV Gujarat Rail Private Limited (26%)(joint venture entities in India). RITES Infrastructure Services Ltd. (RISL) a wholly owned subsidiary,India and 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 29th May, 2019.

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 with the Companies (Indian Accounting Standards) Rules as amended from time to time.

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 off 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 CONTRACTS WITH CUSTOMERS

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

To determine whether to recognise revenue, the Group follows a five step process:

- Identifying the contract with a customer
- Identifying the performance obligations
- Determining the transaction price
- Allocating the transaction price to the performance obligations
- Recognising revenue when/as performance obligation(s) are satisfied.

The Group often enters into transactions involving a range of the Group's products and services. In all cases, the total transaction price for a contract is based on performance obligation. The transaction price for a contract excludes amounts received as deposit from client for execution of the project and amount collected on behalf of third party (for example, some GST).

Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers.

The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the balance sheet. Similarly, if the Group satisfies a performance obligation before the consideration is due, the Group recognises a contract asset in its balance sheet.

When there is uncertainty as to realisability, recognition of revenue is postponed until such uncertainty is removed.

1.2.1.1 Consultancy Fee

Revenue from providing services is recognized in the accounting period in which services are rendered. Revenue is recognized based on performance obligation satisfied either over time or at a point in time.

In case performance obligation satisfied over time revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided.This is determined based

on 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.

In other cases where performance obligation is not satisfied over time,revenue is recognized at a point in time.

In case of contracts where customer pays fixed amount based on a payment schedule If services rendered by the Company exceed the payment, a contract asset is recognised. If payments exceed services rendered, a contract liability is recognised.

Mobilization fee is considered as customer advance until recognized as revenue based on the stage of completion of activities/transactions as per the terms of contract/work order.

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.

1.2.1.2 Inspection Fee

Inspection fee is accounted for on the basis of inspection certificates issued.

1.2.1.3 Export Sales

Export sales are accounted for on the basis of bills raised when or as the Company transfers control of the assets to the customer which happens at the point in time the customer has undisputed right on delivered goods.

1.2.1.4 Construction Projects

In construction contracts/projects, the company recognises revenue over time. Due to high degree of interdependence among various elements of these projects, revenue is accounted for considering these activities as a single performance obligation.

To depict the progress by which the Company transfers control of the promised goods to the customer, and to establish when and to what extent revenue can be recognised, the Company measures its progress towards complete satisfaction of the performance obligation based on work done.

Any expected loss is recognized as an expense immediately.

1.2.1.5 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.

1.2.1.6 Consultancy - Advisory service for Power Procurement

Income from consultancy is recognized as per the terms and conditions of the agreement with the beneficiary.

1.2.1.7 Lease Services

Lease income arising from operating leases is accounted for on a straight-line basis over the lease terms unless the payments are structured to increase in line with expected general inflation to compensate for expected inflationary cost increases. 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.

1.2.2 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 i.e. 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 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 Providend 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

Prepaid expenses up to ₹ 5,00,000/- in each case are treated as expenditure/income of the year and accounted for to the natural head of accounts.

Prior Period Adjustments

Material prior period errors are corrected retrospectively by restating the comparative amounts for the prior periods presented in which the error occurred. If the error occurred before the earliest period presented, the opening balances of assets, liabilities and equity for the earliest period presented, are restated unless it is impracticable, in which case, the comparative information is adjusted to apply the new accounting policy prospectively from the earliest date practicable.

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 shares 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)

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive. When estimating the cash flows, the Group consider the following:

- All contractual terms of the financial assets (including extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Trade receivables: In respect of trade receivables, the Group applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

Other financial assets: In respect of its other financial assets, the Group assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Group measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

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 asset has 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 Proft 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 LEASE 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 Proft 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.

2. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

2.1 PROPERTY, PLANT AND EQUIPMENT

FOLLOWING ARE THE CHANGES IN THE CARRYING VALUE OF PROPERTY, PLANT AND EQUIPMENT FOR THE YEAR ENDED 31.03.2019

(₹ in crore)

DESCRIPTION	GROSS BLOCK						DEPRECIATION/AMORTISATION						NET BLOCK AS AT 31/03/2019
	AS AT 01/04/2018	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	ADJ OF EXCHANGE RATE	DELETIONS DURING THE YEAR	TOTAL	AS AT 01/04/2018	FOR THE YEAR	ADJ DURING THE YEAR	ADJ OF EXCHANGE RATE	DELETIONS DURING THE YEAR	TOTAL	
LEASEHOLD													
LAND^	1.05	-	-	-	-	1.05	0.10	0.04	-	-	-	0.14	0.91
BUILDING #	9.58	-	0.44	-	-	10.02	0.53	0.21	0.04	-	-	0.78	9.24
SUB TOTAL	**10.63**	**-**	**0.44**	**-**	**-**	**11.07**	**0.63**	**0.25**	**0.04**	**-**	**-**	**0.92**	**10.15**
OTHERS													
LAND	26.19	-	-	-	-	26.19	-	-	-	-	-	-	26.19
BUILDING	34.51	-	-	-	-	34.51	2.04	0.68	-	-	-	2.72	31.79
RESIDENTIAL QUARTERS	0.98	24.99	-	-	-	25.97	0.06	0.23	-	-	-	0.29	25.68
OFFICE EQUIPMENTS													
SURVEY AND OTHER INSTRUMENTS	9.50	0.25	-	-	-	9.75	2.26	1.06	-	-	-	3.32	6.43
COMPUTER AND EQUIPMENTS	9.28	2.07	-	-	0.12	11.23	6.32	2.05	-	-	0.12	8.25	2.98
SERVER & NETWORK	4.83	0.30	-	-	-	5.13	3.02	1.07	-	-	-	4.09	1.04
OFFICE AND OTHER EQUIPMENTS	4.48	0.63	-	-	0.12	4.99	2.98	0.71	-	-	0.11	3.58	1.41
AIR-CONDITIONER AND EQUIPMENTS	1.31	0.11	-	-	-	1.42	0.57	0.20	-	-	-	0.77	0.65
PLANT & MACHINERY													
AIR CONDITIONER PLANT	6.80	-	-	-	-	6.80	3.37	0.36	-	-	-	3.73	3.07
LOCOMOTIVES NEW @	99.16	84.52	-	-	-	183.68	11.82	8.47	-	-	-	20.29	163.39
LOCOMOTIVES IN SERVICE @	136.40	-	-	-	-	136.40	52.01	15.45	-	-	-	67.46	68.94
WIND MILL PLANT^	152.22	-	-	-	-	152.22	14.97	6.09	-	-	-	21.06	131.16
FURNITURE & FIXTURES													
FURNITURES	4.15	0.55	-	-	-	4.70	1.67	0.50	-	-	-	2.17	2.53
FIXTURES	1.90	0.11	-	-	-	2.01	1.42	0.24	-	-	-	1.66	0.35
VEHICLE													
VEHICLES	1.72	0.22	-	-	-	1.94	0.89	0.27	-	-	-	1.16	0.78
VEHICLES ABROAD	0.03	-	-	-	-	0.03	0.03	-	-	-	-	0.03	-
SUB TOTAL	**493.46**	**113.75**	**-**	**-**	**0.24**	**606.97**	**103.43**	**37.38**	**-**	**-**	**0.23**	**140.58**	**466.39**
TOTAL	**504.09**	**113.75**	**0.44**	**-**	**0.24**	**618.04**	**104.06**	**37.63**	**0.04**	**-**	**0.23**	**141.50**	**476.54**

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 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	AS AT 31/03/2018	AS AT 31/03/2017
LEASEHOLD														
LAND^	1.05	-	-	-	-	1.05	0.06	0.04	-	-	-	0.10	0.95	0.99
BUILDING #	9.58	-	-	-	-	9.58	0.34	0.19	-	-	-	0.53	9.05	9.24
MULTIFUNCTIONAL COMPLEX	5.76	-	-	-	5.76	-	0.08	0.08	-	-	0.16	-	-	5.68
SUB TOTAL	**16.39**	**-**	**-**	**-**	**5.76**	**10.63**	**0.48**	**0.31**	**-**	**-**	**0.16**	**0.63**	**10.00**	**15.91**
OTHERS														
LAND	30.35	0.06	(4.22)	-	-	26.19	-	-	-	-	-	-	26.19	30.35
BUILDING	34.51	-	-	-	-	34.51	1.36	0.68	-	-	-	2.04	32.47	33.15
RESIDENTIAL QUARTERS	0.98	-	-	-	-	0.98	0.04	0.02	-	-	-	0.06	0.92	0.94

(₹ in crore)

DESCRIPTION	GROSS BLOCK						DEPRECIATION/AMORTISATION						NET BLOCK	
	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	AS AT 31/03/2018	AS AT 31/03/2017
OFFICE EQUIPMENTS														
SURVEY AND OTHER INSTRUMENTS	4.86	4.65	-	-	0.01	9.50	1.39	0.87	-	-	-	2.26	7.24	3.47
COMPUTER AND EQUIPMENTS	7.31	1.97	-	0.01	0.01	9.28	4.34	1.99	-	-	0.01	6.32	2.96	2.97
SERVER & NETWORK	4.30	0.53	-	-	-	4.83	1.97	1.05	-	-	-	3.02	1.81	2.33
OFFICE AND OTHER EQUIPMENTS	4.01	0.50	-	-	0.03	4.48	2.25	0.75	-	-	0.02	2.98	1.50	1.76
AIR-CONDITIONER AND EQUIPMENTS	1.15	0.17	-	-	0.01	1.31	0.37	0.20	-	-	-	0.57	0.74	0.78
PLANT & MACHINERY														
AIR CONDITIONER PLANT	6.80	-	-	-	-	6.80	2.72	0.65	-	-	-	3.37	3.43	4.08
LOCOMOTIVES NEW @	60.30	38.86	-	-	-	99.16	6.87	4.95	-	-	-	11.82	87.34	53.43
LOCOMOTIVES IN SERVICE * @	142.59	-	(6.19)	-	-	136.40	35.59	16.42	-	-	-	52.01	84.39	107.00
COACHES*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
WIND MILL PLANT^	152.22	-	-	-	-	152.22	8.88	6.09	-	-	-	14.97	137.25	143.34
FURNITURE & FIXTURES														
FURNITURES	3.50	0.67	-	-	0.02	4.15	1.06	0.61	-	-	-	1.67	2.48	2.44
FIXTURES	1.67	0.23	-	-	-	1.90	1.20	0.22	-	-	-	1.42	0.48	0.47
VEHICLE														
VEHICLES	1.64	0.08	-	-	-	1.72	0.61	0.28	-	-	-	0.89	0.83	1.03
VEHICLES ABROAD	0.04	-	-	-	0.01	0.03	0.03	0.01	-	0.00	0.01	0.03	-	0.01
SUB TOTAL	**456.23**	**47.72**	**(10.41)**	**0.01**	**0.09**	**493.46**	**68.68**	**34.79**	**-**	**0.00**	**0.04**	**103.43**	**390.03**	**387.55**
TOTAL	**472.62**	**47.72**	**(10.41)**	**0.01**	**5.85**	**504.09**	**69.16**	**35.10**	**-**	**0.00**	**0.20**	**104.06**	**400.03**	**403.46**

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. 2.66)
- AGGREGATE DEPRECIATION AND AMORTISATION HAS BEEN INCLUDED UNDER DEPRECIATION AND AMORTISATION EXPENSES IN THE PROFIT AND LOSS.

^ LAND OF ₹ 1.05 CRORE AND PLANT & MACHINERY OF ₹ 152.22 CRORE ARE MORTGATED/HYPOTHECATED AGAINST BORROWINGS (REFER NOTE NO. 2.23).
# REFER NOTE NO. 2.45.1.1
@ REFER NOTE NO. 2.45.1.3
* ASSETS TRANSFERRED TO INVENTORIES AT WRITTEN DOWN VALUE OF NIL (PREVIOUS YEAR ₹ 6.19 CRORE) 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 31.03.2019	**0.38**	**1.94**	**-**	**-**	**-**	**2.32**	**-**	**-**		**-**	**-**	**-**	**2.32**
AS AT 31.03.2018	4.19	0.17	(3.98)	-	-	0.38	-	-		-	-	-	0.38
AS AT 01.04.2017													4.19

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 31.03.2019	**1.33**	**-**	**(0.44)**	**-**	**-**	**0.89**	**0.11**	**0.02**	**(0.04)**	**-**	**-**	**0.09**	**0.80**
AS AT 31.03.2018	1.33	-	-	-	-	1.33	0.08	0.03	-	-	-	0.11	1.22
AS AT 01.04.2017													1.25

REFER NOTE NO. 2.45.2.2

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	
COMPUTER SOFTWARES (ACQUIRED)													
AS AT 31.03.2019	**5.78**	**0.44**	**-**	**-**	**-**	**6.22**	**4.86**	**0.74**	**-**	**-**	**-**	**5.60**	**0.62**
AS AT 31.03.2018	5.39	0.39	-	-	-	5.78	3.65	1.21	-	-	-	4.86	0.92
AS AT 01.04.2017													1.74

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	
COMPUTER SOFTWARES (ACQUIRED)													
AS AT 31.03.2019	**1.58**	**0.01**	**-**	**-**	**-**	**1.59**						**-**	**1.59**
AS AT 31.03.2018	1.58	-	-	-	-	1.58						-	1.58
AS AT 01.04.2017													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 31.03.2019	AS AT 31.03.2018	AS AT 31.03.2017
SAIL-RITES BENGAL WAGON INDUSTRY PRIVATE LIMITED	**21.00**	12.76	14.83
BNV GUJARAT RAIL PRIVATE LIMITED	**0.24**	0.01	0.01
TOTAL	**21.24**	12.77	14.84

2.7 NON CURRENT INVESTMENTS

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2019	AS AT 31.03.2018	AS AT 01.04.2017
A) INVESTMENT IN UNQUOTED EQUITY INSTRUMENTS OF (INVESTMENT CARRIED AT COST):				
COOPERATIVE SOCIETIES				
(i) Moru Mahal Co-operative Society Limited	2.73	-	-	-
5 (previous year 5) Equity Shares of face value of ₹ 50/- each, fully paid-up acquired for purchase of residential quarter.				
(ii) Amit Industrial Premises Co-operative Society Limited	2.73	-	-	-
10 (previous year 10) Equity Shares of face value of ₹ 50/- each, fully paid-up acquired for purchase of laboratory.				
		-	-	-
OTHERS (INVESTMENT CARRIED AT AMORTISED COST)				
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 (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

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2019	AS AT 31.03.2018	AS AT 01.04.2017
(ii) 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
(iii) 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
(iv) 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
(v) 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
(vi) 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	120.00
TOTAL (NON CURRENT)		**120.04**	120.04	120.04

2.8 CURRENT INVESTMENTS

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2019		AS AT 31.03.2018		AS AT 01.04.2017	
A) INVESTMENT IN UNQUOTED MUTUAL FUNDS (INVESTMENT CARRIED AT FAIR VALUE THROUGH PROFIT OR LOSS):							
UTI LIQUID CASH PLAN							
NIL (PREVIOUS YEAR NIL) UNITS		-		-		71.28	
CANARA ROBECO LIQUID FUND							
NIL (PREVIOUS YEAR NIL) UNITS		-	-	-	-	71.76	143.04
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 6.32% 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
TOTAL (CURRENT)			-		-		193.04
GRAND TOTAL			**120.04**		120.04		313.08

A	AGGREGATE AMOUNT OF QUOTED INVESTMENTS	**120.00**	120.00	170.00
B	MARKET VALUE OF QUOTED INVESTMENTS (INCLUDING INTEREST ACCRUED)*	**129.58**	127.19	178.56
C	AGGREGATE AMOUNT OF UNQUOTED INVESTMENTS	**0.04**	0.04	143.08
D	AGGREGATE AMOUNT OF IMPAIRMENT IN VALUE OF INVESTMENTS	**-**	-	-

* 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. 2.51

2.9 NON CURRENT LOANS

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2019	AS AT 31.03.2018	AS AT 01.04.2017
SECURITY DEPOSITS CONSIDERED GOOD-UNSECURED		2.40	3.55	2.64
LOANS TO EMPLOYEES CONSIDERED GOOD-SECURED		7.59	6.14	6.10
LOANS TO EMPLOYEES CONSIDERED GOOD-UNSECURED		1.41	2.05	3.55
LOANS TO EMPLOYEES WHICH HAVE SIGNIFICANT INCREASE IN CREDIT RISK		-	-	-
LOANS TO EMPLOYEES-CREDIT IMPAIRED		-	-	-
LOANS TO JV (RELATED PARTY) CONSIDERED GOOD-SECURED		-	-	-
LOANS TO JV (RELATED PARTY) CONSIDERED GOOD-UNSECURED	2.44.2.1	4.90	7.00	-
LOANS TO JV (RELATED PARTY) WHICH HAVE SIGNIFICANT INCREASE IN CREDIT RISK		-	-	-
LOANS TO JV (RELATED PARTY)-CREDIT IMPAIRED		-	-	-
TOTAL		16.30	18.74	12.29

2.10 OTHER NON CURRENT FINANCIAL ASSETS

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2019	AS AT 31.03.2018	AS AT 01.04.2017
INTEREST ACCRUED (INCLUDING ACCRUED BUT NOT DUE) ON:				
- BANK DEPOSITS		-	1.87	2.50
- LOANS TO SRBWIPL (RELATED PARTY)		-	0.76	-
RETENTION MONEY		16.52	16.90	15.23
AMOUNT RECOVERABLES		-	0.03	-
GOVT. OF MOZAMBIQUE RECEIVABLES	2.63	-	35.03	68.49
BANK DEPOSITS HAVING MATURITY OVER 12 MONTHS FROM REPORTING DATE:				
- OWNED FUND	2.15.3	1.13	29.91	105.88
- CLIENTS FUND	2.16.3	26.58	41.03	49.94
TOTAL		44.23	125.53	242.04

2.11 DEFERRED TAX ASSETS/ (LIABILITY) (NET)

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2019	AS AT 31.03.2018	AS AT 01.04.2017
DEFERRED INCOME TAX ASSETS:				
LEAVE ENCASHMENT AND OTHER PROVISIONS		24.29	16.11	21.44
PROVISION FOR DOUBTFUL DEBTS, SECURITY DEPOSITS/ EMD, ADVANCES ETC.		62.08	55.15	27.87
CARRY FORWARD LOSSES/BUSINESS LOSS (AS PER IT ACT, 1961)		-	-	0.02
UNABSORBED DEPRECIATION		7.02	16.17	32.49
PRELIMINARY EXPENSES		-	-	0.02
MAT CREDIT ENTITLEMENT		26.75	15.47	7.09
PRIOR PERIOD ADJUSTMENT (NET)		-	(4.00)	(7.64)
TOTAL DEFERRED INCOME TAX ASSETS - I		120.14	98.90	81.29
DEFERRED INCOME TAX LIABILITIES:				
PROPERTY, PLANT & EQUIPMENT		48.27	45.83	53.51
TOTAL DEFERRED INCOME TAX LIABILITIES - II		48.27	45.83	53.51
DEFERRED INCOME TAX ASSETS (NET)	2.54	71.87	53.07	27.78

2.12 OTHER NON CURRENT ASSETS

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2019	AS AT 31.03.2018	AS AT 01.04.2017
CAPITAL ADVANCE		68.51	32.94	11.44
ADVANCES OTHER THAN CAPITAL ADVANCE				
PREPAID EXPENSES		1.02	0.47	1.08
PRE-PAYMENT TOWARDS LEASEHOLD ASSETS		6.73	7.18	7.62
DEFERRED COST TOWARDS STAFF LOAN		2.11	1.85	2.08
DEFERRED COST TOWARDS GOVT OF MOZAMBIQUE RECEIVABLES			0.47	1.78
ADVANCE INCOME TAX (NET OF PROVISION)	2.54	46.43	76.57	107.95
TOTAL		124.80	119.48	131.95

2.13 INVENTORIES

(AT THE LOWER OF COST AND NET REALISABLE VALUE)

(₹ in crore)

PARTICULARS	AS AT 31.03.2019	AS AT 31.03.2018	AS AT 01.04.2017
(AS CERTIFIED BY MANAGEMENT)			
STOCK IN TRADE*	103.33	7.48	47.84
STORES & SPARES	1.60	1.90	2.58
TOTAL#	104.93	9.38	50.42

*Includes inventory lying with third parties of ₹ 33.74 crore (previous year ₹ 4.36 crore, 01.04.2017 ₹ 38.83 crore).
*Includes stock in transit of ₹ 65.99 crore (previous year ₹ 1.01 crore, 01.04.2017 ₹ 3.83 crore).
The cost of inventories recognized as an expense during the year of ₹ 128.99 crore (previous year ₹ 161.45 crore)
Note - All inventories are expected to be utilised/sold within twelve months except certain items, which are utilised on need basis. Quantum of such items, which may be utilised beyond one year, is not determinable and is not expected to be material with reference to the total value of inventories.

