RITES
THE INFRASTRUCTURE PEOPLE

ANNUAL REPORT 2022-23



RITES Ltd.
(A Govt of India Enterprise)

FUTURE READY

Forward-looking statement

Certain statements in this Report regarding our business operations may constitute forward-looking statements. These include all statements other than statements of historical facts, including those regarding the financial position, business strategy, management plans and objectives for future operations. These can be identified by words such as 'believe', 'estimate', 'anticipate', 'expect', 'intend', 'may', 'will', 'plan', 'outlook' and other words of similar meaning in connection with a discussion of future operational or financial performance.

Forward-looking statements are dependent on assumptions, data or methods underlying such statements. We have chosen these assumptions or basis in good faith, and we believe that these are reasonable in all material aspects. However, we caution that actual results, performance, or achievements could differ materially from those expressed or implied in such forward-looking statements due to various events, risks, uncertainties, and other factors. We neither assume any obligation nor intend to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Feedback

Share your feedback about the report to **investors@rites.com**



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CORPORATE INFORMATION

REGISTERED OFFICE:
SCOPE Minar,
Laxmi Nagar, Delhi-110092, India
Phone No.: +91 11 - 22024610
Fax: +91 11 – 22024660

CORPORATE OFFICE:
Shikhar, Plot No.1, Sector – 29
Gurugram – 122001, (Haryana)
Phone No. : +91 124 2571666
Fax: +91 12 42571660
Website: www.rites.com
E-mail: cs@rites.com and
info@rites.com

COMPANY SECRETARY & COMPLIANCE OFFICER
CS Joshit Ranjan Sikidar

REGISTRAR & SHARE TRANSFER AGENT
Link Intime India Private Limited
Noble Heights Ist Floor,
Plot No. NH2 LSC,
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

DEPOSITORIES
National Securities Depository Limited
Central Depository Services (India) Limited

SCRIP CODE:
NSE: RITES
BSE: 541556

ISIN NO.
INE320J01015

FOR THE FINANCIAL YEAR UNDER REVIEW 2022-23

STATUTORY AUDITOR:
M/s Pawan Puri & Associates
Chartered Accountants
D-9, Jangpura Extension,
Near Lajpat Nagar Station
New Delhi-110014
Phone No. 89689-74545, 98141-17271,
Email: ppuri0125@gmail.com

BANKERS
Axis Bank
HDFC Bank
ICICI Bank
Indian Bank
IndusInd Bank
State Bank of India
EXIM Bank
Bank of Baroda



In the evolving landscape of mobility, the changed dynamics demands a sharp understanding of shifting consumer behaviours, regulatory transformations, collaborative models, and innovative strategies. To navigate these challenges successfully, businesses need to focus on three crucial elements: Innovation, Execution, and Transformation.

We recognise the importance of adapting to the changing ecosystem. By fostering a culture of innovation, focussing on efficient execution, and embracing transformational initiatives, we position ourselves for long-term growth and success.

For us, innovation serves as the bedrock of progress and drives development of groundbreaking ideas, solutions, and novel processes and technologies to deliver extraordinary value to clients. By constantly embracing innovation, we strive to stay ahead of the curve and capitalise on emerging opportunities.

While innovation sparks ideas, execution is the process of translating those ideas into tangible results. Effective execution entails careful planning, resource allocation, strong leadership, operational excellence, and diligent implementation of strategies.

We intend to continuously innovate and integrate cutting-edge technology to assist our clients in navigating the transformative environment and building solutions of the future. We have established a structured ecosystem that proactively addresses emerging challenges, seizes thriving opportunities, and contributes to a more sustainable world.

INNOVATION
EXECUTION
TRANSFORMATION



ABOUT THE REPORT

Our 49th Annual Report provides a holistic analysis of our overall performance, governance, and value creation. It provides an insight into our expertise, strategic vision and prospects.

The financial and statutory data presented in the Report is in line with the requirements of the Companies Act, 2013 (including the rules made thereunder), Indian Accounting Standards, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the Secretarial Standards issued by The Institute of Company Secretaries of India.

This Report describes our business model, strategy, significant risks, opportunities and issues, our overall performance, including subsidiaries, and related outcomes and prospects for the financial year starting from April 1, 2022, to March 31, 2023.