2.14 CURRENT TRADE RECEIVABLES

(₹ in crore)

PARTICULARS	AS AT 31.03.2019	AS AT 31.03.2018	AS AT 01.04.2017
TRADE RECEIVABLE CONSIDERED GOOD -SECURED	-	-	-
TRADE RECEIVABLE CONSIDERED GOOD -UNSECURED**	609.52	467.70	465.23
TRADE RECEIVABLE WHICH HAVE SIGNIFICANT INCREASE IN CREDIT RISK	-	-	-
TRADE RECEIVABLE -CREDIT IMPAIRED	98.20	82.83	63.53
	707.72	550.53	528.76
LESS: ALLOWANCE FOR EXPECTED CREDIT LOSSES	(98.20)	(82.83)	(63.53)
TOTAL*	609.52	467.70	465.23

* Includes dues from companies where directors are interested

2.15 CASH AND BANK BALANCES-OWNED FUND

(₹ in crore)

	PARTICULARS	AS AT 31.03.2019		AS AT 31.03.2018		AS AT 01.04.2017	
2.15.1	**CASH AND CASH EQUIVALENTS**						
	BANK BALANCES IN :						
	CURRENT ACCOUNTS	32.85		25.04		48.44	
	DEPOSITS #	136.02	168.87	119.00	144.04	215.92	264.36
	CHEQUES IN HAND		0.09		1.09		0.34
	CASH IN HAND		-		0.03		0.03
	TOTAL		168.96		145.16		264.73
2.15.2	**OTHER BANK BALANCES**						
	EARMARKED BALANCE WITH BANKS**		0.04		-		-
	DEPOSITS ##		1,133.48		1,273.35		629.99
	TOTAL		1,133.52		1,273.35		629.99

(₹ in crore)

	PARTICULARS	AS AT 31.03.2019	AS AT 31.03.2018	AS AT 01.04.2017
2.15.3	**BANK BALANCE MORE THAN 12 MONTHS MATURITY-OWNED FUND (NOTE NO. 2.10)**			
	DEPOSITS ###	**1.13**	29.91	105.88
	TOTAL	**1.13**	29.91	105.88
2.15.4	**BOOK OVERDRAFT#### (NOTE NO. 2.27)**	**(0.24)**	-	(1.68)
	TOTAL CASH & BANK BALANCE-OWNED FUND*	**1,303.37**	1,448.42	998.92

\# 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 ₹ 54.49 crore (previous year ₹ 0.57 crore, 01.04.2017 ₹ 4.25 crore) on account of bank balance held as margin money deposits against guarantees issued by banks.
** Earmarked bank balance is for unpaid dividend

2.16 CASH AND BANK BALANCES-CLIENTS FUND

(₹ in crore)

	PARTICULARS	AS AT 31.03.2019	AS AT 31.03.2018	AS AT 01.04.2017
2.16.1	**CASH AND CASH EQUIVALENTS**			
	BANK BALANCES IN :			
	CURRENT ACCOUNTS	**184.48**	57.73	58.09
	DEPOSITS #	**307.15**	535.02	275.28
	TOTAL	**491.63**	592.75	333.37
2.16.2	**OTHER BANK BALANCES**			
	DEPOSITS ##	**1,717.40**	1,584.48	1,659.09
	TOTAL	**1,717.40**	1,584.48	1,659.09
2.16.3	**BANK BALANCE MORE THAN 12 MONTHS MATURITY-CLIENT FUND (NOTE NO. 2.10)**			
	DEPOSITS ###	**26.58**	41.03	49.94
	TOTAL	**26.58**	41.03	49.94
2.16.4	**BOOK OVERDRAFT#### (NOTE NO. 2.27)**	**(5.25)**	(7.73)	(26.58)
	TOTAL CASH & BANK BALANCE-CLIENTS FUND*	**2,230.36**	2,210.53	2,015.82

\# 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.
* Equivalent amount appears in client liabilities at Note No. 2.24 & Note No. 2.27.

2.17 CURRENT LOANS

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2019		AS AT 31.03.2018		AS AT 01.04.2017	
SECURITY DEPOSITS CONSIDERED GOOD-UNSECURED		**5.74**		2.52		3.47	
SECURITY DEPOSITS CONSIDERED DOUBTFUL-UNSECURED		**0.32**		0.49		0.68	
		6.06		3.01		4.15	
LESS: ALLOWANCES FOR EXPECTED CREDIT LOSSES		**(0.32)**	**5.74**	(0.49)	2.52	(0.68)	3.47
LOANS TO EMPLOYEES CONSIDERED GOOD-SECURED			**1.78**		1.11		1.10

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2019	AS AT 31.03.2018	AS AT 01.04.2017
LOANS TO EMPLOYEES CONSIDERED GOOD-UNSECURED		3.51	2.86	3.32
LOANS TO EMPLOYEES WHICH HAVE SIGNIFICANT INCREASE IN CREDIT RISK		-	-	-
LOANS TO EMPLOYEES -CREDIT IMPAIRED		-	-	-
LOANS TO JV (RELATED PARTY) CONSIDERED GOOD-SECURED		-	-	-
LOANS TO JV (RELATED PARTY) CONSIDERED GOOD-UNSECURED	2.44.2.1	2.10	-	7.00
LOANS TO JV (RELATED PARTY) WHICH HAVE SIGNIFICANT INCREASE IN CREDIT RISK		-	-	-
LOANS TO JV (RELATED PARTY)-CREDIT IMPAIRED		-	-	-
SECURITY DEPOSITS				
TOTAL		13.13	6.49	14.89

2.18 OTHER CURRENT FINANCIAL ASSETS

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2019		AS AT 31.03.2018		AS AT 01.04.2017	
GOVT. OF TANZANIA RECEIVABLES CONSIDERED DOUBTFUL-UNSECURED	2.64	62.61		59.04		58.72	
LESS: ALLOWANCES FOR EXPECTED CREDIT LOSSES		(62.61)	-	(59.04)	-	-	58.72
AMOUNT RECOVERABLES CONSIDERED GOOD-UNSECURED		22.17		16.31		13.48	
AMOUNT RECOVERABLES CONSIDERED DOUBTFUL-UNSECURED		16.65		16.65		15.94	
		38.82		32.96		29.42	
LESS: ALLOWANCES FOR EXPECTED CREDIT LOSSES		(16.65)	22.17	(16.65)	16.31	(15.94)	13.48
INTEREST ACCRUED (INCLUDING ACCRUED BUT NOT DUE) ON:							
- BANK DEPOSITS HAVING MATURITY: WITHIN 3 MONTHS FROM THE DATE OF ACQUISITION		0.09		0.09		0.29	
OVER 3 MONTHS FROM THE DATE OF ACQUISITION AND UPTO 12 MONTHS FROM REPORTING DATE		41.44		35.18		39.69	
- BONDS		5.89		5.89		7.47	
- LOANS TO SRBWIPL (RELATED PARTY)		1.44	48.86	-	41.16	0.14	47.59
RETENTION MONEY			17.80		14.23		7.21
GOVT. OF MOZAMBIQUE RECEIVABLES			38.04		35.87		36.20
ADVANCES TO RELATED PARTIES	2.44.2.1		-		-		0.07
UNBILLED REVENUE			46.41		8.93		4.29
TOTAL			173.28		116.50		167.56

2.19 CURRENT TAX ASSETS (NET OF PROVISION)

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2019	AS AT 31.03.2018	AS AT 01.04.2017
INCOME TAX RECEIVABLES	2.54	50.93	36.80	10.34
TOTAL		50.93	36.80	10.34

2.20 OTHER CURRENT ASSETS

(₹ in crore)

PARTICULARS	AS AT 31.03.2019		AS AT 31.03.2018		AS AT 01.04.2017	
PREPAID EXPENSES		6.23		5.41		4.60
ADVANCES TO SUPPLIERS		71.37		61.55		37.71
OTHER ADVANCES	6.64		6.69		4.42	
LESS: PROVISION FOR DOUBTFUL ADVANCES	(0.35)	6.29	(0.35)	6.34	(0.39)	4.03
EXPORT INCENTIVE RECIEVABLE		2.73		7.67		9.61
PRE-PAYMENT TOWARDS LEASEHOLD ASSETS		0.44		0.44		0.44
DEFERRED COST TOWARDS STAFF LOAN		0.24		0.79		0.84
DEFERRED COST TOWARDS GOVT OF MOZAMBIQUE RECEIVABLES		0.50		1.31		2.03
TOTAL		87.80		83.51		59.26

2.21 EQUITY SHARE CAPITAL

(₹ in crore)

PARTICULARS	AS AT 31.03.2019	AS AT 31.03.2018	AS AT 01.04.2017
2.21.1 AUTHORISED			
300,000,000 (PREVIOUS PERIOD 300,000,000) EQUITY SHARES OF ₹ 10/- EACH	300.00	300.00	300.00
2.21.2 ISSUED, SUBSCRIBED AND FULLY PAID-UP			
200,000,000 (PREVIOUS PERIOD 200,000,000) EQUITY SHARES OF ₹ 10/- EACH	200.00	200.00	200.00
	200.00	200.00	200.00

2.21.3 RECONCILIATION OF NUMBER OF EQUITY SHARES

	No. of Shares	(₹ in crore)	No. of Shares	(₹ in crore)	No. of Shares	(₹ in crore)
OPENING BALANCE	200,000,000	200.00	200,000,000	200.00	100,000,000	100.00
ADD/(LESS) DURING THE PERIOD	-	-	-	-	100,000,000	100.00
CLOSING BALANCE	200,000,000	200.00	200,000,000	200.00	200,000,000	200.00

2.21.4 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.

2.21.5 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. 2.58)	174,800,000	199,960,000	199,960,000
	(87.40 %)	(99.98 %)	(99.98 %)

2.21.6 FULLY PAID-UP AGGREGATE NUMBER OF EQUITY SHARES ALLOTTED BY WAY OF BONUS SHARES DURING THE YEAR OF FIVE YEARS IMMEDIATELY PRECEEDING BALANCE SHEET DATE.

COMPANY ISSUED 10 CRORE BONUS SHARES OF ₹ 10 EACH DURING 2016-17 AMOUNTING TO 100 CRORE. EARLIER COMPANY ISSUED 6 CRORE BONUS SHARES OF ₹ 10 EACH DURING 2012-13 AMOUNTING TO ₹ 60 CRORE.

2.22 OTHER EQUITY (REFER STATEMENT OF CHANGE IN EQUITY)

(₹ in crore)

	PARTICULARS	AS AT 31.03.2019		AS AT 31.03.2018		AS AT 01.04.2017	
2.22.1	**RESERVE & SURPLUS**						
	GENERAL RESERVE*		**1,966.00**		1,966.00		1,851.64
2.22.2	**RETAINED EARNING**		**255.89**		47.26		-
2.22.3	**OTHER COMPREHENSIVE INCOME**						
	FOREIGN CURRENCY TRANSLATION RESERVE	**0.73**	**0.73**	0.87	0.87	0.11	0.11
2.22.4	**DISCONTINUED OPERATIONS****		**(0.52)**		(0.52)		(0.52)
	ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY (2.22.1+2.22.2+2.22.3+2.22.4) #		**2,222.10**		2,013.61		1,851.23
2.22.5	**NON-CONTROLLING INTERESTS*****		**71.65**		56.77		44.83
	TOTAL		**2,293.75**		2,070.38		1,896.06

* THE GENERAL RESERVE REPRESENTS AMOUNT KEPT BY THE COMPANY OUT OF ITS PROFIT FOR FUTURE PURPOSES. IT IS NOT EARMARKED FOR ANY SPECIFIC PURPOSE.

** DISCONTINUED OPERATIONS PERTAINS TO RISL

*** NON-CONTROLLING INTERESTS PERTAINS TO REMCL

INCLUDES OCI OF (₹ 2.81 CRORE) {PREVIOUS YEAR (₹1.11 CRORE), 01.04.2017 ₹ 1.62 CRORE}.

2.23 NON CURRENT BORROWINGS

(₹ in crore)

PARTICULARS	AS AT 31.03.2019	AS AT 31.03.2018	AS AT 01.04.2017
SECURED TERM LOAN FROM INDIAN BANK*	**39.93**	47.65	75.76
TOTAL	**39.93**	47.65	75.76

Refer note no. 2.27 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:**

a) Hypothecation of all the movable assets pertaining to project including but not limited to plant and machinery, machinery spares, tools and accessories

b) 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, goodwil present and future, related to project.

c) 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. In addition to monthly schedule principal payment, company has also made lumpsum payment towards loan from time to time. Due to lumpsum payments, the entire loan will be repaid before the schedule of Term loan.

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

2.24 OTHER NON CURRENT FINANCIAL LIABILITIES

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2019	AS AT 31.03.2018	AS AT 01.04.2017
CLIENTS DEPOSITS	2.16	**26.58**	41.03	49.94
SECURITY DEPOSITS - CLIENTS	2.16	**123.28**	118.47	83.81
SECURITY DEPOSITS		**27.51**	3.79	24.65
TOTAL		**177.37**	163.29	158.40

2.25 NON CURRENT PROVISIONS

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2019	AS AT 31.03.2018	AS AT 01.04.2017
EMPLOYEE BENEFITS	2.41	**2.66**	2.61	97.55
WARRANTIES	2.49.1	**4.04**	9.28	15.13
TOTAL		**6.70**	11.89	112.68

2.26 OTHER NON CURRENT LIABILITIES

(₹ in crore)

PARTICULARS	AS AT 31.03.2019	AS AT 31.03.2018	AS AT 01.04.2017
CLIENTS ADVANCES	**3.36**	92.47	7.27
TOTAL	**3.36**	92.47	7.27

2.27 OTHER CURRENT FINANCIAL LIABILITIES

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2019	AS AT 31.03.2018	AS AT 01.04.2017
CURRENT MATURITY OF SECURED TERM LOAN FROM INDIAN BANK	2.23	**7.67**	7.67	7.67
CLIENTS DEPOSITS	2.16	**1,998.03**	1,979.86	1,852.49
SECURITY DEPOSITS - CLIENTS	2.16	**82.47**	71.17	29.58
SECURITY DEPOSITS		**36.62**	25.57	51.05
FOREIGN SERVICE CONTRIBUTION	2.65	**5.87**	5.64	5.62
SALARY PAYABLES		**67.03**	58.38	48.10
BOOK OVERDRAFT-OWNED FUND*	2.15.4	**0.24**	-	1.68
BOOK OVERDRAFT-CLIENTS FUND*	2.16.4	**5.25**	7.73	26.58
STAFF & OTHER CLAIMS		**6.89**	6.20	5.66
PAYABLE TO RELATED PARTIES	2.44.2.1	**0.17**	0.15	-
SUNDRY CREDITORS FOR OTHER EXPENSES	2.61	**63.05**	76.92	36.00
INTEREST ACCRUED AND DUE ON BORROWINGS		**0.36**	0.56	0.88
UNCLAIMED DIVIDEND**		**0.04**	-	-
TOTAL		**2,273.69**	2,239.85	2,065.31

* Book overdraft due to issuance of cheques, which will be cleared against term deposits clients fund available in banks.
** No amount is due for payment to Investor Education & Protection Fund

2.28 CURRENT PROVISIONS

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2019	AS AT 31.03.2018	AS AT 01.04.2017
EMPLOYEE BENEFITS	2.41	**25.88**	73.67	113.76
EXCISE DUTY		**-**	-	1.79
WARRANTIES	2.49.1	**35.90**	32.07	34.99
COMMITMENTS	2.49.1	**7.07**	-	-
TOTAL		**68.85**	105.74	150.54

2.29 OTHER CURRENT LIABILITIES

(₹ in crore)

PARTICULARS	AS AT 31.03.2019	AS AT 31.03.2018	AS AT 01.04.2017
CLIENTS ADVANCES	**169.18**	133.99	46.61
STATUTORY LIABILITIES	**2.77**	27.53	21.37
ADVANCE AGAINST WIND MILL PROJECT	**-**	-	3.55
TOTAL	**171.95**	161.52	71.53

2.30 REVENUE FROM OPERATIONS

(₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2019	YEAR ENDED 31.03.2018
SALE OF SERVICES			
CONSULTANCY FEE	2.68	820.21	760.23
INSPECTION FEE		331.18	249.61
LEASE SERVICES		103.61	92.28
		1,255.00	1,102.12
SALE OF PRODUCTS			
EXPORT SALES		206.75	231.61
SALE OF POWER GENERATION		18.63	17.10
OTHERS			
TURNKEY CONSTRUCTION PROJECTS		567.07	146.62
TOTAL		2,047.45	1,497.45

Note- Revenue from operation does not include GST/Service Tax of ₹ 243.04 crore (previous year ₹ 175.41 crore)

2.31 OTHER INCOME

(₹ in crore)

PARTICULARS	YEAR ENDED 31.03.2019		YEAR ENDED 31.03.2018	
INTEREST EARNED ON:				
- DEPOSITS WITH BANK	110.69		86.82	
- TAX FREE BONDS	9.02		11.30	
- STAFF ADVANCES	1.29		1.48	
- LOAN TO RELATED PARTIES	0.74		1.36	
- OTHERS	3.11	124.85	4.25	105.21
PROVISION NO LONGER REQUIRED		15.81		8.81
PROFIT ON SALE OF FIXED ASSETS		0.07		0.15
LIABILITIES WRITTEN BACK		13.83		6.46
DEFERRED INCOME TOWARDS GOVT OF MOZAMBIQUE RECEIVABLES		1.42		2.03
DIVIDEND FROM:				
- CURRENT INVESTMENTS	4.14	4.14	7.22	7.22
EXPORT INCENTIVES		7.84		9.03
RENT FROM INVESTMENT PROPERTIES		0.63		1.05
EXCHANGE VARIATION		17.12		6.89
MISCELLANEOUS INCOME		6.47		6.68
TOTAL		192.18		153.53

2.32 EMPLOYEE BENEFIT EXPENSES

(₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2019	YEAR ENDED 31.03.2018
SALARIES-DOMESTIC		311.38	282.51
SALARIES-ABROAD		10.70	4.93
SALARIES CONTRACT EMPLOYEES		29.60	25.59
FOREIGN SERVICE CONTRIBUTION	2.65	4.06	5.62
CONTRIBUTION TO PROVIDENT FUND & OTHER FUNDS	2.41	25.42	24.48
GRATUITY	2.41	8.78	10.60
POST RETIRAL BENEFITS (PENSION/MEDICAL)	2.41	21.74	29.13
STAFF WELFARE EXPENSES		22.64	18.67
LEAVE TRAVEL CONCESSION	2.41	-	0.01
PERFORMANCE RELATED PAYMENT		35.00	24.00
LEAVE ENCASHMENT	2.41	17.77	33.22
TOTAL		487.09	458.76

2.33 CHANGES IN INVENTORIES OF STOCK IN TRADE

(₹ in crore)

PARTICULARS	YEAR ENDED 31.03.2019	YEAR ENDED 31.03.2018
OPENING STOCK	7.48	47.84
CLOSING STOCK	103.33	7.48
NET (INCREASE)/ DECREASE IN INVENTORIES	(95.85)	40.36

2.34 COST OF TURNKEY CONSTRUCTION PROJECTS

(₹ in crore)

PARTICULARS	YEAR ENDED 31.03.2019	YEAR ENDED 31.03.2018
SUPPLIES & SERVICES	516.49	130.77
TOTAL	516.49	130.77

2.35 FINANCE COSTS

(₹ in crore)

PARTICULARS	YEAR ENDED 31.03.2019	YEAR ENDED 31.03.2018
ON TERM LOAN	4.38	6.87
ON ADVANCES	-	1.76
UNWINDING WARRANTY	1.67	2.66
INTEREST- OTHERS*	1.42	0.05
TOTAL	7.47	11.34

*Includes Interest on Income tax of ₹ 1.13 crore (previous year ₹ 0.03 crore)

2.36 OTHER EXPENSES

(₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2019	YEAR ENDED 31.03.2018
PRINTING, STATIONERY AND DOCUMENTATION		4.13	3.67
BUSINESS PROMOTION		2.09	2.32
AUDITORS' REMUNERATION	2.36.1	0.33	0.28
AUDITORS' OUT OF POCKET EXPENSES	2.36.1	0.04	0.04
RATES & TAXES		3.88	4.72
OFFICE RENT		5.80	5.89
POSTAGE & TELECOMMUNICATION		5.59	5.37
OFFICE MAINTENANCE		9.34	9.33
REPAIRS TO MACHINERY/EQUIPMENTS		3.63	3.40
FREIGHT & FORWARDING (OUTWARD)		2.34	2.66
POWER AND FUEL CHARGES		4.46	4.69
STORES AND SPARES CONSUMED-LEASED		0.24	2.14
STORES AND SPARES CONSUMED-OTHERS		2.06	6.16
BOOKS AND PERIODICALS		0.15	0.15
INTERNAL AUDIT FEE		0.13	0.13
ADVERTISEMENT AND PUBLICITY		10.40	3.69
SUBSCRIPTION AND MEMBERSHIP FEE		0.62	0.43
LEGAL AND PROFESSIONAL FEE		3.56	2.40
INSURANCE CHARGES		0.95	0.84
BANK CHARGES		1.07	2.11
FIXED ASSETS WRITTEN OFF		-	5.86
HIRE CHARGES OF EQUIPMENTS		0.01	0.02
VEHICLE RUNNING AND MAINTENANCE		0.96	0.86
MANPOWER DEVELOPMENT		1.73	1.83
LOSS ON SALE OF FIXED ASSETS		0.01	0.02
IMPAIRMENT LOSS FOR FINANCIAL ASSETS:			
- PROVISION FOR IMPAIRMENT		18.78	78.72
- BAD DEBTS		9.66	1.91

(₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2019	YEAR ENDED 31.03.2018
PROVISION FOR:			
- COMMITMENTS		7.07	-
- DOUBTFUL ADVANCES		-	0.01
- WARRANTIES		2.24	-
DIRECTORS' SITTING FEE		0.27	0.21
CORPORATE SOCIAL RESPONSIBILITY	2.60	10.78	10.06
OPERATING LEASE PAYMENTS		0.44	0.44
AMORTISED DEFERRED COST TOWARDS GOVT OF MOZAMBIQUE RECEIVABLES		1.42	2.03
OPERATION & MAINTAINANCE COST		1.70	0.75
ADVANCES/RECOVERABLE WRITTEN OFF		0.11	0.83
MISCELLANEOUS EXPENSES		3.57	3.02
TOTAL		119.56	166.99

2.36.1 AUDITORS' REMUNERATION

(₹ in crore)

PARTICULARS	YEAR ENDED 31.03.2019	YEAR ENDED 31.03.2018
(A) STATUTORY AUDITORS		
STATUTORY AUDIT FEE	0.12	0.11
TAX AUDIT FEE	0.03	0.03
LIMITED REVIEW AUDIT AND CONSOLIDATION FEE	0.03	0.07
OTHER SERVICES, i.e. CERTIFICATION ETC.	0.09	-
SUB TOTAL (A)	0.27	0.21
(B) BRANCH AUDITORS		
STATUTORY AUDIT FEE	0.02	0.02
TAX AUDIT FEE	0.01	0.01
LIMITED REVIEW AUDIT FEE	0.03	0.04
SUB TOTAL (B)	0.06	0.07
AUDITORS' REMUNERATION (A+B)	0.33	0.28
AUDITORS' OUT OF POCKET EXPENSES	0.04	0.04

2.37 SHARE OF PROFIT/(LOSS) OF JOINT VENTURES

(₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2019	YEAR ENDED 31.03.2018
SAIL-RITES BENGAL WAGON INDUSTRY PRIVATE LIMITED		8.24	(2.07)
BNV GUJARAT RAIL PRIVATE LIMITED		(0.02)	-
TOTAL	2.47.3.3	8.22	(2.07)

2.38 CURRENT TAX

(₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2019	YEAR ENDED 31.03.2018
- CURRENT YEAR		(239.11)	(182.04)
- EARLIER YEAR		(19.97)	(5.29)
TOTAL	2.54	(259.08)	(187.33)

2.39 DEFERRED TAX (NET)

(₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2019	YEAR ENDED 31.03.2018
CREDIT/(CHANGE) RELATING TO TEMPORARY DIFFERENCES			
- CURRENT YEAR		(2.38)	25.29
- EARLIER YEAR		21.18	-
TOTAL	2.54	18.80	25.29

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 31.03.19	% of Shareholding on 31.03.18
• 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 In case of holding company, disclosures on Employee benefits (Indian Accounting Standard-19) are as follows:

2.41.1 Defined Benefit Plan

2.41.1.1 Gratuity (Funded) - Regular Employees

2.41.1.1.1 Changes in Present Value of the Benefit Obligation are as follows:

(₹ in crore)

Particulars	31.03.19	31.03.18
Present Value of obligation as at beginning of year	134.06	119.72
Interest Cost	10.05	8.95
Current Service Cost	7.46	7.28
Benefits paid	(16.07)	(7.25)
Actuarial (Gain)/Loss on obligation	3.06	5.36
Present Value of Obligation as at end of year	138.56	134.06

Bifurcation of Present Value Obligation at the end of year in current and non-current:

(₹ in crore)

Particulars	31.03.19	31.03.18
Current liability (Amount due within one year)	14.26	12.64
Non-Current liability (Amount due over one year)	124.30	121.42
Present Value of Obligation as at end of year	138.56	134.06

2.41.1.1.2 Changes in the Fair Value of Plan Assets are as follows:

(₹ in crore)

Particulars	31.03.19	31.03.18
Fair Value of Plan Assets at beginning of year	120.24	80.83
Actual Interest Income	9.67	7.29
Contributions	13.38	38.88
Benefits Paid	(12.75)	(6.76)
Fair value of Plan Assets at the end of year	130.54	120.24

Major categories of plan assets (as percentage of total plan assets) : All figures given in the table below are as provided by the company :

Particulars		31.03.19	31.03.18
a)	Government of India Securities	-	-
b)	State Government securities	-	-
c)	High Quality Corporate Bonds	-	-
d)	Equity Shares of listed companies	-	-
e)	Property	-	-
f)	Funds Managed by Insurer	100 %	100 %
g)	Bank Balance	-	-
	Total	100 %	100 %

2.41.1.1.3 The amount recognized in the Balance Sheet is as follows:

(₹ in crore)

Particulars	31.03.19	31.03.18
Defined Benefit Obligation at end of year	138.56	134.06
Fair value of Plan Assets at the end of year	130.54	120.24
Funded Status – (Surplus)/ Deficit	8.02	13.82
Net (Liability)/Asset recognized in Balance Sheet	(8.02)	(13.82)

2.41.1.1.4 Amount recognized in the Statement of Profit & Loss is as follows:

(₹ in crore)

Particulars	31.03.19	31.03.18
Current Service Cost	7.46	7.28
Net Interest on Net Defined Benefit Liability	1.04	2.91
Expenses recognized in Statement of Profit and Loss	8.50	10.19

Bifurcation of Actuarial Gain/Loss on Obligation

(₹ in crore)

Particulars	31.03.19	31.03.18
Actuarial (Gain)/Loss on arising from Change in Demographic Assumption	-	-
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	(3.48)	4.62
Actuarial (Gain)/Loss on arising from Experience Adjustment	6.56	0.74

2.41.1.1.5 Amount recognized in Other Comprehensive Income is as follows:

(₹ in crore)

Particulars	31.03.19	31.03.18
Actuarial (Gains)/Losses on Liability	3.07	5.36
Actuarial (Gains)/Losses on Assets	(0.65)	(1.25)
Other Comprehensive (Income)/Expense	2.42	4.11

2.41.1.1.6 The principal actuarial assumptions are as follows:

Particulars	31.03.19	31.03.18
Discounting rate (%)	7.50%	7.50%
Future salary increase (%)	8.25%	9.00%

Particulars		31.03.19	31.03.18
i)	Retirement Age (Years)	60	60
ii)	Mortality rates inclusive of provision for disability	100% of IALM (2006 - 08)	
iii)	Attrition at Ages	Withdrawal Rate (%)	Withdrawal Rate (%)
	Up to 30 Years	3.00	3.00
	From 31 to 44 years	2.00	2.00
	Above 44 years	1.00	1.00

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 ₹ 8.42 crore (increase by ₹ 9.59 crore) as on 31st March, 2019 and if the expected salary growth increases (decreases) by

1%, the defined benefit obligations would increase by ₹ 4.68 crore (decrease by ₹ 4.93 crore) as on 31st March, 2019.

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 ₹ 8.02 crore to defined benefit plan obligations towards gratuity during the year 2019-20. Remeasurement (gain)/loss of defined employee benefit plans in Other Comprehensive Income (OCI) for the year ended 31.03.2019 and 31.03.2018 are ₹ 2.42 crore and ₹ 4.11 crore respectively.

The defined benefit obligation shall mature as follows:

Year ending March, 31	Defined benefit obligations (₹ in crore)
2020	14.25
2021	2.47
2022	9.50
2023	12.24
2024	13.57
2025	12.57
2025 onward	73.97

2.41.1.2 Gratuity (Funded) - Contract Employees

2.41.1.2.1 Changes in Present Value of the Benefit Obligation are as follows:

(₹ in crore)

Particulars	31.03.19	31.03.18
Present Value of obligation as at beginning of year	**2.26**	2.01
Interest Cost	**0.17**	0.15
Current Service Cost	**0.27**	0.26
Benefit paid	**(0.28)**	(0.25)
Acturial (Gain)/Loss on obligation	**0.18**	0.09
Present Value of obligation as at end of year	**2.60**	2.26

Bifurcation of PBO at the end of year in current and non-current

(₹ in crore)

Particulars	31.03.19	31.03.18
Current liability (Amount due within one year)	**0.10**	0.08
Non-Current liability (Amount due over one year)	**2.50**	2.18
Total Present Value of Obligation as at end of year	**2.60**	2.26

2.41.1.2.2 Changes in the Fair Value of Plan Assets are as follows:

(₹ in crore)

Particulars	31.03.19	31.03.18
Fair Value of plan Assets at beginning of year	**2.04**	-
Actual Interest income	**0.14**	0.03
Contributions	**0.22**	2.01
Benefits paid	**-**	-
Fair value on Plan Assets at end of year	**2.40**	2.04

Major categories of plan assets (as percentage of total plan assets): All figures given in the table below are as provided by the company

Particulars	31.03.19	31.03.18
Government of India Securities	-	-
State Government securities	-	-
High Quality Corporate Bonds	-	-
Equity Shares of listed companies	-	-
Property	-	-
Funds Managed by Insurer	100 %	100 %
Bank Balance	-	-
Total	100 %	100 %

2.41.1.2.3 The amount recognized in the Balance Sheet is as follows:

(₹ in crore)

Particulars	31.03.19	31.03.18
Defined Benefit Obligation at end of year	2.60	2.26
Fair value of Plan Assets at the end of year	2.40	2.04
Funded Status – (Surplus)/ Deficit	0.20	0.22
Net (Liability)/ Asset recognized in Balance Sheet	(0.20)	(0.22)

2.41.1.2.4 Amount recognized in the Statement of Profit & Loss is as follows:

(₹ in crore)

Particulars	31.03.19	31.03.18
Current Service Cost	0.27	0.26
Net Interest on Net Defined Benefit Liability	0.02	0.15
Expenses recognized in the statement of Profit & Loss	0.29	0.41

Bifurcation of Actuarial Gain/Loss on Obligation:

(₹ in crore)

Particulars	31.03.19	31.03.18
Actuarial (Gain)/Loss on arising from Change in Demographic Assumption	-	-
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	(0.13)	0.14
Actuarial (Gain)/Loss on arising from Experience Adjustment	0.32	(0.06)

2.41.1.2.5 Amount recognized in Other Comprehensive Income is as follows:

(₹ in crore)

Particulars	31.03.19	31.03.18
Actuarial (Gains)/ Losses on Liability	0.18	0.09
Actuarial (Gains)/Losses on Assets	0.01	(0.03)
Other Comprehensive (Income)/Expense	0.19	0.06

2.41.1.2.6 The principal actuarial assumptions are as follows:

Particulars	31.03.19	31.03.18
Discounting rate (%)	7.50%	7.50%
Future salary increase (%)	4.12%	4.50%

Particulars		31.03.19	31.03.18
i)	Retirement Age (Years)	**60**	60
ii)	Mortality rates inclusive of provision for disability	100% of IALM (2006 - 08)	
iii)	Attrition at Ages	**Withdrawal Rate (%)**	Withdrawal Rate (%)
	Up to 30 Years	**3.00**	3.00
	From 31 to 44 years	**2.00**	2.00
	Above 44 years	**1.00**	1.00

2.41.1.2.7 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 ₹ 0.31 crore (increase by ₹ 0.37 crore) as on 31st March, 2019 and if the expected salary growth increases (decreases) by 1%, the defined benefit obligations would increase by ₹ 0.38 crore (decrease by ₹ 0.32 crore) as on 31st March, 2019.

However, the actual change in assumptions would not necessarily behave in isolation to each other. The defined benefit obligations would change accordingly.

The defined benefit obligation shall mature as follows:

Year ending March, 31	Defined benefit obligations (₹ in crore)
2020	0.11
2021	0.11
2022	0.05
2023	0.12
2024	0.04
2025	0.08
2025 onward	2.09

2.41.1.3 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.

As per the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the company has no right to the benefits either in the form of refund from the plan or lower future contribution to the plan towards the net surplus of ₹ 3.45 crore determined through actuarial valuation. Accordingly company has not recognized the surplus as assets as it pertains to the provident fund trust and not to the company.

The company contributed ₹ 24.96 crore and ₹ 23.78 crore to the provident fund during the year ended 31st March, 2019 and 31st March, 2018 respectively.

2.41.1.4 Other Benefits

2.41.1.4.1 Other Benefits (Funded):- Leave Encashment and Medical Leave- Regular Employees

2.41.1.4.1.1 Changes in Present Value of the Benefit Obligation are as follows:

(₹ in crore)

Particulars	Leave Encashment (Regular Employee)		Medical Leave (Regular Employee)	
	31.03.19	31.03.18	31.03.19	31.03.18
Present Value of obligation as at beginning of year	66.19	59.11	59.25	51.24
Interest Cost	4.96	4.42	4.44	3.83
Current Service Cost	5.65	5.67	3.57	3.60
Benefits paid	(16.85)	(16.43)	(2.60)	(1.53)
Actuarial (Gain)/Loss on obligation	7.75	13.42	(2.90)	2.11
Present Value of Obligation as at end of year	67.70	66.19	61.76	59.25

2.41.1.4.1.2 Changes in the Fair Value of Plan Assets are as follows:

(₹ in crore)

Particulars	Leave Encashment (Regular Employee)		Medical Leave (Regular Employee)	
	31.03.19	31.03.18	31.03.19	31.03.18
Fair Value of Plan Assets at beginning of year	59.50	-	51.22	-
Actual Interest Income	3.46	0.39	3.01	0.34
Contributions	-	59.11	-	50.88
Benefits Paid	-	-	-	-
Fair value of Plan Assets at the end of year	62.96	59.50	54.23	51.22

2.41.1.4.1.3 The amount recognized in the Balance Sheet is as follows:

(₹ in crore)

Particulars	Leave Encashment (Regular Employee)		Medical Leave (Regular Employee)	
	31.03.19	31.03.18	31.03.19	31.03.18
Defined Benefit Obligation at end of year	67.70	66.19	61.76	59.25
Fair value of Plan Assets at the end of year	62.96	59.50	54.23	51.22
Funded Status – (Surplus)/ Deficit	4.74	6.69	7.53	8.03
Net (Liability)/ Asset recognized in Balance Sheet	(4.74)	(6.69)	(7.53)	(8.03)

2.41.1.4.1.4 Amount recognized in the Statement of Profit & Loss is as follows:

(₹ in crore)

Particulars	Leave Encashment (Regular Employee)		Medical Leave (Regular Employee)	
	31.03.19	31.03.18	31.03.19	31.03.18
Current Service Cost	5.65	5.67	3.57	3.60
Net Interest on Net Defined Benefit Liability	0.50	4.42	0.60	3.83
Net Actuarial (gain)/loss recognized in the year	8.75	13.02	(2.07)	1.77
Expenses recognized in the statement of Profit & Loss	14.90	23.11	2.10	9.20

2.41.1.4.1.5 The principal actuarial assumptions are as follows:

Particulars	Leave Encashment (Regular Employee)		Medical Leave (Regular Employee)	
	31.03.19	31.03.18	31.03.19	31.03.18
Discounting rate (%)	7.50%	7.50%	7.50%	7.50%
Future salary increase (%)	8.25%	9.00%	8.25%	9.00%

2.41.1.4.1.6 Sensitivity Analysis of the defined benefit obligation:

(₹ in crore)

Particulars	Increase (Decrease) in present value of obligation as on 31.03.2019	
	Leave Encashment (Regular Employee)	Medical Leave (Regular Employee)
Impact due to Increase of 1% discount rate	(5.43)	(3.97)
Impact due to Decrease of 1% discount rate	6.36	4.55
Impact due to Increase of 1% in Salary	6.27	4.47
Impact due to Decrease of 1% in Salary	(5.46)	(3.98)

2.41.1.4.2 Other Benefits (unfunded):- Leave Encashment (Contract employee), LTC and Long Service Award (Regular employee).