AUDITORS' REPORTS

The Comptroller & Auditor General of India has Nil comment upon or supplement to Statutory Auditor's report under Section 143(6) (b) of the Act. The comments are enclosed with the financial statements in this Annual Report.

The Auditors' Report for fiscal 2023 from Pawan Puri and Associate, Chartered Accountants (ICAI Firm Registration Number 005950N) does not contain any qualification, reservation, or adverse remark. The Report is enclosed with the financial statements in this Annual Report.

The Secretarial Auditors' Report for fiscal 2023 from Akhil Rohatgi & Co., Company Secretaries, (Reg. no. P1995DE072900), does not contain any qualification, reservation, or adverse remark. The Secretarial Auditors' Report is enclosed as Annexure 3 to the Board's Report.

MANAGEMENT REVIEW

This Annual Report has been reviewed and approved, for publication, by the Management of the Company.




Investors
Media
Clients
Bankers
OUR STAKEHOLDERS
Employees
Industrial Bodies
Vendors/Partners/ Associates
Government/ Regulatory Bodies
Community



ABOUT RITES

Vision

Future Ready

Not just more of the same, but much more of the new

Mission

To be the Go-To Infrastructure Consultancy Company

Values

Leadership
Efforts
Harmony
Enjoy
Results

Objectives

- To take on the best-in-class
- Expanding our global footprints
- Leveraging the 'E' in RITES
- Innovating and adopting new technologies and methodologies
- Sustainability to be touchstone of every activity



Green Statement

Sustainability is a part of our purpose and business practices. We are committed to minimising the impact RITES has on the planet and supporting those who are engaged in environment protection.

RITES complies with all applicable environmental laws and regulations and strives to continually strengthen our environmental practices. We stand by the UN Sustainable Development Goals and the Paris Climate Agreement. Charting a Net-Zero future, our approach dwells upon:

- Integrating Infra & Green Solutions
- 3Rs - Reduce, Reuse & Recycle
- Carbon Neutrality

We will leverage our GREEN insight into action, expanding our capabilities in the pursuit of global environmental sustainability.



THE YEAR GONE BY

₹2,520 crore
Operating Turnover

₹655 crore
Core EBITDA

₹531 crore
Profit After Tax

₹1,190 crore
Highest-ever Consultancy Revenue

₹20.5 per share
Dividend for the year

₹5,870 crore
Order Book



PROJECTS

- Consultancy services for Shivamogga Airport
- Consultancy for Mauritius Metro Phase III Project
- Supply of 1 loco, 4 DEMU trainsets and 25 passenger coaches to CMF, Mozambique
- Completion of Railway doubling works of Gotty-Dharmavaram
- Construction of DEMU/MEMU Shed at Lumding, Assam
- Mavali-Bari Sadri railway electrification works

ACCOLADES



- ICAI Award for financial reporting
- 'Excellent' grading for Corporate Governance

REGIONAL MANAGEMENT STRUCTURE

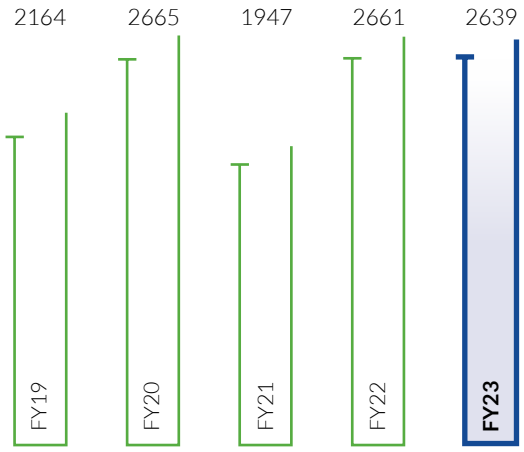
- Adopted a regional management structure where each Regional Project Office, along with Project Units, will also undertake multi-sectoral projects in the state-wise territory.
- The six Regional Project Offices are:

  Northern at Gurugram, Southern at Bengaluru, Western at Mumbai, Eastern at Kolkata, East Coast at Bhubaneswar, and North East at Guwahati.