2.41.1.4.2.1 Present value of the defined benefits plan obligations:

(₹ in crore)

Particulars	Leave Encashment (Contract Employee)		LTC (Regular employee)		Long Service Award (Regular employee)	
	31.03.19	31.03.18	31.03.19	31.03.18	31.03.19	31.03.18
Opening Balance	1.22	0.86	0.11	0.13	1.46	1.58
Interest Cost	0.09	0.06	0.01	0.01	0.12	0.12
Current Service Cost	0.48	0.53	-	0.01	0.11	0.11
Benefit paid	(0.75)	(0.53)	(0.03)	(0.04)	(0.29)	(0.25)
Actuarial (Gain)/Loss on obligation	0.20	0.30	(0.07)	-	(0.09)	(0.10)
Closing Balance	1.24	1.22	0.02	0.11	1.31	1.46

2.41.1.4.2.2 Total expenses recognized in the Statement of Profit & Loss are as follows:

(₹ in crore)

Particulars	Leave Encashment (Contract Employee)		LTC (Regular employee)		Long Service Award (Regular employee)	
	31.03.19	31.03.18	31.03.19	31.03.18	31.03.19	31.03.18
Current Service Cost	0.48	0.53	-	0.01	0.11	0.11
Interest Cost	0.09	0.06	0.01	0.01	0.12	0.12
Actuarial (Gain)/Loss	0.20	0.30	(0.07)	-	(0.09)	(0.10)
Expenses recognized in the statement of Profit & Loss	0.77	0.89	(0.06)	0.02	0.14	0.13

2.41.1.4.2.3 The principal actuarial assumptions used at the Balance Sheet date are as follows:

Particulars	Leave Encashment (Contract employee)		LTC (Regular employee)		Long Service Award (Regular employee)	
	31.03.19	31.03.18	31.03.19	31.03.18	31.03.19	31.03.18
Discount rate (%)	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%
Future salary increase (%)	4.12%	4.50%	8.25%	9.00%	-	-

2.41.1.4.2.4 Sensitivity Analysis of the defined benefit obligation:

(₹ in crore)

Particulars	Increase (Decrease) in present value of obligation as on 31.03.2019	
	Leave Encashment (Contract employee)	LTC (Regular Employees)
Impact due to Increase of 1% discount rate	(0.17)	(0.00)
Impact due to Decrease of 1% discount rate	0.20	(0.00)
Impact due to Increase of 1% in Salary	0.21	-
Impact due to Decrease of 1% in Salary	(0.17)	-

2.41.2 Defined Contribution Plans

2.41.2.1 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 ₹ 16.98 crore (previous year ₹ 17.26 crore) towards post retirement pension fund, ₹ 4.11 crore (previous year ₹ 4.13 crore) towards pension under EPFO and ₹ 4.77 crore (previous year ₹ 11.87 crore) towards medical schemes.

2.42 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 Chairman & Managing Director who is also Chief Executive Officer.

2.42.1 The group has identified five operational reportable segments based on operations being carried out which are as under:-

- Consultancy Services
- Leasing of railway rolling stock & equipments
- Export of rolling stock, equipments and spares
- Turnkey Construction Projects
- Power Generation

2.42.2 Geographical wise revenue segment is disclosed as under:

(a) 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.

(b) Revenue from outside India includes services rendered, export sales of rolling stock & spare parts and lease rental services to the clients located outside India.

2.42.3 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.

2.42.4 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.

2.42.5 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.

2.42.6 Operational Segments

Year ended 31.03.2019

(₹ in crore)

Description	Consultancy Services		Leasing		Export Sale	Turnkey Construction Projects- Domestic	Power Generation	Total
	Domestic	Abroad	Domestic	Abroad				
Revenue	1073.63	77.76	103.61	-	206.75	567.07	18.63	**2047.45**
Identifiable operating expenses	583.06	35.95	59.52	-	144.33	548.43	14.84	**1386.13**
Segmental profit/(loss) from operations	490.57	41.81	44.09	-	62.42	18.64	3.79	**661.32**
Add: Interest Income*								**124.85**
Add: Other Income **								**67.33**
Less: Finance Cost (including unwinding of warranty)								**7.47**
Less: Un-allocable Expenses								**124.20**
Share of Profit/(Loss) of Joint Ventures								**8.22**
Net Profit Before Tax								**730.05**
Less: Income Tax (including Deferred Tax)								**240.28**
Net Profit After Tax								**489.77**
Additional Information:								
Depreciation and amortisation								**38.39**
Non-cash expenses/ (Income) other than depreciation and amorisation								**28.55**
Reversal of provisions								**15.81**
Profit on sale of PPE								**0.07**
Loss on sale of PPE								**0.01**

Year ended 31.03.2018

(₹ in crore)

Description	Consultancy Services		Leasing		Export Sale	Turnkey Construction Projects- Domestic	Power Generation	Total
	Domestic	Abroad	Domestic	Abroad				
Revenue	944.04	65.80	82.54	9.74	231.61	146.62	17.10	1497.45
Identifiable operating expenses	541.29	36.52	51.16	4.37	177.34	142.91	10.30	963.89
Segmental profit/(loss) from operations	402.75	29.28	31.38	5.37	54.27	3.71	6.80	533.56
Add: Interest Income*								105.21
Add: Other Income **								48.32
Less: Finance Cost (including unwinding of warranty)								11.34
Less: Un-allocable Expenses								155.05

(₹ in crore)

Description	Consultancy Services		Leasing		Export Sale	Turnkey Construction Projects- Domestic	Power Generation	Total
	Domestic	Abroad	Domestic	Abroad				
Share of Profit/(Loss) of Joint Ventures								(2.07)
Net Profit Before Tax								518.63
Less: Income Tax (including Deferred Tax)								162.04
Net Profit After Tax								356.59
Additional Information:								
Depreciation and amortisation								36.34
Non-cash expenses/ (Income) other than depreciation and amorisation								87.32
Reversal of provisions								8.81
Profit on sale of PPE								0.15
Loss on sale of PPE								0.02

2.42.7 Geographical Segment

(₹ in crore)

Description	Year ended 31.03.2019					Year ended 31.03.2018				
	India	Abroad			Total	India	Abroad			Total
		Asia	Africa	America			Asia	Africa	America	
Revenue	1762.93	210.08	69.52	4.92	**2047.45**	1190.25	220.64	86.56	-	1497.45
Identifiable operating expenses	1205.15	146.50	30.98	3.50	**1386.13**	745.66	172.72	45.51	-	963.89
Segmental profit from operations	557.78	63.58	38.54	1.42	**661.32**	444.59	47.92	41.05	-	533.56
Add: Interest Income*					**124.85**					105.21
Add: Other Income **					**67.33**					48.32
Less: Finance Cost (including unwinding of warranty)					**7.47**					11.34
Less: Un-allocable Expenses					**124.20**					155.05
Share of Profit/(Loss) of Joint Ventures					**8.22**					(2.07)
Net Profit Before Tax					**730.05**					518.63
Less: Income Tax (including Deferred Tax)					**240.28**					162.04
Net Profit After Tax					**489.77**					356.59
Additional Information:										
Depreciation and amortisation					**38.39**					36.34
Non-cash expenses/ (Income) other than depreciation and amorisation					**28.55**					87.32
Reversal of provisions					**15.81**					8.81
Profit on sale of PPE					**0.07**					0.15
Loss on sale of PPE					**0.01**					0.02

* Interest income includes interest on bank deposits, bonds, staff advances, loans, income tax refunds etc.

** Other income includes provision/liability 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 31.03.2019 and previous year ended 31.03.2018.

2.42.8 Revenue of ₹ 775.03 crore (previous year ₹ 600.09 crore) from major customers is given below:

(₹ in crore)

Description	Year ended 31.03.2019					Year ended 31.03.2018				
	Consul-tancy	Export Sales	Turnkey Construction Projects-Domestic	Power Generation	Total	Consul-tancy	Export Sales	Turnkey Construction Projects-Domestic	Power Generation	Total
Customer 1	282.88	-	473.52	18.63	775.03	232.92	-	143.87	17.10	393.89
Customer 2		-	-	-	-	-	206.20	-	-	206.20
Total	**282.88**	**-**	**473.52**	**18.63**	**775.03**	**232.92**	**206.20**	**143.87**	**17.10**	**600.09**

Note: PSUs under the same Ministry have not been considered as one customer.

2.43 Disclosures on Revenue from contracts with customers (Ind AS-115) are as follows:

First time adoption of Ind AS-115 Revenue from Contracts with Customers:

Company has decided to adopt the Full Retrospective Approach in preparation of its Financial Statements. The adoptions of the standard have no material impact on the financial statements of the Company.

2.43.1 Significant management judgments on Revenue Recognition:

Recognised amounts of contract revenues and related receivables reflect management's best estimate of each contract's outcome and stage of completion which is determined based on 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. For more complex contracts in particular, costs to complete and contract profitability are subject to significant estimation and uncertainty.

2.43.2 Company has contracts with customers for different services which are given below:-

- Consultancy Services
- Export of rolling stock, equipments and spares
- Turnkey Construction Projects
- Power Generation

Beside above, company has contracts with customers for wet leasing which are covered under Ind AS -17.

2.43.3 Company has recognized revenue either on the basis of over time or point in time depending upon satisfaction of performance obligation on transferring control of goods or services to customers. Revenue has been recognized by the company over time basis if any one of the following condition is met:

- Customer simultaneously receives and consumes the benefits
- Company's performance creates or enhances an assets that the customer controls as the assets is created or enhanced
- Company's performance does not create with alternative use and company has enforceable right to payment for performance completed to date.

In case, none of the above condition is met, revenue recognized by the company on the basis of point in time.

2.43.4 Disaggregation Revenue information:

The below presents Disaggregated Revenues from contract with customer for the year ended 31st March, 2019 from various streams of revenue. The company believe that this Disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factor.

Particulars	Consultancy Services		Inspection Fee		Export Sale	Turnkey Construction Projects-Domestic	Power Generation	Total
	Domestic	Abroad	Domestic	Abroad				
2018-19	**746.79**	**73.42**	**326.84**	**4.34**	**206.75**	**567.07**	**18.63**	**1943.84**
2017-18	696.19	64.04	247.85	1.76	231.61	146.62	17.10	1405.17

2.43.5 Company is rendering many project management consultancy services for and on behalf of clients where fee is due to company for professional services.

2.43.6 In most of the cases, payments from customers are linked with performance obligations. Wherever on the reporting date work has been performed and payment is not due as per the contract, in such cases contract assets have been created. However, where payment has been received including advance but performance has not been completed, in such cases contract liabilities have been created. Advances received by the company

for execution of work are in the nature of security i.e. a source of protection and are not for financing the project.

2.43.7 Company provides warranty in the nature of assurance for which provisions are made as per the Ind AS-37.

2.43.8 During the year provision for impairment of amount receivable from client for services rendered/goods supplied amounting to ₹ 24.87 crore (previous year ₹ 21.59 crore) which includes provisions for lease services amounting to ₹ 0.17 crore (previous year ₹ 0.12 crore).

2.43.9 Balances of Receivables/Contract assets/Contract liabilities are as under:

(₹ in crore)

Particulars	As on 31.03.19	As on 31.03.18
Receivables (includes lease receivables of ₹ 25.41 crore (Previous year ₹ 18.40 crore))	**707.72**	550.53
Contract assets	**80.07**	40.02
Contract liabilities (includes lease liabilities of ₹ 0.27 crore (Previous year ₹ 0.27 crore))	**172.54**	226.46

2.43.10 During the year ended March 31, 2019, ₹ 8.93 crore of unbilled revenue as of April 1, 2018 has been reclassified to Trade receivables upon billing to customers on completion of milestones.

2.43.11 The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31, 2019 is ₹ 5945 crore which pertains to various segment of the holding company. Holding Company likely to recognize these revenue over a period ranging from one year to three years.

2.43.12 Company has not incurred any cost for obtaining contracts except administrative cost required for preparation of offers and the same is charged to statement of Profit and Loss.

2.43.13 Cost incurred in fulfilling the contract is charged to Statement of Profit and Loss if it is not recoverable otherwise the same part of unbilled revenue and unbilled assets.

2.44 Related Party Disclosures (Indian Accounting Standard-24) are as follows:-

2.44.1.1 Subsidiary Companies

Name of Subsidiaries	Country	Holding as on	
		31.03.19	31.03.18
M/s RITES (Afrika) (Pty) Ltd. (RAPL)	Botswana	**100%**	100%
M/s RITES Infrastructure Services Ltd. (RISL)*	India	**100%**	100%
M/s Railway Energy Management Company Ltd. (REMCL)	India	**51%**	51%

Above does not include RITES Mohawarean Arabia Company Ltd. (RMAC), which is under liquidation and investment in equity made by the company has already been recovered.

*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.

2.44.1.2 Joint Ventures

Name of Joint Ventures	Country	Holding as on	
		31.03.19	31.03.18
M/s SAIL-RITES Bengal Wagon Industry Private Limited	India	**50%**	50%
M/s BNV Gujarat Rail Private Limited	India	**26%**	26%

2.44.1.3 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

2.44.1.4 **Key Management Personnel**

Chairman & Managing Director (Chief Executive Officer)
Mr. Rajeev Mehrotra

Whole Time Directors
Mr. Arbind Kumar, Director Projects (Upto 31.08.2018)
Mr. Ajay Kumar Gaur, Director Finance (Chief Financial Officer)
Mr. Mukesh Rathore, Director Technical
Mr. Gopi Sureshkumar Varadarajan, Director Projects (From 27.09.2018)

Government Nominee Directors
Mr. A.P. Dwivedi, Director
Mr. Bhupendra Kumar Agarwal, Director

Non-Executive (Independent) Directors
Dr. Vidya Rajiv Yeravdekar
Mr. Anil Kumar Goel
Mr. Satish Sareen
Dr. Pramod Kumar Anand
Ms. Geethakumary
Dr. Rajendra N. Goyal

Company Secretary
Mr. Ashish Srivastava, Company Secretary

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 **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	
	31.03.19	31.03.18	31.03.19	31.03.18
Investments (equity)	-	-	0.25	-
Recoverable (Payable)/Advances	(0.02)	(0.23)	-	-
Operating Income (Consultancy Fee/ Income from Construction Turnkey Projects/Export Sales/ Leasing Service)	0.40	0.01	-	-
Interest on Loan given*	0.74	0.62	-	-

Balances with Joint Ventures:

(₹ in crore)

Particulars	SAIL-RITES Bengal Wagon Industry Private Ltd.		BNV Gujarat Rail Private Limited	
	As on		As on	
	31.03.19	31.03.18	31.03.19	31.03.18
Investments (equity)	24.00	24.00	0.26	0.01
Recoverable (Payable)/ Advances	(0.17)	(0.15)	-	-
Receivables	0.42	0.02	-	-
Loan (Working Capital)*	7.00	7.00	-	-
Interest accrued on loan given*	1.44	0.76	-	-

*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, 2019.

2.44.2.2 Transactions with other related parties (Post-Retirement Benefits Trusts/Plans):

Refer note no.2.41 & 2.44.1.3.

2.44.2.3 Transactions with Key Managerial Personnel:

(₹ in crore)

Description	Year ended 31.03.19	Year ended 31.03.18
Compensation to CMD, Whole Time Directors & Company Secretary:		
• Short Term Employee Benefits	**2.34**	2.18
• Post-employment Benefits	**0.48**	0.53
• Other Long Term Benefits	**0.32**	0.21
Sub-Total	**3.15**	2.92
Sitting fee to Non-Executive (Independent Directors)	**0.27**	0.21
Total	**3.42**	3.13

2.44.3 Entities under the control of same government

Government of India (GOI) as on 31st march 2019 is holding 87.4% equity shares of the company, which is held by President of India through Ministry of Railways. GOI controls the company through Ministry of Railways (Refer note no.2.58).

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 31.03.19	Year ended 31.03.18
Revenue	**841.93**	465.39
Interest on Tax Free Bonds	**9.02**	11.31
Liability written back	**0.19**	-
Procurements	**155.58**	90.17
Fee for services obtained	**40.34**	16.76
Provision for bad debts	**5.99**	3.06
Consumables	**0.43**	0.37
Training Expenses	**-**	0.02
Redemption of Tax Free Bonds	**-**	50.00
Customer Advance	**-**	0.71
Other receivables (advances)	**0.20**	0.40
Repayment of Advance	**-**	3.55
Interest payment on advance	**-**	1.02

Significant balances with Government related entities:

(₹ in crore)

Particulars	As on 31.03.19	As on 31.03.18
Capital Advances	**8.79**	4.80
Other Advances	**18.97**	45.30
Payables	**0.15**	4.08
Advance Received	**4.75**	9.96

(₹ in crore)

Particulars	As on 31.03.19	As on 31.03.18
Clients Funds Received	11.71	101.83
Receivables	203.46	162.36
Tax Free Bonds	120.00	120.00
Interest on Tax Free Bonds	5.89	5.89
Customer advance	-	0.71
Other receivables (advances)	0.31	0.50

2.45 Disclosures on Leases (Indian Accounting Standard-17) are as :

Finance Lease

2.45.1.1 Leasehold building (refer note no-2.1) includes office spaces in commercial complex acquired from SCOPE and a builder on a land provided by DDA on perpetual lease (WDV as on 31.3.19 ₹ 3.81 crore) and land provided by IDCO for 70 years lease (WDV as on 31.3.19 ₹ 5.43 crore) for which company has made one time upfront payment in full and there is no contingent rent or restriction as per the arrangement. It also includes fully depreciated building constructed on the land provided by railways on nominal license fee.

Operating Lease - As lessor

2.45.1.2 The holding company has leasing arrangement of locomotives in domestic and overseas markets mainly on cancelable basis which includes 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.

2.45.1.3 Detail of the leased assets: New & In-Service Locomotives (refer note no. 2.1)

(₹ in crore)

Description	Year ended 31.03.19	Year ended 31.03.18
Gross carrying amount	320.08	235.56
Accumulated depreciation	87.75	63.83
Net carrying amount	232.33	171.73
Depreciation provided for the year	23.92	21.37

Future minimum lease payments receivable under long-term operating leases in the aggregate is ₹ 2.22 crore (Previous Year ₹ Nil) and for each of the following period:

(₹ in crore)

Particulars	As at 31.03.19	As at 31.03.18
Less than one year	2.22	-
Between one and five years	-	-
More than five year	-	-

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 was upto 31st October, 2018.

2.45.2.2 Details of the leased assets: Office Premises*

(₹ in crore)

Description	Year ended 31.03.19	Year ended 31.03.18
Gross carrying amount	0.96	1.43
Accumulated depreciation	0.13	0.16
Net carrying amount	0.83	1.27
Depreciation provided for the period	0.03	0.04

* 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.

As lessee

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 ₹ 28.36 crore (previous year ₹ 30.62 crore) as under:

₹ in crore

Description	Year ended	
	31.03.2019	31.03.2018
Included in Travel Expense	19.59	18.25
Included in Domestic salary	3.37	6.59
Included in Office Rent	5.40	5.78
Total	28.36	30.62

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:

Particulars		Year ended 31.03.19	Year ended 31.03.18
A	Net Profit available for Equity Shareholder (₹ in crore)	469.51	342.48
B	Weighted average number of Equity Shares	200,000,000	200,000,000
C	Earnings Per Share (Basic & Diluted) (A)/(B)	₹ 23.48	₹ 17.12
D	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 amounting to ₹ 4.45 crore

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)	
	31.03.2019	31.03.2018
Fixed Assets (Net)/Non-Current Assets	142.32	143.60
Current Assets, Loans & Advances	65.38	40.29
Current Liabilities & Provisions	19.41	15.09
Non Current Liabilities and Provisions	42.07	52.95
Capital	70.00	70.00
Retained Earnings /(Losses)	76.23	45.84
Total Revenue	83.03	68.80
Expenditure including tax	4 1.69	40.01
Profit After tax	41.34	28.79
Proportion of ownership interest held by non controlling interest	49%	49%
Profit/(loss) allocated to non controlling interest	20.26	14.11
Accumulated non-controlling interest of the subsidiary at the end of the reporting period	37.35	22.46

(₹ in crore)

Description of Subsidiary that have non-controlling interest	Railway Energy Management Company Limited (REMCL)	
	31.03.2019	31.03.2018
Additional information:		
Cash and Cash Equivalents*	**11.96**	1.99
Current financial liabilities (excluding trade and other payables and provisions)	**12.52**	8.22
Non- Current financial liabilities (excluding trade and other payables and provisions)	**39.93**	47.65
Depreciation and Amortisation	**6.21**	6.15
Interest Income	**1.53**	2.49
Interest Expense	**4.38**	8.96
Income tax expenses or (income)	**8.12**	8.98

* Cash and cash equivalents Balances include Fund on behalf of client.