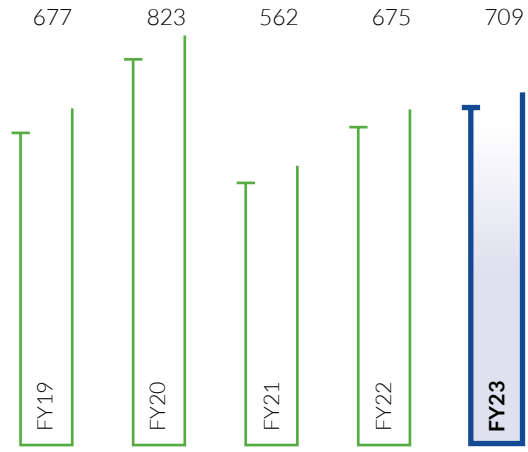


FINANCIAL HIGHLIGHTS (STANDALONE)

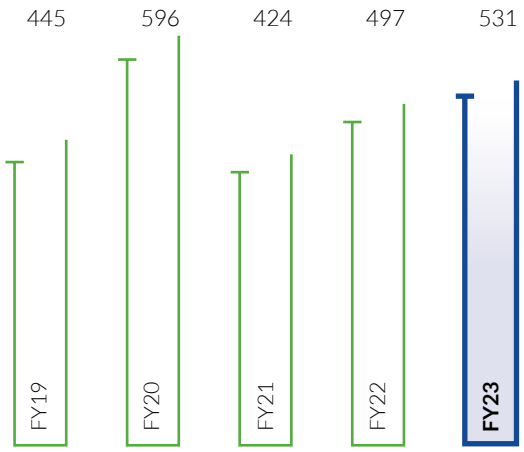
TOTAL REVENUE (₹ in crore)



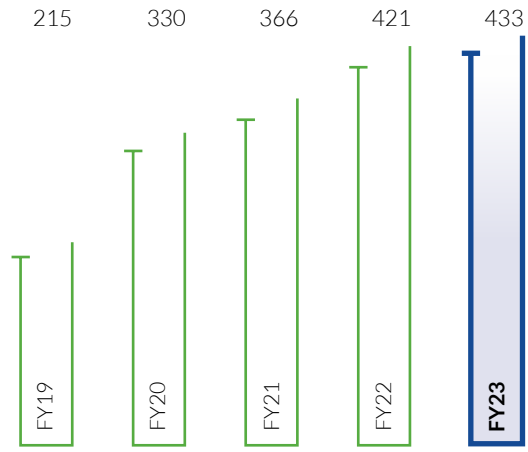
PROFIT BEFORE TAX (₹ in crore)



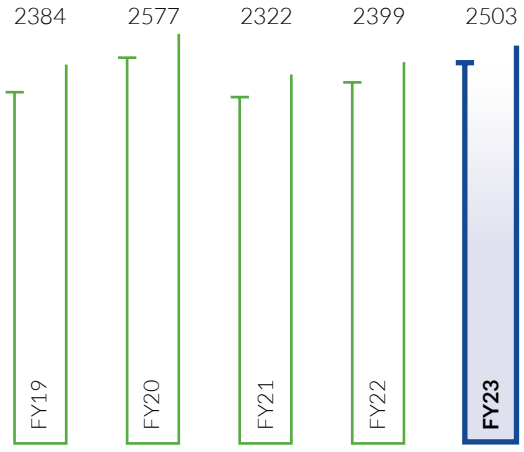
PROFIT AFTER TAX (₹ in crore)



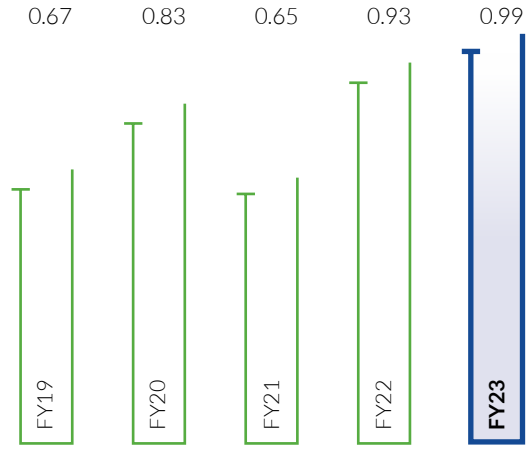
DIVIDEND (₹ in crore)



NET WORTH (₹ in crore)



INCOME PER EMPLOYEE (₹ in crore)



TEN-YEAR PERFORMANCE AT A GLANCE

(₹ in crore)

Particulars	13-14	14-15	15-16	16-17	17-18	18-19	19-20	20-21	21-22	22-23
Total Income (including other income)	1246	1166	1278	1507	1587	2164	2665	1947	2661	2639
Expenditure	860	710	762	1019	1102	1487	1842	1385	1987	1930
Operating Margin	288	345	331	303	358	519	630	458	589	590
Depreciation	20	26	32	32	30	32	41	45	58	59
Profit Before Tax	386	456	516	488	485	677	823	562	675	709
Profit After Tax	264	306	339	331	332	445	596	424	497	531
Earnings Per Share (EPS) - Basic & Diluted (₹)*	10.56	12.24	13.56	13.24	13.28	17.79	23.86	17.22	20.69	22.08
Dividend	53	62	77	146	148	215	330	366	421	433
General Reserve including Retained Earnings	1297	1528	1778	1834	1999	2184	2327	2072	2149	2253
Property, Plant & Equipment and Intangible Assets	209	217	262	261	263	339	389	391	373	371
Inventories	17	7	11	50	9	105	11	286	119	31
Foreign Exchange Earnings	444	189	233	422	308	278	633	172	1039	402
Share Capital	100	100	100	200	200	200	250	240	240	240
Capital Employed	1397	1628	1878	2035	2199	2384	2577	2322	2399	2503
Government Investment**	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Net Worth	1397	1628	1878	2035	2199	2384	2577	2322	2399	2503
Profit Before Tax to Capital Employed (in %)	28	28	27	24	22	28	32	24	28	28
Operating Margin to Capital Employed (in %)	21	21	18	15	16	22	24	20	25	24
Profit After Tax to Share Capital (in %)	264	306	339	166	166	222	238	176	207	221
Profit After Tax to Net Worth (in %)	19	19	18	16	15	19	23	18	21	21
Expenditure to Income (in %)	69	61	60	68	69	69	69	71	75	73
Number of Employees***	3226	3227	3153	3200	3267	3233	3199	2976	2856	2671
Income per Employee	0.39	0.36	0.41	0.47	0.49	0.67	0.83	0.65	0.93	0.99
Foreign Exchange Earning per Employee	0.14	0.06	0.07	0.13	0.09	0.09	0.2	0.06	0.36	0.15
Current Ratio	3.29	4.02	4.6	2.79	2.84	3.73	4.82	2.9	3.85	3.93
Investments	231	238	274	373	180	180	292	314	229	153

* Earnings per share has been computed on the basis of post bonus issued during financial year 2012-13, 2016-17 & 2019-20. Consequent to buy back of shares, earnings per share for the financial year 2020-21 has been computed on the basis of weighted average number of shares outstanding during financial year 2020-21. Earnings per share for the financial year 2022-23 has been computed on the basis of no. of shares outstanding.

** Does not include bonus share of ₹243.60 crore issued from time to time.

*** Average Employees during the year.

Figures up to Financial Year 2014-15 are as per Indian GAAP and from 2015-16 are as per Ind AS.

1 Crore = 10 Million	**1 US $ = ₹81.72 (31.03.2023)**

OUR LEADERSHIP

BOARD OF DIRECTORS



Mr. Rahul Mithal

Chairman & Managing Director and CEO

An accomplished engineer from the Indian Railway Service of Mechanical Engineers (SCRA-1985 Batch), Mr. Mithal holds the additional qualification of MBA (Finance) from Jamnalal Bajaj Institute of Management Studies, Mumbai, and is a Fellow of the Institution of Mechanical Engineers (UK) and a Chartered Engineer, registered with the Engineering Council (UK). He is also the Chairman of REMC Ltd., a RITES' subsidiary. Prior to this, he was a Functional Director on the Board of Container Corporation of India Limited for 4 years from 29.09.2017 to 06.10.2021, in charge of the Projects & Services wing. He has had a stint of more than 20 years in the Indian Railways, holding various key positions.

Whole-Time Directors



Mr. Arun Kumar Singh

Director Projects

An experienced engineer from the Indian Railway Services of Engineers (IRSE 1990 Batch), Mr. Singh holds the qualifications of B.E. (Civil Engineering) from MNIT, Prayagraj and M.Tech (Building Science and Construction Management) from IIT-Delhi. He has experience of more than 30 years in infrastructure planning, implementation and monitoring design, project management, procurement & contract management, risk management (including FIDIC based project), Operation and Maintenance, Consultancy services, business development and revenue generation etc. while working in Indian Railways, Delhi Metro Rail Corporation and RITES.