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
Joint ventures			
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%
Joint operations			
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%

2.47.3 Disclosures in respect of Joint Ventures:

2.47.3.1 Investment is measured at cost.

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 31.03.19	Year ended 31.03.18	Year ended 31.03.19	Year ended 31.03.18
Fixed Assets (Net)/Non Current Assets	**97.67**	97.37	**0.13**	-
Current Assets, Loans & Advances	**71.97**	23.09	**0.80**	0.04
Current Liabilities & Provisions	**93.38**	50.72	**0.02**	0.01
Non Current Liabilities and provisions	**34.26**	44.23	**-**	-
Capital	**48.00**	48.00	**1.00**	0.05
Retained Earnings /(losses)	**(5.99)**	(22.49)	**(0.08)**	(0.02)
Revenue	**216.98**	83.97	**-**	-
Expenditure including tax	**200.49**	88.12	**0.07**	0.01
Profit/(Loss) After tax	**16.49**	(4.14)	**(0.07)**	(0.01)
Additional information:				
Cash and Cash Equivalents	**0.02**	0.40	**0.77**	0.04
Current financial liabilities (excluding trade and other payables and provisions)	**61.88**	37.05	**-**	-
Non- Current financial liabilities (excluding trade and other payables and provisions)	**34.26**	44.23	**-**	-
Depreciation and Amortisation	**6.81**	6.78	**-**	-
Interest Income	**0.01**	0.02	**-**	-
Interest Expense	**7.80**	7.35	**-**	-
Income tax expenses or (income)	**1.37**	-	**-**	-

BNV Gujarat Rail Private Limited was incorporated in financial year 2016-17, but no operation was started till 31.03.2019.

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 31.03.19	As on 31.03.18	As on 31.03.19	As on 31.03.18
Net Assets				
Net Assets of Joint Venture	**42.00**	25.51	**0.92**	0.03
Proportionate share in Joint Venture (%)	**50%**	50%	**26%**	26%
Share of interest in net assets of Joint Venture	**21.00**	12.76	**0.24**	0.01
Carrying amount of interest in Joint Venture	**21.00**	12.76	**0.24**	0.01
	Year ended 31.03.19	**Year ended 31.03.18**	**Year ended 31.03.19**	**Year ended 31.03.18**
Net Profit				
Net Profit/(Loss) After Tax of Joint Venture	**16.48**	(4.14)	**(0.07)**	(0.01)
Proportionate share in net profit of Joint Venture (%)	**50%**	50%	**26%**	26%
Share of interest in net profit of Joint Venture	**8.24**	(2.07)	**(0.02)**	-
Amount of interest in net profit of Joint Venture	**8.24**	(2.07)	**(0.02)**	-

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, 2019.

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 31.03.19	Year ended 31.03.18	Year ended 31.03.19	Year ended 31.03.18	Year ended 31.03.19	Year ended 31.03.18	Year ended 31.03.19	Year ended 31.03.18	Year ended 31.03.19	Year ended 31.03.18
Fixed Assets (Net)/ Non Current Assets	**3.25**	3.20	**-**	-	**-**	-	**0.01**	0.01	**-**	-
Current Assets, Loans & Advances	**18.98**	18.55	**5.84**	5.92	**3.68**	3.74	**1.78**	1.69	**1.72**	1.50
Current Liabilities & Provisions	**0.77**	0.73	**3.99**	4.10	**3.46**	3.52	**2.37**	2.44	**0.83**	0.84
Non Current Liabilities & Provisions	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Capital	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Retained Earnings / (losses)	**21.46**	21.02	**1.85**	1.82	**0.22**	0.21	**(0.58)**	(0.74)	**0.89**	0.66
Revenue	**0.62**	0.51	**0.10**	0.10	**0.11**	0.11	**1.85**	0.65	**3.16**	5.93
Expenditure including Tax	**0.17**	0.17	**0.07**	0.22	**0.10**	0.40	**1.69**	1.11	**2.68**	5.27
Profit/(Loss) After tax	**0.45**	0.34	**0.03**	(0.12)	**0.01**	(0.29)	**0.15**	(0.46)	**0.48**	0.66
Additional information:										
Cash and Cash Equivalents	**-**	0.01	**0.31**	0.10	**1.22**	0.17	**0.10**	-	**1.25**	0.19
Current financial liabilities (excluding trade and other payables and provisions)	**-**	-	**-**	-	**-**	-	**0.13**	-	**-**	-
Depreciation and Amortisation	**-**	-	**-**	-	**-**	-	**-**	0.01	**-**	-
Interest Income	**0.62**	0.51	**0.10**	0.10	**0.11**	0.11	**0.01**	0.01	**-**	-
Interest Expense	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Income tax expenses or (income)	**0.17**	0.15	**0.02**	-	**0.01**	-	**-**	-	**0.23**	0.40

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.
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 Uttrakhand.	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
DPR for MRTS in Vijayawada	M/s Systra SA, France M/s Gopa Omfra GmbH
Consultancy services for preparation of DPR for development of Economic corridors, Inter Corridors, Feeder Routes to improvement of efficiency of freight movement in India. (Lot-2/Punjab/Pkg-3)	M/s Matrix Geo Solution Pvt. Ltd.

Project Name	Name of entities
Consultancy services for preparation of DPR for development of Economic corridors, Inter Corridors, Feeder Routes to improvement of efficiency of freight movement in India. (Lot-2/Haryana/Pkg-1)	M/s Matrix Geo Solution Pvt. Ltd.
PMC Services from concept to completion for construction/ modification & extension of existing passenger terminal building at Srinagar Airport.	M/s Behal Joshi & Associates

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 01.04.18	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 31.03.19
Warranties	41.36	6.90	5.33	4.66	1.67	**39.94**
Commitments	-	7.07	-	-	-	**7.07**

(₹ 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	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

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 2018-19 is of 7.65% vice 6.74% for the year 2017-18. The effect of interest rate change on the above provisions is ₹ 0.01 crore.

Commitments pertain to estimated expenditure to be incurred for removing the defects in connection with construction/PMC projects and estimated period for utilization of provision for commitments is less than one year.

2.49.2 Contingent liabilities and commitments to the extent not provided for include:

2.49.2.1 Contingent Liabilities (As certified by the Management)

(I) Claims (excluding interest) against the holding company not acknowledged as debts are ₹ 575.58 crore (previous year ₹ 672.50 crore). Out of which ₹ 530.26 crore (previous year ₹ 639.49 crore) have been received for on behalf of clients and holding company does not envisage any liability as the same will be on account of clients. These Claims includes: ₹ 25.92 crore (previous year ₹ 25.92 crore) against the holding company for which holding company has made counter claims of ₹ 63 crore (previous year ₹ 63 crore) on the executing agency (refer note no.2.62.1).

(II) 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.

(III) Other money for which the company is contingently liable:

(a) Demand on account of income tax includes of ₹ 6.87 crore (excluding interest) (previous year ₹ 3.62 crore) which are being contested by the company. This excludes ₹ 12.28 crore relating to cases where company has already won the same at different appellate authorities during earlier years, against which income tax department has gone for appeal at higher appellate authorities. In similar cases of past years, the appeal of the income tax department has also been dismissed.

(b) (i) Demand on account of service tax, VAT etc. amounting to ₹ 4.38 crore (previous year ₹ 2.03 crore) which are being contested by the company at different forums.

(ii) Further these claim does not include claim against company for and on behalf of the client and management does not foresee any liability on the company as the same are being contesting by the company for and on behalf of the client.

(iii) In case of REMCL, contingent liability on account of wheeling & transmission charges for 26MW wind mill plant of company at Jaisalmer, an amount of ₹ 1.62 crore (previous year ₹ 1.62 crore) which is payable to Rajasthan State utilities (Refer note no: 2.67).

(iv) In case of REMCL, outstanding litigation (Management forsee no contingent liability) Condition precedent as per Agreement for procurement of power executed between Zonal Railways and one of the generator/supplier could not be fulfilled by the supplier after a substantial time from execution of agreement in the states of Odisha, Bihar, Chhattisgarh and Punjab. Now, generator/ supplier has filed petitions in CERC for termination of the agreement and release of their performance bank guarantee by Zonal Railways in the above states and made Company second respondent. Since company has performed all functions and responsibilities on behalf of Zonal Railways till the signing of power purchase agreement (PPA) as per bid document, therefore management does not forsee any liability.

2.49.2.2 Commitments

Gross estimated amount of capital commitment is ₹ 219.92 crore (previous year ₹ 197.39 crore) against which amount of contracts remaining to be executed on capital account as certified by the management and not provided for amounting to ₹ 151.40 crore (previous year ₹ 164.44 crore) including ₹ 144.80 crore against booking of office space from NBCC at Nauroji Nagar, New Delhi.

2.50 In case of Holding Company, Disclosures on Investment Property (Indian Accounting Standard-40) are as follows:

2.50.1 Amounts recognized in the Statement of Profit and Loss are as follows:

(₹ in crore)

Particulars	Year ended 31.03.19	Year ended 31.03.18
Rental income	**0.57**	0.99
Direct proportionate operating expenses relating to rental income (including repair & maintenance)	**0.29**	0.19
Profit before depreciation	**0.28**	0.80
Depreciation for the period	**0.03**	0.04
Profit from investment property	**0.25**	0.76

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 was upto 31st October, 2018. Now company intend to lease 366 sq. m area of furnished accommodation in near future. Hence 179 sq. m area capitalized under investment property has been reclassified to property plant and equipments.

2.50.2 Fair Value

Market value of investment property as on 31.03.2019 is ₹ 1.76 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.

2.51 Financial Instruments of Group

2.51.1 Financial Instruments by category

The carrying value and fair value of financial instruments categories-wise as on 31st March, 2019 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**#	3533.73	3533.73	-	-	-	-
Investments:						
Equity*	0.04	-	-	0.04	-	-
Tax Free Bonds	120.00	120.00	-	-	-	-
Liquid Plan of Mutual Funds	-	-	-	-	-	-
Trade Receivables**	609.52	609.52	-	-	-	-
Loans**	29.43	29.43	-	-	-	-
Other Financial Assets**	189.81	189.81	-	-	-	-
Total	**4482.53**	**4482.49**	**-**	**0.04**	**-**	-
Financial Liabilities:						
Borrowing	47.60	47.60	-	-	-	-
Trade Payables**	195.85	195.85	-	-	-	-
Other Financial Liabilities**	2437.90	2437.90	-	-	-	-
Total	**2681.35**	**2681.35**	-	-	-	-

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	-	-	-	-
Liquid Plan of Mutual Funds	-	-	-	-	-	-
Trade Receivables**	467.70	467.70	-	-	-	-

(₹ 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
Loans**	25.23	25.23	-	-	-	-
Other Financial Assets**	171.09	171.09	-	-	-	-
Total	**4443.01**	**4442.97**	**-**	**0.04**	-	-
Financial Liabilities:						
Borrowing	55.32	55.32	-	-	-	-
Trade Payables**	77.09	77.09	-	-	-	-
Other Financial Liabilities**	2387.74	2387.74	-	-	-	-
Total	**2520.15**	**2520.15**	-	-	-	-

*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.

Cash and bank balance includes fund on behalf of client.

2.51.2 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, 2019 are as follows:

(₹ in crore)

Particulars	As on 31.03.2019	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Financial Assets:				
Investments: - Equity*	0.04	-	-	0.04

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:				
Investments: - Equity*	0.04	-	-	0.04

*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.

2.52 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.

2.52.1 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 on 31.03.2019	As on 31.03.2018	As on 31.03.2019	As on 31.03.2018
	US Dollar (Figure in Millions)		(₹ in crore)	
Cash & Cash equivalents	**21.62**	0.02	**147.32**	0.15
Loans	**0.01**	0.01	**0.06**	0.04
Trade Receivables	**12.22**	1.80	**83.25**	11.58
Other Current Assets	**0.25**	0.18	**1.69**	1.15
Other financial assets	**7.30**	12.92	**49.77**	83.01
Trade Payable	**2.84**	3.17	**19.39**	20.40
Other financial liabilities	**20.22**	0.12	**137.82**	0.78
Net assets/(liabilities)	**18.34**	11.64	**124.88**	74.75

For the year ended 31st March, 2019 and year ended 31st March, 2018, every percentage increase/decrease in the exchange rate between the INR & US Dollar has affected the Company's incremental margins by approximately 0.18% (previous year 0.15%) 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.

The above foreign currency exposure is unhedged as these are covered through foreign currency risk management policy.

2.52.2 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 ₹ 707.72 crore (previous year ₹ 550.53 crore) and unbilled revenue amounting to ₹ 46.42 crore (previous year ₹ 8.93 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 ₹ 98.20 crore (previous year ₹ 82.83 crore). Keeping in view the nature of business expected credit loss is provided for on case to case basis as per the policy on impairment of financial assets.

No significant credit risk on cash and bank balances including clients' funds amounting to ₹ 3533.73 crore (previous year ₹ 3658.95 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 ₹ 1270.63 crore (previous year ₹ 1422.26 crore) with Schedule banks with negligible credit risks.

Non-Strategic Investments primarily include investments in liquid mutual fund units of ₹ Nil (previous year ₹ Nil) and tax free bonds of ₹ 120 crore (previous year ₹ 120 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.

2.52.3 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 ₹ 47.60 crore (previous year ₹ 55.32 crore). Group has a working capital of ₹ 1840.79 crore (previous year ₹ 1731.92 crore) including cash and bank balance (owned funds) of ₹ 1302.24 crore (previous year ₹ 1418.51 crore) and current investment ₹ Nil (previous year ₹ Nil). Group believes that the working capital is sufficient to meet its requirements, accordingly no liquidity risk is perceived by the company.

2.53 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:

2.53.1 Prior Period Transactions are as follows:

(₹ in crore)

Nature	2018-19	2017-18
Revenue from operations	(1.74)	-
Employee Benefits Expenses	(2.28)	-
Other Income	(7.67)	(17.86)
Deferred Tax	4.08	6.24
Total	(7.61)	(11.62)

2.53.2 Correction of Prior Period transactions with impact on profit.

2.53.2.1 Impact on Balance Sheet Items is as follows:

(₹ in crore)

Prior period for the period	31.03.19			31.03.18
Line Items	Impact on 2017-18	Prior to 01.04.17	Total	Prior to 01.04.17
Cash and bank balances-owned fund	-	-	-	9.78
Other financial assets	6.14	3.27	9.41	-
Other current assets	-	-	-	8.08
Deferred Tax Assets (Net)	(2.56)	(1.52)	(4.08)	(6.24)
Total Assets	**3.58**	**1.75**	**5.33**	**11.62**
Other current financial liabilities	(1.19)	(1.09)	(2.28)	-
Total Liabilities	**(1.19)**	**(1.09)**	**(2.28)**	**-**
Net Assets (Equity)	**4.77**	**2.84**	**7.61**	**11.62**

2.53.2.2 Impact on Statement of Profit & Loss Items is as follows:

(₹ in crore)

Prior Period for the Year ended 31.03.2019	
Line Items	**Impact on 2017-18**
Other Income	6.14
Total Revenue	**6.14**
Employee Benefit Exp.	(1.19)
Total Expenditure	**(1.19)**
Profit Before Tax	**7.33**
Deferred Tax	(2.56)
Profit After Tax	**4.77**

Aforesaid prior period figures are crystallized during the year 2018-19 though these are prior period transactions and tax benefit on such transactions is available in the year ended 2018-19. However, these figures are re-stated as per IND AS 8 to the respective years.

2.53.3 Impact of Prior Period errors/omissions in Earning Per Share (Basic & Diluted):

Year	2017-18
Impact on Profit attributable to Equity Share Holders (₹ in crore)	4.77
Weighted average nos. of Equity Shares	200,000,000
Impact on Earning Per Share (Basic & Diluted)	₹ 0.24

2.54 Disclosures on Income Taxes (Indian Accounting Standard-12) are as follows:

2.54.1 Income tax expense in the consolidated statement of profit and loss comprises:

(₹ in crore)

Particulars	Year ended 31.03.19	Year ended 31.03.18
Income Tax Expenses:		
- Current Taxes	**239.11**	182.04
- Earlier Years (Net)	**19.97**	5.29
Sub Total	**259.08**	187.33
OCI	**(0.91)**	(1.45)
Total	**258.17**	185.88
Deferred Tax (Net) – Prior Period	**(21.18)**	-
Deferred Tax (Net) – Current Year	**2.38**	(25.29)
Total	**239.37**	160.59

Entire deferred income tax for the year ended 31st March, 2019 and previous year ended on 31st March, 2018 relates to origination and reversal of temporary differences.

2.54.2 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 31.03.19	Year ended 31.03.18
Profit Before Tax	**730.05**	530.87
Inter Corporate Dividend	**-**	-
Profit Before Tax	**730.05**	530.87
Enacted Tax Rates in India on Normal Income	**34.94%**	34.61%

(₹ in crore)

Particulars	Year ended 31.03.19	Year ended 31.03.18
Enacted Tax Rates in India on LTCG	**23.30%**	23.07%
Special Enacted Tax Rates in India on Dividend from foreign company	**17.47%**	17.30%
Computed Expected Tax Expense*	**255.11**	176.78
Tax effect due to accounting for JVs	**(2.87)**	(2.07)
Tax effect of income exempted from taxation (EXEM)	**(4.59)**	(7.06)
Tax Effect Due to c/f of Business Loss	**(6.65)**	-
Tax effect due to deductable temporary differences in Depreciation	**(0.12)**	0.97
Tax effect due to deductable temporary differences other than Depreciation	**(1.78)**	(22.21)
Tax Effect due to Earlier Period Taxes	**(1.21)**	5.29
Additional Tax Effect due to Income from HP	**(0.02)**	(0.04)
Tax Effect of Non-Deductible Expenditures for determining taxable Profit	**4.20**	5.69
Tax Effect due to Income from Foreign Dividend	**(0.01)**	(0.01)
Tax effect due to income from Joint Operations	**0.02**	0.15
Tax effect due to re-measurement loss of Defined Benefit Liability/Assets	**0.91**	1.45
Effect of Different Tax Rate under various jurisdiction	**(2.71)**	3.10
Income tax expenses (including tax effect on OCI) for the year	**240.28**	162.04
Tax effect due to OCI	**(0.91)**	(1.45)
Current Tax Expense for the year	**239.37**	160.59

*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.

2.54.3 REMCL is taxable Under section - 115JB (MAT) of the income tax act. The enacted tax rates on normal income is 21.55% and 21.34% for the year ended 31st March, 2019 and previous year ended on 31st March, 2018 respectively.

The enacted tax rate of RAPL is 22% both for the year ended 31st March, 2019 and previous year ended on 31st March, 2018 respectively.

The consolidated statement includes unabsorbed business loss and unabsorbed depreciation of REMCL for the year ended 31st March, 2019 is ₹ Nil & ₹ 24.13 crore (previous year ₹ Nil & ₹ 56.08 crore) respectively.

2.54.4 The following table provides the details of income tax assets and liabilities as of March 31, 2019 and March 31, 2018

(₹ in crore)

Particulars	Year ended 31.03.19	Year ended 31.03.18
Income Tax Assets	**324.28**	285.58
Less: Current income tax liabilities	**226.92**	172.21
Net Current Income Tax Assets/(Liability) at the year end	**97.36**	113.37

2.54.5 The gross movement in the current income tax asset/ (liability) for the year ended March 31, 2019 and March 31, 2018 is as follows:

(₹ in crore)

Particulars	Year ended 31.03.19	Year ended 31.03.18
Net current income tax asset/(liability) at the beginning of the year	113.37	118.29
Current Income Tax on OCI	0.91	1.45
Income Tax paid	242.16	180.96
Current income tax expense from Normal Business	(259.08)	(187.33)
Net Current Income Tax Asset/(Liability) at the end of the year	97.36	113.37

2.54.6 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, 2019	March 31, 2018
Deferred Income Tax Assets:		
Accrued Compensation to Employees	24.29	16.11
Provisions for Doubtful Debts, Security Deposits/EMD, Advances Etc.	62.08	55.15
Business Losses	7.02	16.17
MAT credit available	26.75	15.47
Prior period adjustment (net)	-	-
Total Deferred Income Tax Assets – I	120.14	102.90
Deferred Income Tax Liabilities:		
Depreciation on Property Plant & Equipment, Furniture & Fixtures, Loco & Coaches	48.27	45.83
Prior Period Adjustments	-	4.00
Total Deferred Income Tax Liabilities – II	48.27	49.83
Deferred Income Tax Assets after set off	71.87	53.07
Deferred Income Tax Liabilities after set off	-	-

2.54.6.1 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.