Dr. Deepak Tripathi

Director Technical

An ex-IRSME officer (1990 batch), Dr. Tripathi is a graduate in Mechanical Engineering with Doctorate & Post Graduation from NITIE/Mumbai specialising in Operations Management. During his career span of 30+ years in Indian Railways & Konkan Railway, he has covered a wide business spectrum in Traction & Rolling Stock, Railway Operations & Maintenance, Quality Assurance, Rolling Stock Infrastructure, O&M and Technology Projects, Marketing & Business Development, and International Business. His contributions in the field of technology include development of patented 'SMART Yard Technology,' Technology/ Transfer projects, including Industry 4.0 and AI projects. He has been honoured with 'National Award for Outstanding Services', Best Innovative Idea of the Year Award, 'Outstanding Author Award' from EMERALD Publications, UK, and 'Lal Bahadur Shastri Award' for his book 'Smart Lean Management'.



Mr. Krishna Gopal Agarwal

Director Finance

A Fellow member of the Institute of Cost Accountants of India & Institute of Company Secretaries of India, Mr. Agarwal has more than 29 years of experience in Financial Management, Financial Reporting, Strategic Business Decisions and Treasury Management. Prior to joining RITES as General Manager (Finance) in June 2021, he had a stint of more than 26 years holding key positions in Finance Department of Steel Authority of India Limited (SAIL) at its Bhilai Plant. Before joining SAIL, he worked with Nerolac Paints.



Mr. Gopi Sureshkumar Varadarajan
(Director Projects up to 31.07.2022)



Mr. Anil Vij
(Director Technical up to 28.02.2023)



Mr. Amrendra Kumar Chandra
(Director Technical from 17.03.2023 to 26.03.2023)



Mr. Bibhu Prasad Nayak
(Director Finance up to July 31, 2023)



Mr. Raj Kumar Mangla
Govt. Nominee Director

Graduated as a Mechanical Engineer from IRIMEE, Mr. Mangla has pursued MBA from MDI, Gurugram, and M.Des from IIT-Delhi. He is currently posted as Addl. Member/Production Units in Railway Board. Prior to this, he was posted as PCME of Rail Coach Factory, Kapurthala. He has experience of Rolling Stock Production, Maintenance and Repair. He has worked as DRM at Kharagpur Division and as GGM/RES at RITES from 2012 to 2015. He has experience in SR, CR, NCR, SER, NFR, COFMOW and IRIMEE. He has received Advanced Management Training at SDA Bocconi, Milan, and Carnegie Mellon University, Pittsburg.



Mr. Sandeep Jain
Govt. Nominee Director

Graduated in Civil Engineering from NIT, Jaipur, Mr. Jain joined Indian Railways Service of Engineers (IRSE) and held various positions i.e. AEN, DEN, Sr. DEN, Dy. Chief Engineer/Track Supply, Sr. DEN/Coord., Dy. Chief Engineer (Construction), CGM/IRCON. He has wide experience of more than 29 years of handling Railway maintenance, construction projects and administration. At present, he has been working as Executive Director Planning (Civil & PSU), Railway Board, since October 2021.



Dr. Godawari Mishra
Independent Director

A social activist, Dr. Mishra holds Master's Degree and PhD in Sociology from Kanpur University. She has Bachelor's Degree with specialisation in Botany, Zoology and Chemistry from Lucknow University. She possesses a diverse and wide ranging experience in the areas of teaching, women empowerment and social activities. She has served as an Assistant Teacher in Sumitra Intern College for over 35 years from 1981-2016. At present, she is working to improve the lives of women of rural & other backward areas.



Mr. Laxman T Tapashi
Independent Director

An advocate by profession, Mr. Tapashi has experience in various area(s) of practice such as Civil/Criminal/Commercial etc. He obtained the LLM degree from Kuvempu University and LLB from Karnatak University. Apart from his legal qualifications, he has also obtained MA (Economics) from Kuvempu University, and Bachelor of Arts from Karnatak University. Being a Social Activist, he is working towards upliftment of backward classes and participates in various forums to represent backward class.