2.54.6.2 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.

2.54.7 The gross movement in the deferred income tax account for the year ended March 31,2019 and previous year ended on March 31, 2018 are as follows:

(₹ in crore)

Movement During the year ended 31st March 2019	As at 31st March 2018	Recognised in Profit and Loss	Recognised in OCI	As at 31st March 2019
Tax Effect of items constituting deferred Tax Liabilities				
(i) Property, Plant & Equipments	45.83	2.44	-	**48.27**
(ii) Acturial Gain on Defined Benefit Obligations	-	-	-	**-**
(iii) Prior Period Adjustment	4.00	(4.00)	-	**-**
TOTAL-A	**49.83**	**(1.56)**	**-**	**48.27**
Tax Effects of Items Constituting deferred Tax Assets				
(i) Provisions for Leave Encashment of Employees	2.73	21.21	-	**23.94**
(ii) Acturial Loss on Defined Benefit Obligations	-	-	-	**-**
(iii) Provision for superannuation Medical	13.31	(12.96)	-	**0.35**
(iv) Other Employee Benefits	0.07	(0.07)	-	**-**
(v) Prov. For Doubtful Debts & Advances	55.15	6.93	-	**62.08**
(vi) Prior Period Adjustment.	-	-	-	**-**
(vii) MAT credit available	15.47	11.28	-	**26.75**
(viii) Business Loss	16.17	(9.15)	-	**7.02**
TOTAL-B	**102.90**	**17.24**	**-**	**120.14**
Deferred Tax (Assets)/Liabilities (A-B)	**(53.07)**	**(18.80)**	**-**	**(71.87)**

2.54.7.1 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)

Movement During the year ended 31st March 2018	As at 31st March 2017	Recognised in Profit and Loss	Recognised in OCI	As at 31st March 2018
Tax Effect of items constituting deferred Tax Liabilities				
(i) Property, Plant & Equipments	53.51	(7.68)	-	45.83
(ii) Acturial Gain on Defined Benefit Obligations	-	-	-	-
(iii) Prior Period Adjustment	7.64	(3.64)	-	4.00
TOTAL-A	**61.15**	**(11.32)**	**-**	**49.83**
Tax Effects of Items Constituting deferred Tax Assets				
(i) Provisions for Leave Encashment of Employees	20.45	(17.72)	-	2.73
(ii) Acturial Loss on Defined Benefit Obligations	-	-	-	-
(iii) Provision for superannuation Medical	-	13.31	-	13.31
(iv) Other Employee Benefits	0.99	(0.92)	-	0.07

(₹ in crore)

Movement During the year ended 31st March 2018	As at 31st March 2017	Recognised in Profit and Loss	Recognised in OCI	As at 31st March 2018
(v) Prov. For Doubtful Debts & Advances	27.87	27.28	-	55.15
(vi) Preliminary Expenses	0.02	(0.02)	-	-
(vii) MAT credit available	7.09	8.38	-	15.47
(viii) Business Loss	32.51	(16.34)	-	16.17
TOTAL-B	**88.93**	**13.97**	**-**	**102.90**
Deferred Tax (Assets)/Liabilities (A-B)	**(27.78)**	**(25.29)**	**-**	**(53.07)**

The composition of deferred assets relating to temporary differences during the year ended 31st March, 2019 is primarily on account of Property Plant and Equipment, Trade Receivable and Compensation to Employees and Prepaid Expenses.

2.54.8 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.

2.55 Disclosures on Presentation of Financial Statements (Indian Accounting Standard-1) are as follows:

2.55.1 Change in Significant Accounting Policies in Holding Company:

a. **Revenue recognition**

Ind AS-115 on Revenue from contracts with customers is applicable w.e.f 1.4.2018. Ind AS-115 has replaced Ind AS-18 & Ind AS-11 on revenue recognition. Accordingly, policies on revenue recognition has been modified to align with new Ind AS-115 on revenue contract with customers. There is no material impact on account of change in the said accounting policies.

b. **Prepaid expenses**

Keeping in view size and nature of business limit for prepaid expenses in each case has been enhanced from ₹ 0.01 crore to ₹ 0.05 crore There is increase (decrease) in profit(net of taxes) of ₹ 0.04 crore (previous year ₹ 0.06 crore) and reduction in other current assets of ₹ 0.19 crore (previous year ₹ 0.24 crore) due to change in this accounting policy.

c. **Prior Period Adjustments**

Ind As 8 requires to correct/adjust the prior period items to the respective periods based on materiality. Accordingly, policy on Prior Period Adjustment has been revised and there is increase/decrease in profit (net of taxes) amounting to (₹ 0.87 crore) { previous year (₹ 5.27 crore)}.

2.55.2 Reclassifications and comparative figures

Certain reclassifications have been made to the comparative period's financial statements to enhance comparability with the current year's financial statements.

As a result, certain line items have been reclassified in the balance sheet and statement of profit and loss, the details of which are as under:

Items of balance sheet before and after reclassification for the year ended 31st march, 2018:

(₹ in crore)

Particulars	Before Re-classification	Re-classification	After Re-classification
Non Current Assets			
Loans	15.19	3.55	18.74
Other financial assets	129.08	(3.55)	125.53
Deferred Tax Assets (Net)	41.60	15.47	57.07
Other Non Current Assets	134.95	(15.47)	119.48
Current Assets			
Loans	3.97	2.52	6.49

(₹ in crore)

Particulars	Before Re-classification	Re-classification	After Re-classification
Other financial assets	117.28	(2.52)	114.76
Current Tax Assets (Net)	36.82	(0.02)	36.80
Non Current Liabilities			
Other Financial Liabilities	122.26	41.03	163.29
Current Liabilities			
Other Financial Liabilities	2085.48	156.65	2242.13
Current Tax Liabilities (Net)	0.02	(0.02)	-
Other Current Liabilities	359.20	(197.68)	161.52

Items of statement of profit & loss before and after reclassification for the year ended 31st march, 2018:

(₹ in crore)

Particulars	Before Re-classification	Re-classification	After Re-classification
REVENUE			
Other Income	164.37	(9.64)	154.73
EXPENDITURE			
Supplies & Services	119.40	6.33	125.73
Cost of Export Sales	172.07	(172.07)	-
Purchases for Export	-	112.79	112.79
Changes in Inventories of Stock in Trade	-	40.36	40.36
Finance Cost	7.18	2.71	9.89
Other Expenses	164.60	0.24	164.84

2.55.3 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.

2.55.4 Subsequent Event –Dividend in case of Holding and its Indian subsidiary

The Board of Directors of holding Company has proposed a sum of ₹ 80 crore (₹ 4.00 per share to 20 crore equity shares) as final dividend for financial year 2018-19 subject to approval of shareholders in Annual General Meeting. If approved, the dividend would result in a cash outflow of ₹ 96.44 crore inclusive of dividend distribution tax of ₹ 16.44 crore.

The Board of Directors of the subsidiary Company (REMCL) proposed a final dividend of ₹ 12.41 crore (₹ 1.773 per share to 7 crore equity shares) in respect of the financial year 2018-19 subject to approval of shareholders in Annual General meeting. If approved, the dividend would result into cash outflow of ₹ 14.96 crore inclusive of dividend distribution tax of ₹ 2.55 crore.

2.56 Disclosures on Accounting for Government Grant (Indian Accounting Standard-20) are as follows:

The Company is receiving government grant in form of export incentive on export of Rolling Stock and Spare parts. There are two types of export incentive i.e. duty drawback and MEIS Scrips. The Company has recognized ₹ 7.84 crore (previous year ₹ 9.03 crore) as export incentive. The export incentive receivable at the end of during the year is ₹ 2.73 crore (previous year ₹ 7.67 crore).

2.57 Disclosure as per regulation 34(3) of listing agreements with the stock exchange

(₹ in crore)

	Financial Year	Outstanding balance	Maximum amount due during the year
Investment in Subsidiaries			
(i) Railway Energy Management Company Ltd.	31.03.2019	35.70	35.70
	31.03.2018	35.70	35.70
(ii) RITES (Afrika) (Pty) Ltd., Botswana	31.03.2019	0.01	0.01
	31.03.2018	0.01	0.01
Investment in Joint Ventures			
(i) SAIL-RITES Bengal Wagon Industry Private Limited	31.03.2019	24.00	24.00
	31.03.2018	24.00	24.00
(ii) BNV Gujarat Rail Private Limited	31.03.2019	0.26	0.26
	31.03.2018	0.01	0.01
Loans & advances to Subsidiaries			
(i) Railway Energy Management Company Ltd.	31.03.2019	-	-
	31.03.2018	-	4.76
(ii) RITES (Afrika) (Pty) Ltd., Botswana	31.03.2019	-	-
	31.03.2018	-	-
Loans & advances to Joint Ventures			
(i) SAIL-RITES Bengal Wagon Industry Private Limited	31.03.2019	8.44	8.44
	31.03.2018	7.76	7.76
(ii) BNV Gujarat Rail Private Limited	31.03.2019	-	-
	31.03.2018	-	-

2.58 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.

2.59 Assets and liabilities are classified between current and non-current considering 12 months period as operating cycle.

2.60 Information on CSR expenditure

2.60.1 In case of holding company:

(a) Gross amount required to be spent including advances given during the year 2018-19 ₹ 10.20 crore (previous year 2017-18 ₹ 9.90 crore).

(b) Expenditure incurred including advance on CSR during the year on:

(₹ in crore)

Particulars		Amount Paid		Yet to be Paid		Total	
		2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
(i)	Construction/ acquisition of any asset	-	-	-	-	-	-
(ii)	On purposes other than (i) above*	10.23	9.90	-	-	10.23	9.90
	Total	10.23	9.90	-	-	10.23	9.90

*Includes following expenditure on account of admin overhead and capacity builds:

(a) Salary Expenses ₹ 0.50 crore (previous year ₹ 0.46 crore)
(b) Other Expense ₹ 0.01 crore (previous year ₹ 0.04 crore)

2.60.2 In case of subsidiary company (REMCL):

(a) Gross amount required to be spent during the year 2018-19 is ₹ 0.55 crore including previous year unspent amount of ₹ 0.06 crore (previous year 2017-18 ₹ 0.22 crore).

(b) Expenditure incurred on CSR during the year on:

(₹ in crore)

Particulars		Amount Paid		Yet to be Paid		Total	
		2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
(i)	Construction/ acquisition of any asset	-	-	-	-	-	-
(ii)	On purposes other than (i) above	0.55	0.16	-	-	0.55	0.16
	Total	0.55	0.16	-	-	0.55	0.16

2.61 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 31.03.2019	As at 31.03.2018
a	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting period		
	- Principal amount due to micro and small enterprises	9.05	2.57
	- 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 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 identify supplier registered under The Micro, Small and Medium Enterprises Development Act, 2006, by obtaining confirmations from all suppliers at time issue of tender. Information has been collated only to the extent of information received.

2.62 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 sole 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 applicable interest in favour of the company. Client filed a petition in the Civil Court of Ranchi on 31st July, 2011 & thereafter amendment for setting aside the aforesaid award of the appellate authority. The said petition of client was dismissed by the court on 22.11.2017 and preliminary objections of company is allowed. Thereafter the company filed writ petition before hon'ble Jharkhand High court on 05.07.2018 to issue the direction to client to pay the awarded amount. Till date no hearing is schedule by the Hon'ble Jharkhand High court.

2.62.1 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 has raised the 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. The executing agency had filed two petitions i.e. arbitration appeal before Hon'ble Jharkhand High Court on 25.05.2017 and commercial revocation to set aside the award before the commercial Court, Ranchi on 06.01.2018. The arbitration appeal has already been dismissed by Hon'ble Jharkhand High Court on 11.03.2019 and the commercial revocation is still pending and the next date of hearing is fixed on 01.06.2019. In view of above, the 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.

2.62.2 In case of holding company, cumulative interest up to 31.03.2019 due from the executing agency of ₹ 28 crore (previous year ₹ 25.98 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 ₹ 2.02 crore for the year (previous year ₹ 2.02 crore).

2.63 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 were 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.

2.63.1 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.

2.63.2 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, 2nd and 3rd installments of USD 5.655 million each as per schedule of payment has also been received in financial year 2016-17, 2017-18 and 2018-19 respectively and balance one installment of USD 5.655 million is due in the FY 2019-20 as per schedule of payment.

2.63.3 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.

2.64 Under the settlement agreement with Government of Tanzania, last three installments out of six installments of principal amounting to ₹ 62.61crore (equivalent US$ 9.19 million) {Previous year is ₹ 59.04 crore (equivalent US$ 9.19 million)} are still outstanding despite of continuous follow-up and legal notice issued to Government of Tanzania and the company therefore has made provision for impairment for the same during the financial year 2017-18. Company has also initiated arbitration proceedings as per provisions of settlement deed. Interest on principal and on delayed payments of ₹ 23.45 crore (equivalent US$ 3.44 million) {Previous year is ₹ 20.88 crore (equivalent US$ 3.25 million)} have not been recognised.

2.65 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.

2.66 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), office building at DLF Cyber city, Bhubaneswar of ₹ 5.64 crore (previous year ₹ 5.64 crore).

2.66.1 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.

2.66.2 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.

2.67 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, Hinduan & Ramganj) where WCR was taking Wind power from company. Due to change in status of WCR from consumer to deemed distribution licensee, accountal / methodology for utilization of energy generated by Wind Mill Plant have gone under change. 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 agreed to pay bills for energy generated from Wind Mill Plant for the period from January 2017 to 26th April 17.

In present circumstances, there is uncertainty regarding realization of revenue. As per company's accounting policies, when there is uncertainty as to realisability, recognition of revenue is postponed until such uncertainty is removed. Therefore revenue amounting to ₹ 6.81 crore for the period 10.01.2017 to 26.04.2017 has been postponed and not recognized. In this regard, a petition was 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. As per RERC order dt.05.11.2018, "The commission is of the considered view that the petitioner (REMCL) is not entitled for Adjustment of energy wheeled from its CPP after termination of WBA". Accordingly petition was disposed off. Now, company has filed an appeal before APTEL on 20.12.2018 against this RERC order.

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. 10.01.2017 to 26.04.2017 which are payable to Rajasthan state utilities has not been recognized and shown as contingent liability under note no. 2.49.2.1.

2.68 In case of holding company, in one of the overseas project, fee of ₹ 11.22 crore upto 31st March, 2019 (previous year ₹ 11.22 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.

2.69 (a) Balances shown under debtors, advances and creditors are subject to confirmation / reconciliation/ adjustment, if any. The company has been sending letters for confirmation to parties. However, the Company does not expect any material dispute w.r.t. the recoverability/payment of the same.

(b) In the opinion of the management, the value of current assets, loans and advances on realization in the ordinary course of business, will not be less than the value at which these are stated in the balance sheet.

2.70 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, 2.9 & 2.17

2.71 Recent Accounting Pronouncements:

Indian Accounting Standard (Ind AS) 116 on Leases: On March 30, 2019 Ministry of Corporate Affairs has notified Ind AS-116 on Leases. This standard will replace the existing Indian Accounting Standard (Ind AS) 17. The effective date for adoption of Ind AS 116 on Leases is annual periods beginning on or after April 1, 2019. The impact of this standard will be subject to detailed assessments but is not expected to be material, except for change in presentation and disclosure requirements.

2.72 Other disclosure of Group

2.72.1 In case of SRBWIPL, Company has following borrowing facilities:-

2.72.1.1 Term Loan:-

(₹ in crore)

Bank name	Sanction Amount	Outstanding as at 31st March, 2019	Current portion	Long term	Repayment Term
SBI	72.00	43.44	9.60	33.84	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.
Bank name	**Sanction Amount**	**Outstanding as at 31st 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.

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.

2.72.1.2 Other Borrowings:

(₹ in crore)

Particulars	31st March, 2019	31st March, 2018
Cash credit from SBI	**27.65**	-
Cash credit from Dena Bank	**-**	11.75
Cash credit from HDFC Bank	**7.52**	-
Unsecured Loan from RITES Limited*	**8.30**	7.76
Unsecured Loan from SAIL	**8.30**	7.76
Total	**51.77**	27.27

*With a moratorium period of 30 months upto July, 2019 for principal and interest.

2.72.2 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.

2.72.3 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, Rajasthan. The entire amount of loan was borrowed during the financial year 2015-16. During the current year company has incurred interest cost of ₹ 4.38 crore (previous year ₹ 6.87 crore).

2.73 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 31.03.2019	As at 31.03.2018
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

2.74 Assets & Liabilities have been translated at closing exchange rate and profit & loss items have been translated at average exchange rate of RITES (Afrika) (Pty) Limited (Subsidiary Company).

INR

Currency	31.03.2019		31.03.2018	
	Closing rate	Average rate	Closing rate	Average rate
1 Pula (Botswana)	**6.303913**	**6.562833**	6.688761	6.274198

(Source Oanda.com)

2.75 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 31.03.2019

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 profit & loss	Amount (₹ in crore)	As % of consolidated profit & loss	Amount (₹ in crore)	As % of consolidated profit & loss	Amount (₹ in crore)
Holding Company								
RITES LTD.	98.42	2383.83	94.71	444.65	92.39	(1.70)	94.71	442.95
Subsidiaries								
Indian								
Railway Energy Management Company Limited (REMCL)	6.04	146.23	8.80	41.34	-	-	8.84	41.34
Foreign								
RITES (Afrika) (Pty) Limited (RITES-Afrika)	0.10	2.42	0.05	0.25	-	-	0.05	0.25
Minority Interests in all subsidiaries	(2.96)	(71.65)	(4.32)	(20.26)	-	-	(4.33)	(20.26)
Joint ventures (as per proportionate consolidation/investment as per equity method)								
Indian								
SAIL-RITES Bengal Wagon Industry Private Limited (SRBWIPL)	0.87	21.00	1.76	8.24	-	-	1.76	8.24
BNV Gujarat Rail Private Limited	0.01	0.24	-	(0.02)	-	-	-	(0.02)
Total Eliminations	(2.48)	(59.97)	(1.00)	(4.69)	7.61	(0.14)	(1.03)	(4.83)
TOTAL	**100**	**2422.10**	**100**	**469.51**	**100**	**(1.84)**	**100**	**467.67**

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 profit & loss	Amount (₹ in crore)	As % of consolidated profit & loss	Amount (₹ in crore)	As % of consolidated profit & loss	Amount (₹ in crore)
Holding Company								
RITES LTD.	99.34	2199.11	96.86	331.71	138.58	(2.73)	96.61	328.98
Subsidiaries								
Indian								
Railway Energy Management Company Limited (REMCL)	5.23	115.84	8.41	28.79	-	-	8.46	28.79
Foreign								
RITES (Afrika) (Pty) Limited (RITES-Afrika)	0.11	2.35	0.02	0.07	-	-	0.02	0.07
Minority Interests in all subsidiaries	(2.56)	(56.77)	(4.12)	(14.11)	-	-	(4.14)	(14.11)
Joint Ventures								
Indian								
SAIL-RITES Bengal Wagon Industry Private Limited (SRBWIPL)	0.58	12.76	(0.61)	(2.07)	-	-	(0.61)	(2.07)
BNV Gujarat Rail Private Limited	-	0.01	-	-	-	-	-	-
Total Eliminations	(2.70)	(59.69)	(0.56)	(1.91)	(38.58)	0.76	(0.34)	(1.15)
TOTAL	**100**	**2213.61**	**100**	**342.48**	**100**	**(1.97)**	**100**	**340.51**

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, 2019.