Dr. Dineshananda Goswami
Independent Director

A social activist, Dr. Goswami holds M.Com & PhD from Ranchi University. He possesses diverse and wide-ranging experience in the areas of Economics, Commerce, Social Science & Marketing. He served as a lecturer in Tata Steel's College from 1990 to 2004.



Mr. Likha Togu
Independent Director

A post-graduate from Arunachal University, Mr. Togu has multidisciplinary experience. He served as President in All Yachuli Student Union (AYSU), Lower Subansiri District (1993-96). He was appointed Chairman, Nyishi Multipurpose Cooperative Society Ltd. and served there from 2000 to 2003. Later, he served as Chairman, Likha Pon Foundation, a non-profit charitable organisation, from 2014 to 2019. He is active in agriculture/horticulture, development of Kiwi, Large Cardamom and Mithun (Bros frontalis) rearing. He is an author, lyricist and a singer of tribal folk tales and folklores and a social worker. He is a visionary and an ideologue of modern technological development, including railways and implementation of various hydropower projects in Arunachal Pradesh, and advocates for inclusive development of all regions of the country.

KEY EXECUTIVES



Mr. Shiv Ratan
Chief Vigilance Officer



Mr. Pawan Chowdhry
Vertical Head, Buildings, Ports & Airports, and Chief Risk Officer



Mr. Rajiv Dayal
Vertical Head, Urban Infrastructure & Sustainability



Ms. Tarini Baswal
Vertical Head, Rail Infra



Mr. Vijay Kumar
Vertical Head, Highways



Mr. D. Majumdar
Vertical Head, Technical Services



Mr. Rakesh Bahl
Vertical Head, Expotech



Mr. G. A. Jilani
Vertical Head, Quality Assurance



Mr. Manobendra Ghoshal
Chief Strategy Officer



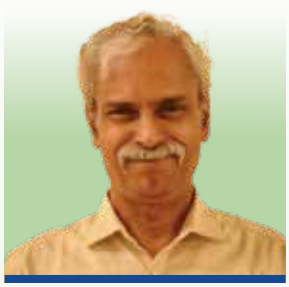
Mr. Joshit Ranjan Sikidar
Company Secretary and Vertical Head, Finance



Mr. Anjeev Jain
Vertical Head, Finance



Mr. Mahesh Sreenivasan
Vertical Head, Legal & CSR



Mr. S Sridhar
Vertical Head, Vigilance



Mr. M L Meena
Head, North Region Project Office



Mr. M. Ranadheer Reddy
Head, South Region Project Office



Mr. Pankaj Chaudhary
Head, East Region Project Office



Mr. Anil Prakash
Head, East Coast Region Project Office



Mr. Shrirang Dharmaji Kamble
Head, West Region Project Office



Col. Mahesh Narayan
Head, North-East Region Project Office



Mr. S Mohanty
Chief People Officer

CHAIRMAN & MANAGING DIRECTOR'S MESSAGE



Dear Shareholders,

It's an honour and a privilege to lead this organisation that prides itself in delivering consistent results, creating value for stakeholders, and nurturing a brand that is entering its 50th year.

If there is one overriding theme that defines the current business ecosystem, it is that the environment is expeditiously evolving, redefining the norm. Rising to this challenge and leveraging its core strength and expertise, coupled with efficient execution, the performance of your Company in FY23 underscored its position as a 'Go-To' infrastructure consultancy Company. The Company achieved its highest-ever consultancy revenue in FY23 and under its strategic initiative 'RITES Videsh', it also registered the highest-ever international consultancy revenue. Leveraging its strength and tapping opportunities across sectors, your Company secured record consultancy orders during the year.

Your Company achieved a consolidated revenue of ₹2,730 crore against ₹2,745 crore in FY22. The operating revenue, excluding other income, stood at ₹2628 crore against ₹2,662 crore in FY22; the impact of significant downtick in the exports revenue. Despite the revenue being flat, we managed to deliver higher profits compared to last year. Profit Before Tax stood at ₹774 crore as against ₹735 crore in FY22, up by 5.3%, and Profit After Tax at ₹571 crore as against ₹539 crore in FY22, up by 6%, thus, reaffirming our strategy of profitability being the key focus.

Encouraged by the performance of the Company, your Board of Directors has

recommended ₹6 per share as a final dividend in addition to the three interim dividends totalling ₹14.5 per share which have already been paid during the year. The total dividend of ₹493 crore at ₹20.5 per share, takes the dividend payout, on accrual basis, to the highest ever, being 92.8% of the profits earned.

Your Company specialises in handholding clients with their projects from the early stages of planning and ideation to seeing these ideas come to reality, ensuring effective execution and beyond, with a focus on staying ahead of the curve and adapting future-ready practices. By maintaining a sustainable approach towards operational performance excellence, it has, once again, demonstrated the ability of efficient and disciplined execution of various complex projects. Consultancy services for the Shivamogga Airport, Mauritius Metro Phase-III, Supply of locomotives, DEMU trainsets and Passenger coaches to CFM, Mozambique, Railway doubling works of Gooty-Dharmavaram, DEMU/MEMU Shed at Lumding, Assam, Mavli-Bari Sadri Railway Electrification, Highway projects across the country and abroad, are a few of the examples of our multi-sectoral presence.

Leveraging our strength and presence across all areas of infrastructure growth, your Company continues to focus on taking on more works in niche areas. With these concerted efforts, your Company secured orders of more than ₹3,000 crore and ended the year with a healthy order book of ₹5,870 crore, 19% higher than last year. Third Party Inspection for works under the Jal Jeevan Mission, PMC for Railway sidings at multiple locations, Depot construction work for Bengaluru metro, DPR for tunnels between Abu Road and Taranga Hill, and Consultant for the Ahmedabad Metro Rail Project Phase-II etc. were some of the orders across verticals.

Taking forward its vision for sustainable consultancy, a dedicated Sustainability Unit was created and in a short period, it has started getting orders in the fields of NCAP, Swachh Bharat Mission etc.

Your Company's thrust on the RITES Videsh strategic initiative, for consolidating the international business revenue both in the rolling stock exports as well as the project consultancy streams, is being aggressively pursued across continents. As a result, your Company has witnessed some green shoots in the recent past and is looking to securing finite export orders in this financial year, as well as more international project consultancy orders.

Your Company's Subsidiaries and Joint Ventures - REMCL, SRBWIPL, and RAPL, have contributed ably to the overall performance. REMCL has shown 22.6% growth in the operating revenue and 30.2% jump in profits and will play an important role in Indian Railways' Mission of achieving Net Zero Carbon Emissions. With order from private clients as well, SRBWIPL is aiming at stepping up production in the coming years. RAPL is pitching to secure orders across sectors in the African region.

'Changing Lives', our CSR initiative, continues to be a core tenet of your Company delivering its commitment to bring about a lasting and holistic impact for enhancing social value. With a contribution of ₹14.10 crore towards CSR activities in FY23, these encapsulate a large gamut, including health, women empowerment, and skill development, with an emphasis on aspirational districts across the country.

Your Company is guided by a strong value system and takes pride in being a responsible corporate entity. Abiding with laws & regulations, emulating corporate governance practices, and ingraining a culture of compliance, accountability, transparency, and ethical conduct across the organisation, it is upholding the best interests of its stakeholders. Your Company's highest degree of compliance and transparency was recognised, and we were honoured to receive the ICAI Award for Financial Reporting and the South Asian Federation of Accountants (SAFA) Gold Award for the Best Presented Annual Report.

Our purpose-driven approach to business and our values are aimed at shaping a 'RITES culture' that makes our resources Future-Ready, embraces the people-centric approach and promotes parity & purpose at the workplace. Also,

> **"The total dividend of ₹493 crore at ₹20.5 per share, takes the dividend payout, on accrual basis, to the highest ever, being 92.8% of the profits earned."**

it's a matter of pride for us that this approach of valuing human capital was recognised with the 'Dream Companies to Work For' Award at the World HRD Congress-2023.

Your Company's diversified business portfolio, strong order pipeline and expanding global footprints are promising and reliable signposts for the exciting times ahead.

Your Company has made, being 'Future-Ready', its core mission. With close to five decades of experience, we are strongly positioned to build up on our legacy and tap the infrastructure growth opportunities through a three-pronged approach: **Innovation, Execution and Transformation**.

All the above would not have been possible without the continuous support and guidance of our parent Ministry and our stakeholders for which we are thankful. As we look ahead, given the trust of our clients, the strength of our capabilities, the dedication of 'Team RITES', and the guidance of our Board, we remain confident of our ability to build up on our position of being the 'Go-To Consultant' for infrastructure projects across sectors.

With Best Wishes,

Rahul Mithal
Chairman & Managing Director and CEO

OUR COUNTS

FINANCIAL COUNT

Maintaining a sustainable approach towards operational excellence, we strive to maximise returns and unlock greater value for our stakeholders, with critical evaluation of the risks involved. Our financial performance in 2022-23 demonstrates the robustness of our well-diversified business model, along with various short-term and medium-term strategies adopted in the face of an evolving business environment.

As a result of better utilisation of resources, expansion of international consultancy business, improved efficiency from the subsidiary, and economies of scale, we have maintained a strong financial base.

₹655 crore
EBITDA

₹22.08
EPS

₹2,503 crore
Net worth

₹1,190 crore
Highest-ever Consultancy revenue

92.8%*
Dividend Payout Ratio

*On accrual basis.

SDGs covered:



MANUFACTURED COUNT

Our performance is the outcome of our commitment to developing #Infra4Future with sustainability as a guiding principle. As a multidisciplinary consultancy entity, we continue to follow a path of systematic and professional operations, offering smart and sustainable solutions to our clients.

As a rolling stock exports hub, RITES is promoting the 'Make in India' initiative by providing state-of-the-art DEMUs, customised coaches, and locomotives to clients. We also undertake wagon manufacturing and rehabilitation works through our joint venture, SAIL-RITES Bengal Wagon Industry Private Limited.

25

Customised coaches supplied

4

Customised train sets supplied

684 wagons

Manufactured

67

Leased locomotives

SDGs covered:





INTELLECTUAL COUNT

Research and innovation are the key drivers for operational efficiency, resource optimisation, and sustainability. We continuously evaluate and anticipate the needs of our clients and implement this understanding in our service offerings. We also collaborate with experts, academia, technology providers, research institutions, etc. to drive our efforts in innovation.

Abhikalp

RITES' Centre of Excellence (CoE)

Shodh

RITES' Integrated Laboratory

₹98.45 lakh

CoE expenses

24

MoUs signed

SDGs covered:



HUMAN COUNT

Our human capital is the key imperative to business growth. To drive performance excellence, we invest in employee welfare and engagement activities. We regularly undertake skill development initiatives to align employees' skill sets with evolving organisational requirements. We ensure a work culture that:

- Makes the workforce future-ready
- Embrace people-centric initiatives
- Promotes parity and purpose at the workplace

2,600+
Employee strength

₹0.99 crore
Revenue per employee

₹0.20 crore
Profit per employee

8,185 man-days
Training provided

1.58%
Attrition Rate

SDGs covered:



SOCIAL & RELATIONSHIP COUNT

Our customers (clients) and communities are vital to our business continuity and social licence to operate. We believe in building long-term, transparent, and trust-based relationships with them through continuous stakeholder engagement. Ensuring judicious investments and effective collaborations, RITES is also committed to 'Changing Lives' by making a powerful and holistic impact through its CSR initiatives.

96.74%
Customer (client) Satisfaction Index

₹14.10 crore
CSR expenditure

49
CSR projects

₹25.43 crore
Procurement from MSEs

1
Pending Grievances

SDGs covered:





NATURAL COUNT

We are conscious of our ecological footprint and are working relentlessly to optimise the use of natural resources, restrict emissions and encourage circular economy. We comply with all applicable laws & regulations and adopt & endorse, through our reports, solutions that underpin low-carbon, sustainable and smart mobility.

While consulting for infrastructure projects, RITES focusses on eco-friendly engineering practices with minimal ecological disturbance for wildlife sanctuaries, water bodies, and protected and reserve forests.

RITES' subsidiary, REMC Ltd., which is assisting Indian Railways in achieving the net zero goal, is constantly making efforts to boost usage of renewable energy.



2,290 MW
Renewable energy tied up for Railways

34.53 Million Units
Wind Energy Generated

₹40.47 lakh
Investment in energy saving equipment

3.9%
YoY reduction of total water consumption

SDGs covered:



The Shivamogga Airport, for which RITES provided Consultancy services, being inaugurated by the Hon'ble Prime Minister Shri Narendra Modi.

Directors' Report

To,
The