The preparation of consolidated financial statements of RITES Limited for the year ended 31 March, 2019 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 29 May, 2019.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of RITES Limited for the year ended 31 March, 2019 under section 143(6)(a) read with section 129(4) of the Act. 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)(a) 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 and for conduct of supplementary audit. Accordingly, comptroller and Auditor General of India has neither appointed the Statutory Auditors nor conducted the supplementary audit of this company.** 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 supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143(6)(b) of the Act.

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: 1st July, 2019

ANNEXURE

LIST 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) OF THE COMPANIES ACT, 2013 FOR THE YEAR 2018-19.

Subsidiaries

1. RITES Infrastructure Services Limited (under Liquidation)

Joint Ventures

2. BNV Gujarat Rail Pvt. Ltd.

Sr. Audit Officer (Co-ordination)
Railway Commercial

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/JOINT VENTURES FOR THE YEAR ENDED 31ST MARCH, 2019

(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	
2	Name of the subsidiary	RITES (Afrika) (Pty) Limited		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	
		31.03.2019	31.03.2018	31.03.2019	31.03.2018
4	Share Capital	0.01	0.01	70.00	70.00
5	Reserves & Surplus	2.41	2.34	76.23	45.84
6	Total Assets	4.08	3.13	207.70	183.88
7	Total Liabilities	1.66	0.78	61.47	68.04
8	Investments	-	-	-	-
9	Operating Turnover	7.00	5.09	81.48	65.63
10	Profit before taxation	0.34	0.09	49.46	37.77
11	Provision for taxation	0.09	0.02	8.12	8.98
12	Profit after taxation	0.25	0.07	41.34	28.79
13	Proposed Dividend	-	-	12.41	9.09
14	% of shareholding	100%		51%	

* As on 31.03.2019: 1BWP= ₹ 6.303913; Average Rate 1BWP= ₹ 6.562833, As on 31.03.2018: 1BWP= ₹ 6.688761; Average Rate 1BWP= ₹ 6.274198

** REMCL figures are inclusive of non-controlling interest.

Note: RITES Mohawarean Arabia Company Ltd. (RMAC) in Saudi Arabia & RITES Infrastructure Services Ltd. (RISL) in India are 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 (SRBWIPL)		BNV GUJARAT RAIL PVT. LTD.	
3	Latest Audited Balance Sheet Date	31.03.2019	31.03.2018	31.03.2019	31.03.2018
4	Shares of Joint Ventures held by the company on the year end:				
4(i)	No.	2,40,00,000	2,40,00,000	2,60,000	13,000
4(ii)	Amount of investment in Joint Venture (₹ in crore)	24.00	24.00	0.26	0.01
4 (iii)	Extent of Holding/Profit Sharing %	50%	50%	26%	26%

1	Sl. No.	1		2	
2	Name of Joint Ventures	SAIL-RITES Bengal Wagon Industry Private Limited (SRBWIPL)		BNV GUJARAT RAIL PVT. LTD.	
3	Latest Audited Balance Sheet Date	31.03.2019	31.03.2018	31.03.2019	31.03.2018
5	Description of how there is significant influence	There is significant influence due to percentage (%) of share capital/ profit sharing and joint control.			
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)	21.00	12.76	0.24	0.01
8	Profit/Loss for the year				
8 (i)	Considered in Consolidation (₹ in crore)	8.24	(2.07)	(0.02)	-
8 (ii)	Not Considered in Consolidation	-	-	-	-

For and on behalf of the Board

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

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

Ashish Srivastava
Company Secretary
M. No: FCS 5325

For J C BHALLA & COMPANY, Chartered Accountants
Firm Registration No. 001111N

(ANSHUMAN MALLICK)
Partner, Membership No. 547705

Place : Gurugram
Date : 29th May, 2019

OFFICES, AUDITORS AND BANKERS

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MYANMAR

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AUDITORS

STATUTORY AUDITORS

M/s J.C. Bhalla & Co.	Noida

BRANCH AUDITORS

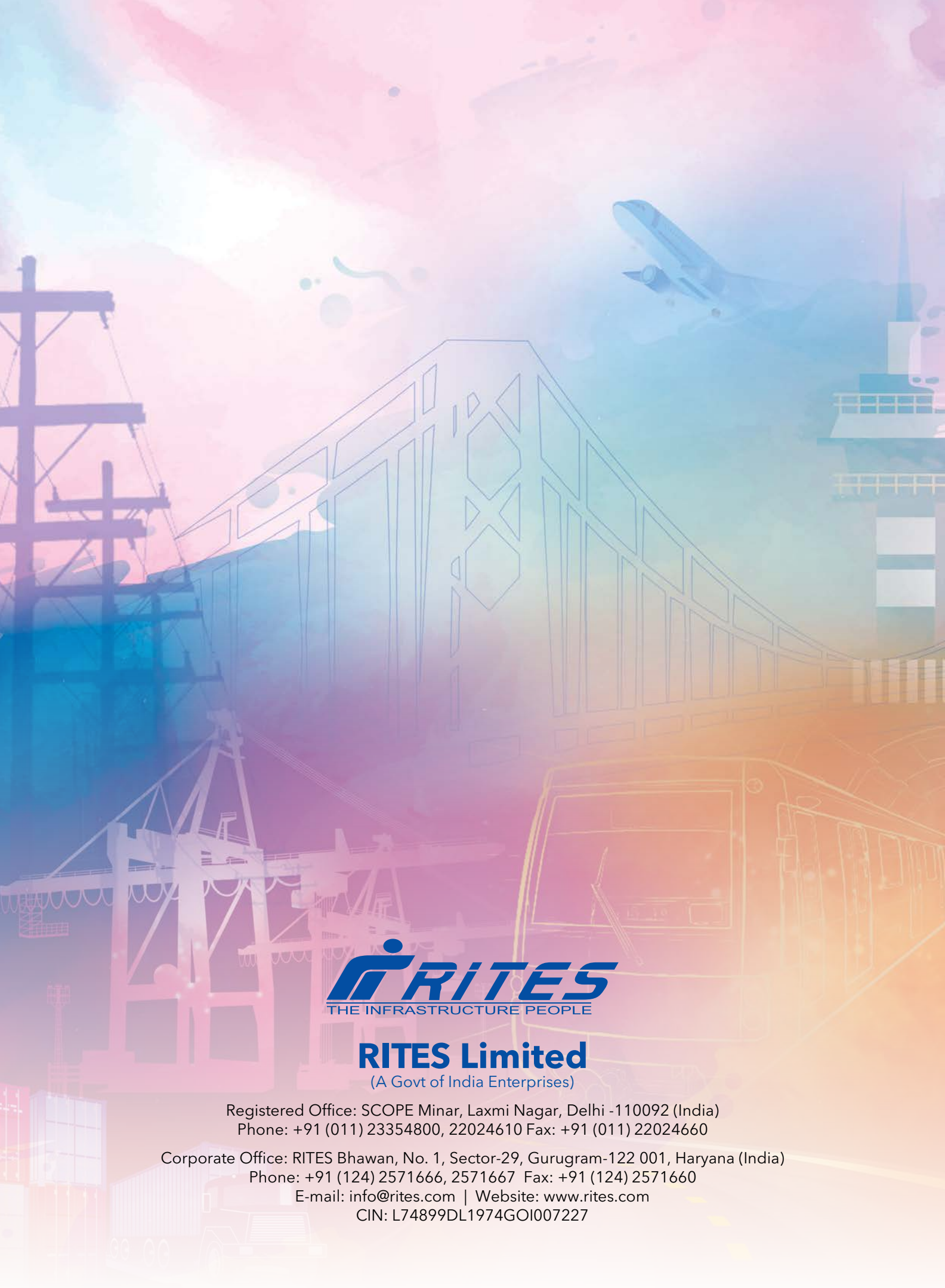
M/s S.N. Guha & Co.	Kolkata
M/s Pratap B. Sheth & Co.	Mumbai
M/s Nisar & Kumar	Chennai

BANKERS

Axis Bank	State Bank of India
ICICI Bank	Kotak Mahindra Bank
Indian Bank	Yes Bank
Indusind Bank	IDFC First Bank
HDFC	EXIM Bank



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
Jardan
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
Tago
Tunisia
Turkmenistan
UAE
Uganda
UK
Ukraine
USA
Uzbekistan
Vanuatu
Vietnam
Yemen
Zambia
Zimbabwe



RITES
THE INFRASTRUCTURE PEOPLE

RITES Limited

(A Govt of India Enterprises)

Registered Office: SCOPE Minar, Laxmi Nagar, Delhi -110092 (India)
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E-mail: info@rites.com | Website: www.rites.com
CIN: L74899DL1974GOI007227

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Email: cs@rites.com, Website: www.rites.com
Phone: +91 124 257 1666, Fax: +91 124 257 1660
CIN: L74899DL1974GOI007227

NOTICE

Notice is hereby given that the 45th Annual General Meeting of the Members of RITES LIMITED will be held on Tuesday, July 30, 2019, at 10:00 A.M. at Zoravar Hall, Manekshaw Centre, Khyber Lines, Delhi Cantonment, New Delhi – 110010 to transact the following businesses:

ORDINARY BUSINESS:

(1) To receive, consider and adopt the Audited Financial Statements (Standalone and Consolidated) of the company for the financial year ended 31st March, 2019 along with the Reports of Board of Directors and Auditors thereon.

(2) To confirm the first and second interim dividends declared for the Financial Year 2018-19 and to declare the final dividend on equity shares for the financial year ended 31st March, 2019.

(3) To appoint a Director in place of Shri Mukesh Rathore, Director (Technical) (DIN: 07669150), who retires by rotation and being eligible, offers himself for re-appointment.

(4) To appoint a Director in place of Shri Amar Prakash Dwivedi, Director (DIN: 07122333), who retires by rotation and being eligible, offers himself for re-appointment.

(5) To take note of appointment of Statutory Auditors and Branch Auditors as appointed by Comptroller and Auditor General of India and to fix their remuneration for audit and other services.

SPECIAL BUSINESS:

(6) **To appoint Shri Gopi Sureshkumar Varadarajan (DIN: 08241385), as Director liable to retire by rotation.**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT pursuant to section 152 and other applicable provisions of the Companies Act, 2013, rules made there under read with the Articles of Association of the Company, Shri Gopi Sureshkumar Varadarajan (DIN: 08241385), who was appointed as Director (Projects) of the Company by the President of India vide Ministry of Railways' Order No. 2017/E(O)II/40/23 dated 24.09.2018, and subsequently appointed as an Additional Director by the Board of Directors with effect from 27th September, 2018 to hold office upto the date of ensuing Annual General Meeting under Section 161 of Companies Act, 2013 and who has consented to act as Whole Time Director, be and is hereby appointed as Director (Projects) of the Company, liable to retire by rotation, on terms & conditions as may be fixed by the Govt. of India."

(7) **To appoint Shri Alok Kumar Tewari (DIN: 06694407) as a part time Government Nominee Director liable to retire by rotation.**

To consider and if thought fit, to pass with or without modifications, the following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT pursuant to section 152 and other applicable provisions of the Companies Act, 2013, rules made there under read with the Articles of Association of the Company, Shri Alok Kumar Tewari (DIN: 06694407), who was appointed as part time Government Nominee Director of the Company by the President of India vide Ministry of Railways' Order No. 2004/PL/49/9/Pt-II dated 28.05.2019, and subsequently appointed as an Additional Director by the Board of Directors with effect from 30th May, 2019 to hold office upto the date of ensuing Annual General Meeting under Section 161 of the Companies Act, 2013 and who has consented to act as part time Government Nominee Director, be and is hereby appointed as part time Government Nominee Director of the Company, liable to retire by rotation, on terms & conditions as may be fixed by the Govt. of India."

(8) **To approve issuance of Bonus Shares.**

To consider and if thought fit, to pass with or without modification(s), the following resolutions as ORDINARY RESOLUTIONS:

"RESOLVED THAT in accordance with Section 63 and other applicable provisions, if any, of the Companies Act, 2013

and the Companies (Share Capital & Debentures) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force), the relevant provisions of the Memorandum and Articles of Association of the Company and subject to the regulations and guidelines issued by the Securities and Exchange Board of India (SEBI) including the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (as amended from time to time) and further subject to such permissions, sanctions and approvals as may be required in this regard, the consent of the shareholders of the Company be and is hereby accorded to capitalize a sum of Rs.50 crore only (Rupee Fifty Crore Only) standing to the credit of the free reserves, for the purpose of issuance of bonus shares of Rs. 10/- (Rupees Ten Only) each, credited as fully paid-up equity shares to the holders of existing equity share(s) of the Company whose names appear in the Register of Members maintained by the Company and the List of Beneficial Owners as received from the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) on the Record Date as fixed by the Board for the purpose (which expression shall also include a Committee thereof/CMD), in the proportion of 1 (one) Bonus equity share of Rs. 10/- each for every (4) four existing equity share(s) of Rs. 10/- each held by the Members/Beneficial Owners and that the Bonus Shares so distributed shall, for all purposes, rank pari passu with the existing equity shares and shall be treated as increase in the paid up share capital of the Company".

"RESOLVED FURTHER THAT the issue and allotment of the Bonus Shares to Non-Resident Members, Foreign Institutional Investors (FIIs) & other Foreign Investors and/or distribution of net sale proceeds in respect of fractions to such members may be entitled, be subject to the compliance requirements of RBI or any other regulatory authority, if any".

"RESOLVED FURTHER THAT no letter of allotment shall be issued to the allottees of the new equity bonus shares and the share certificate(s) in respect of the new equity bonus shares shall be issued to shareholders holding shares in physical mode and dispatched to the allottees thereof within the period prescribed or that may be prescribed in this behalf, from time to time; except that the new equity bonus shares will be credited to the demat account of the allottees, who hold the existing equity shares in electronic form".

"RESOLVED FURTHER THAT the new equity bonus shares of Rs. 10/- each to be allotted and issued as bonus shares shall be subject to the terms of Memorandum & Articles of Association of the Company and shall rank pari passu in all respects and carry the same rights as the existing fully paid equity shares of the Company and shall be entitled to participate in full in any dividend(s) to be declared after the bonus shares are allotted".

"RESOLVED FURTHER THAT the Board/Committee shall not issue any certificate or coupon in respect of fractional shares, if any, but the total number of such new equity shares representing such fractions shall be allotted by the Board (which expression shall also include Committee thereof) to the nominee(s) to be selected by the Board/Committee, who would hold them as trustee for the members entitled thereto, and sell such equity shares allotted to him at the prevailing market rate and the net sale proceeds of such shares after adjusting the cost and expenses in respect thereof be distributed to the members in proportion to their fractional entitlements."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to take necessary steps for listing of such shares on the Stock Exchanges where the securities of the Company are listed as per the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 and other applicable guidelines, rules and regulations".

"RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid resolutions, the Board / Committee of the Board, be and are hereby authorized to do all such acts, deeds, matters and things whatsoever, including settling any questions, doubts or difficulties that may arise with regard to or in relation to the issue or allotment of the bonus shares and to accept on behalf of the Company, any conditions, modifications, alterations, changes, variations in this regard as prescribed by the statutory authority(ies) and which the Board / Committee of the Board in its discretion thinks fit and proper".

BY ORDER OF THE BOARD

(ASHISH SRIVASTAVA)
Company Secretary
FCS: 5325

Place : Gurgaon
Dated : 24th June, 2019

Regd. Office:
SCOPE Minar, Laxmi Nagar,
Delhi- 110092
CIN: L74899DL1974GOI007227

NOTES:

1. **A MEMBER OF THE COMPANY ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY IN WRITING DULY SIGNED BY HIM/HER TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

2. In order to be effective, proxy form duly completed should be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting. A blank proxy form is enclosed herewith and can also be obtained from the registered office of the Company free of charge.
3. As per the provisions of the Companies Act. 2013, a person can act as a proxy on behalf of members not exceeding fifty in number and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
4. Corporate members are requested to send a duly certified copy of the Board Resolution / Power of Attorney authorizing their representative to attend and vote on their behalf at the Annual General Meeting. Alternatively, such an authority duly certified should be brought by the representative attending on behalf of the corporate body, at the meeting.
5. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of meeting, a member would be entitled to inspect the proxies lodged during the business hours of the Company, provided that not less than three days' notice in writing is given to the Company.
6. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Businesses to be transacted at the Meeting is annexed hereto.
7. The Register of Members and Share Transfer books of the Company will remain closed from 24.07.2019 to 30.07.2019 (both days inclusive).
8. Brief resume of the Directors seeking appointment and re-appointment as prescribed under SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 read with the Secretarial Standards issued by the Institute of Company Secretaries of India is annexed hereto and forms part of the notice.
9. Members are requested to :-
   (i) note that copies of Annual Report shall not be made available at the venue of the Meeting.
   (ii) bring their copies of Annual report, Notes and Attendance Slip duly completed and signed at the meeting.
   (iii) deliver duly completed and signed attendance slip at the entrance of the venue of the meeting as entry to the Hall will be strictly on the basis of the Entry Slip available at the counter at the venue to be exchanged with the Attendance Slip. Photocopies of Attendance Slip will not be entertained for issuing Entry Slip for attending Annual General Meeting.
   (iv) quote their Folio /Client ID & DP ID Nos. in all correspondence.
   (v) note that due to strict security reasons mobile phones, brief cases, eatables and other belongings will not be allowed inside the Auditorium.
   (vi) note that in case of joint holders attending the meeting, only such joint holder who is higher in order of names will be entitled to vote.
   (vii) note that no gifts/coupons will be distributed at the Annual General Meeting.
   (viii) entry is restricted to members or registered proxy holders. Accordingly, persons(s) other than members are requested to register their proxies before stipulated time.
10. The Annual Report of the Company is also available on the company's website i.e www.rites.com.
11. None of the Directors of the Company is in any way related to each other.
12. Members are advised to submit their Electronic Clearing System (ECS) mandates to enable the Company to make remittance by means of ECS. Those holding shares in dematerialized form may send the ECS Mandate in the enclosed format directly to their Depository Participants (DP). Those who have already furnished the ECS Mandate Form to the Company/ Depository Participant/ Registrar & Share Transfer Agent with complete details need not send it again. Members holding shares in physical form may send the ECS Mandate form to the RTA of the Company.
13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/RTA.
14. Non-Resident Indian members are requested to inform Company/RTA, regarding:
   i) Change in their residential status on return to India for permanent settlement.
   ii) Particulars of their bank account maintained in India with complete name, branch, account type, account number, IFSC Code and address of the Bank with pin code number, if not furnished earlier.
15. The Board of Directors of the Company in their meetings held on December 17, 2018 and March 11, 2019 declared first and second interim dividend of Rs. 95 Crore i.e. Rs. 4.75 per share of Rs. 10 each and Rs. 80 Crore i.e. Rs. 4 per share of Rs. 10 each, respectively. Final dividend of Rs. 80 crore i.e. Rs. 4 per share of Rs.10 each on equity shares, as

recommended by the Board of Directors in their meeting held on May 29, 2019, for the year ended on 31.03.2019, if approved by the members at the Annual General Meeting, will be paid to the shareholders holding shares as on the record date fixed by the Company.

16. Pursuant to Section 139(5) of the Companies Act, 2013, the Statutory Auditors of a Government Company are to be appointed/ re-appointed by the Comptroller and Auditor General (C&AG) of India and, in terms of provisions contained in Section 142 of the Companies Act 2013, their remuneration shall be fixed by the company in a General Meeting or in such manner as the company in a General Meeting may determine. As the appointment/reappointment of statutory auditors and branch auditors is yet to be done by CAG, the members may authorize Board of Directors to confirm the appointment/reappointment and fix their remuneration as per the communication to be received from CAG.

17 Pursuant to Section 101 of the Companies Act, 2013 read with the relevant Rules, the Company has implemented the "Green Initiative" which enables the Company to serve documents like notices, annual reports, etc., in electronic form to its members. It also facilitates prompt receipt of communications and thereby reduces postal transit losses. Accordingly, copy of the Annual Report is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes through e-mail unless any member has requested for a hard copy of the same. Members holding shares in electronic mode are, therefore, requested to ensure to keep their e-mail addresses updated with the Depository Participant. Members who hold shares in physical form are requested to get their e-mail id registered with RTA of the Company.

18 All relevant documents referred to in the Notice will be available for inspection by the Members at the Registered Office of the Company on all working days (except Saturdays, Sundays and Public Holidays) during working hours upto the date of Annual General Meeting and the same along with other documents as required under the applicable law will also be available for inspection at the time of AGM of the Company.

19. Members desiring any information as regards the Financial Statements are requested to write to the Company at least 7 days before the date of the meeting to enable the management to keep the information readily available at the meeting

20. Members desirous of making a nomination in respect of their shareholding in the company, as permitted under Section 72 of the Companies Act, 2013, are requested to write to RTA of the Company in prescribed format as per the Companies (Share Capital and Debentures) Rules, 2014. In case of shares held in dematerialized form, the nomination form has to be lodged directly with the respective Depository Participant (DP).

    The Company's Registrar & Transfer Agent (RTA) is M/s Link Intime India Private Limited. The Communication address of the RTA is Noble Heights, 1st Floor, NH -2, C1- Block LSC, Near Savitri Market, Janakpuri, New Delhi – 110058, website : delhi@linkintime.co.in. Please write Unit: RITES Limited.

21. In compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the Company is pleased to provide members the facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited.

22. Kindly note that the members can opt for only one mode of voting i.e. either through remote e-voting or voting at the AGM. Therefore, members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their vote again. If a member casts vote by both modes then voting done through remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

23. Members desiring to exercise their vote by e-voting are requested to carefully read the enclosed instructions which *inter-alia* provide the process and manner for e-voting, login ID, generating password and time schedule, including the time period during which the votes may be cast etc.

24. In order to scrutinize the e-voting process in a fair and transparent manner and to carry out the required activities, the Company has appointed Shri Sachin Agarwal, M/s. Agarwal S. & Associates, Company Secretaries, as the Scrutinizer. Further, the company has also appointed Ms. Karishma Singh of M/s Agarwal S. & Associates, Company Secretaries as the alternate scrutinizer.

25. Members who have not registered their e-mail address, so far, are requested to register their e-mail addresses, in respect of dematerialized shares with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to fill the e-communication registration form and hand over the same along with attendance slip at the registration counter of the venue of the Annual General Meeting for registration of Email address for receiving notice/documents including Annual Report.

26. Annual listing fee for the year 2019-20 has been paid to the Stock Exchanges wherein shares of the company are listed.

27. Members are requested to notify immediately any change in their address:
    i) to their Depository Participants (DP) in respect of shares held in dematerialized form, and
    ii) to the company at its registered office or its Registrar and Share transfer Agent, Link Intime India Private Limited in respect of their physical shares, if any, quoting their Folio Number.
28. Members are required to bring their attendance slip to the AGM. Duplicate Attendance slips and / or copies of the Report and Accounts will not be provided at the AGM venue.
29. A route map to reach the venue of the Annual General Meeting, including prominent landmark for easy location, is attached along with the notice.
30. Information and other instructions relating to e-voting are given with e-voting communication.

    The remote e-voting facility will be available during the following voting period:

    A. Commencement of remote e-voting: From 9.00 a.m. (IST) on 26th July, 2019.

    B. End of remote e-voting: Up to 5:00 p.m. (IST) on 29th July, 2019.

    The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

    Step 1: Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com

    Step 2: Cast your vote electronically on NSDL e-Voting system.

    Step 1: Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/

    1. Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com either on a Personal Computer or on a mobile.
    2. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
    3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

       Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-in at https://eservices.nsdl.com with your existing IDEAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-voting and you can proceed to Step 2 i.e. Cast your vote electronically.
    4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	**Your User ID is:**
For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12********** then your user ID is 12**********.
For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***.

    5. Your password details are given below:
       a) If you are already registered for e-voting, then you can use your existing password to login and cast your vote.
       b) If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
       c) How to retrieve your 'initial password'?
          (i) If your email ID is registered in your demat account or with the company, your initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares

held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, your 'initial password' is communicated to you on our postal address.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
   a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
   b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the checkbox.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2 : Cast your vote electronically on NSDL e-Voting system

1. After successful login at Step 1, you will be able to see the Home page of e-voting. Click on e-voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-voting as the voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer (Sachin Agarwal, Agarwal S. & Associates, Company Secretaries) by e-mail to sachin@companylawworld.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting user manual for shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in
4. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of i.e. 23rd July, 2019.

   Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA.
5. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" or "Polling Paper" for all those members who are present at the AGM) but have not cast their votes by availing the remote e-voting facility.
6. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

   The Results declared along with the report of the Scrutinizer shall be placed on the website of the company i.e. www.rites.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the NSE and BSE, Mumbai.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 6

APPOINTMENT OF SHRI GOPI SURESHKUMAR VARDARAJAN (DIN: 08241385) AS A DIRECTOR LIABLE TO RETIRE BY ROTATION

Shri Gopi Sureshkumar Vardarajan was appointed as Director (Projects) of the Company by the President of India vide Ministry of Railways Order No. 2017/E(O)II/40/23 dt. 24.09.2018 and assumed charge w.e.f. 27th September, 2018. In terms of Article 56(c) of the Articles of Association, the Board of Directors are empowered to appoint the directors appointed by the President of India as an Additional Director under provisions of the Companies Act, 2013 (the Act) and they will be appointed by the Shareholders at the succeeding Annual General Meeting (AGM).

Accordingly, the Board appointed Shri Gopi Sureshkumar Vardarajan as an Additional Director. Shri Gopi Sureshkumar Vardarajan holds office upto the date of the ensuing AGM. The Company has received a notice in writing under Section 160 of the Act proposing the appointment of Shri Gopi Sureshkumar Vardarajan as a Director on the Board of RITES Limited. The above appointment of Shri Gopi Sureshkumar Vardarajan as Director (Projects) on the Board of the Company, being liable to retire by rotation in terms of Section 152 of the Act read with Article 56(c) of the Articles of Association of the Company requires approval of the Members in the General Meeting.

Pursuant to the provisions of Section 152 of the Companies Act, 2013 every director of the Company has to be appointed in the general meeting of the Company. Therefore, approval of the shareholders is sought for regularization of the appointment of Shri Gopi Sureshkumar Vardarajan as Director (Projects) on the same terms and conditions as determined by the Government of India.

Shri Gopi Sureshkumar Vardarajan holds NIL shares in RITES Limited. None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested in the resolution financially or otherwise except to the extent that he or she is a Director and/or Shareholder of the Company.

The Board of Directors of your Company recommends passing of the resolution as set out at Item No. 6 as an Ordinary Resolution.

Brief resume of Shri Gopi Sureshkumar Vardarajan is annexed.

ITEM NO. 7

APPOINTMENT OF SHRI ALOK KUMAR TEWARI (DIN: 06694407) AS A PART TIME GOVERNMENT NOMINEE DIRECTOR AND LIABLE TO RETIRE BY ROTATION

Shri Alok Kumar Tewari was appointed as part time Government Nominee Director of the Company by the President of India vide Ministry of Railways Order No. 2004/PL/49/9/Pt-II dated 28.05.2019 and assumed office w.e.f. 30th May, 2019. In terms of Article 56(c) of the Articles of Association, the Board of Directors are empowered to appoint the directors appointed by the President of India as an Additional Director under provisions of the Companies Act, 2013 (the Act) and they will be appointed by the Shareholders at the succeeding Annual General Meeting (AGM).

Accordingly, the Board appointed Shri Alok Kumar Tewari as an Additional Director. Shri Alok Kumar Tewari holds office upto the date of the ensuing AGM. The Company has received a notice in writing under Section 160 of the Act proposing the appointment of Shri Alok Kumar Tewari as a Director on the Board of RITES Limited. The above appointment of Shri Alok Kumar Tewari as a part time Government Nominee Director on the Board of the Company, being liable to retire by rotation in terms of Section 152 of the Act read with Article 56(c) of the Articles of Association of the Company requires approval of the Members in the General Meeting.

Pursuant to the provisions of Section 152 of the Companies Act, 2013 every director of the Company has to be appointed in the general meeting of the Company. Therefore, approval of the shareholders is sought for regularization of the appointment of Shri Alok Kumar Tewari as Govt. Nominee Director on the same terms and conditions as determined by the Government of India.

Shri Alok Kumar Tewari holds NIL shares in RITES Limited. None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested in the resolution financially or otherwise except to the extent that he or she is a Director and/or Shareholder of the Company.

The Board of Directors of your Company recommends passing of the resolution as set out at Item No. 7 as an Ordinary Resolution.

Brief resume of Shri Alok Kumar Tewari is annexed.

ITEM NO. 8

TO APPROVE ISSUANCE OF BONUS SHARES

The Authorised Share Capital of the Company is Rs. 300 Crore and the Paid-up Share Capital is Rs. 200 crore (comprising 20 crore equity shares of Rs.10 each). The Reserves as per the audited financial statement as on 31st March 2019 is Rs. 2183.83 crore. The Board of Directors at their meeting held on 24th June, 2019 have recommended the issuance of bonus shares in the proportion of 1:4 i.e. 1 (one) new equity share of Rs. 10 each for every 4 (four) existing equity share of Rs. 10/- each fully paid up held by the shareholders as on Record Date to be hereafter fixed by the Board / Committee of the Board, by capitalization of a sum of Rs.50 crore (Rupees fifty crore) from the Reserves. The same is proposed to be applied in full by issuing at par 5 crore (five crore) new equity shares of Rs. 10/- each as bonus shares. Consequently, the paid up equity share capital of the Company would increase from Rs. 200 crore to Rs. 250 crore consisting of 25 crore equity shares of Rs. 10/-each.

The proposed issue of bonus shares will be made in line with the provisions of Section 63 of the Companies Act 2013, guidelines issued by Securities & Exchange Board of India (SEBI) and subject to such approvals, if required, from the statutory authorities. As per Article 39 of the Articles of Association of the Company, it is necessary to obtain the approval of the members for issue of bonus shares by capitalization of reserves.

Further, it is proposed to authorize the Board of Directors/ Committee of the Board of the Company to complete all the regulatory formalities as prescribed by SEBI, RBI and Stock Exchanges on which the Company's shares are listed and/ or any other regulatory or statutory authority in connection with the issue of bonus shares.

The Directors of the Company and their relatives may be deemed to be concerned or interested in the proposed resolution to the extent of their shareholding in the Company.

The Board of Directors of your Company recommends passing of the resolution as set out at Item No. 8 as an Ordinary Resolution.

ADDITIONAL INFORMATION ON DIRECTORS BEING APPOINTED/RE-APPOINTED AS REQUIRED UNDER REGULATION 36(3) THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARD ON GENERAL MEETINGS ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA, IN THE ORDER OF THE ITEMS MENTIONED IN THE NOTICE:

1. Shri Mukesh Rathore, Director Technical

Age	59 years and 8 months
Date of first appointment on Board	01.12.2016
Qualification	Mechanical Engineer, IRSME
Brief Resume including experience	He has rich, diverse & versatile experience of over 36 years, and has handled many challenging assignments in Indian Railways concerning to operations & maintenance of diesel locomotives, its spares procurement and planning & development of maintenance facilities and training packages.
Nature of his expertise in specific functional areas	He is a Railway Rolling Stock expert by profession. After joining RITES in 2000, he worked in its various business divisions, including domestic rolling stock operations & maintenance, export and overseas leasing business, Ropeway. Workshop Projects.
Other Directorship	NIL
Chairmanship/Membership of Committees in companies in which position of Director is held	NIL
Relationship with other Directors, Managers and other Key Managerial Personnel of the Company	Shri Mukesh Rathore is not related to any other Director of the Company
No. of equity shares held in the Company	2720 equity shares as on March 31, 2019
No. of board meetings attended during the year	10 out of 11
Terms and conditions of appointment or re-appointment including remuneration	Appointment as per the order of The President of India vide Ministry of Railways Order No. 2015/E(O)2/40/19 dated November 30, 2015

2. Shri A. P. Dwivedi, Govt. Nominee Director

Age	55 years
Date of first appointment on Board	13.03.2015
Qualification	Bachelor's degree in Civil Engineering from Indian Institute of Technology, Delhi
Brief Resume including experience	He has joined Indian Railways service of engineers (IRSE) in March 1989 and held various position i.e. AEN, DEN, Sr. DEN, Dy. Chief Engineer (Construction), Secretary to General Manager, Chief Engineer (Construction), at various places like Asansol, Mughalsarai, Kolkatta. Presently he is associated as Executive Director (PSU) in Ministry of Railways.
Nature of his expertise in specific functional areas	More than 25 years of rich and wide experience of handling Railway Maintenance, Construction Projects and Administration.
Other Directorship	Rail Vikas Nigam Limited Konkan Railway Corporation Limited
Chairmanship/Membership of Committees in companies in which position of Director is held	Member, Audit Committee, Rail Vikas Nigam Limited
Relationship with other Directors, Managers and other Key Managerial Personnel of the Company	Shri A. P. Dwivedi is not related to any other director of the Company.
No. of equity shares held in the Company	NIL
No. of board meetings attended during the year	10 out of 11
Terms and conditions of appointment or re-appointment including remuneration	Appointment as per the order of The President of India vide Ministry of Railways Order No. 2004/PL/45/9(pt.1) dated Feb 10, 2015

3. Shri Gopi Sureshkumar Vardarajan, Director Projects

Age	56 years
Date of first appointment on Board	27.09.2018
Qualification	- Civil Engineering from REC, Trichy - Short Term Course on Design, Construction and Management of Pre-Stressed Bridges from Indian Railway Institute of Civil Engineering, Pune - Course on General Management from IIM, Indore
Brief Resume including experience	In 1984 obtained a first class degree in Civil Engineering from REC (now NIT) Trichy. He joined IRCON International Limited as an Assistant Manger in 1985 and got elevated upto General Manager on a fast track mode serving for 26 years in various capacities for projects in India and abroad. In Oct – 2011 selected by EPI as Executive Director, where served as regional Head for Southern Region including overseas projects for Sri Lanka.
Nature of his expertise in specific functional areas	Comprehensive expertise in multiple fields of engineering, innovation, project management and resources planning
Other Directorship	Railway Energy Management Company Limited Member, Audit Committee/REMCL
Chairmanship/Membership of Committees in companies in which position of Director is held	Nil

Relationship with other Directors, Managers and other Key Managerial Personnel of the Company	Shri Gopi Sureshkumar Vardarajan is not related to any other director of the Company.
No. of equity shares held in the Company	NIL
No. of board meetings attended during the year	5 out of 5
Terms and conditions of appointment or re-appointment including remuneration	Appointment as per the order of The President of India vide Ministry of Railways 2017/E(O)II/40/23 dated 24.9.2018.

4. Shri Alok Kumar Tewari, Govt. Nominee Director

Age	58 years
Date of first appointment on Board	30.05.2019
Qualification	Mechanical Engineer, IRSME
Brief Resume including experience	Over 38 years association with Railways. Before current assignment was Principal Chief Mechanical Engineer/ Northeast Frontier Railway, Guwahati; Chief Safety Officer/ Northeast Frontier Railway, Guwahati; Divisional Railway Manager/ Ahmedabad, WR Have outstanding performance record at all assignments was Additional Divisional Railway Manager/ Mumbai during the Mumbai floods of 2005.
Nature of his expertise in specific functional areas	Innovative solution of Locos at both end with conventional coaches to work in lieu of EMUs. Dealing with all Environmental issues of Indian Railways. Expertise in Service Contract matters.
Other Directorship	NIL
Chairmanship/Membership of Committees in companies in which position of Director is held	NIL
Relationship with other Directors, Managers and other Key Managerial Personnel of the Company	Shri Alok Kumar Tewari is not related to any other Director of the Company.
No. of equity shares held in the Company	NIL
No. of board meetings attended during the year	NA
Terms and conditions of appointment or re-appointment including remuneration	Appointment as per the order of The President of India vide Ministry of Railways Order N0. 2004/PL/49/9/Pt-II dated 28th May, 2019

RITES LIMITED

(A Government of India Enterprise)
CIN: L74899DL1974GOI007227
Registered office: SCOPE Minar, Laxmi Nagar, Delhi-110092, India
Corporate Office: RITES Bhawan, Plot No.1 Sector – 29, Gurgaon – 122001, Haryana
Email: cs@rites.com, Website:www.rites.com
Phone: +91 124 257 1666, Fax: +91 124 257 1660

ATTENDANCE SLIP

45TH ANNUAL GENERAL MEETING on Tuesday, 30th July, 2019 AT 10 A.M. at Zoravar Hall, Manekshaw Centre, Khyber Lines, Delhi Cantonment, New Delhi 110010

Folio No.:	DP ID No.:	Client ID No.:

I / We hereby record my/our presence at the FORTY FIFTH ANNUAL GENERAL MEETING of the Company at Zoravar Hall, manekshaw Centre, Khyber Lines, Delhi Cantonment, New Delhi 110010 at 10.00 A.M on Tuesday, 30th July, 2019.

Name of the Member_____	Signature_____
Name of the Proxyholder_____	Signature_____

Notes:
1. Only Member/Proxy holder can attend the Meeting.
2. Please complete the Folio No./DP ID No., Client ID No. and name of the member/ Proxy holder, sign this Attendance Slip and hand it over, duly signed, at the entrance of the Meeting Hall.
3. A Member/Proxy holder attending the meeting should bring copy of the Annual Report for reference at the meeting.

RITES LIMITED

(A Government of India Enterprise)
CIN: L74899DL1974GOI007227
Registered office: SCOPE Minar, Laxmi Nagar, Delhi-110092, India
Corporate Office: RITES Bhawan, Plot No.1 Sector – 29, Gurgaon – 122001, Haryana
Email: cs@rites.com, Website:www.rites.com
Phone: +91 124 257 1666, Fax: +91 124 257 1660

PROXY FORM

Name of the Member(s): **Registered Address:**		**Email ID:** **Folio No/Client ID:** **DP ID:**	

I/ We being members of RITES Limited holding _____ shares hereby appoint Shri/Smt. _____ or failing him Shri/Smt._____ as my proxy to vote for me and on my behalf at the 45th Annual General Meeting of the company scheduled to be held on Tuesday, 30th July, 2019 at 10:00 Hrs at Zoravar Hall, Manekshaw Centre, Khyber Lines, Delhi Cantonment, New Delhi 110010 and at any adjournment thereof.

Affix Revenue Stamp

Signed on this _____ day of _____ 2019

Folio No. _____ _____

No. of Shares held_____

Note:

1. **This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**
2. For the resolutions, explanatory statements and Notes please refer to the Notice of 45th Annual General Meeting.
3. Please complete all details including details of member(s) in the above box before submission.

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E-COMMUNICATION REGISTRATION FORM

Folio No. / DP ID & Client ID : _____

Name of 1st Registered Holder : _____

Name of Joint Holder(s) : _____

Registered Address : _____

_____

E-mail ID (to be registered) : _____

I/we shareholder(s) of RITES Limited agree to receive communication from the Company in electronic mode. Please register my above e-mail in your records for sending communication through e-mail.

Date: _____ Signature _____

(First Holder)

Note: Shareholder(s) are requested to keep the Company informed as and when there is any change in the e-mail address.

ROUTE MAP TO THE VENUE OF 45th ANNUAL GENERAL MEETING OF RITES LIMITED

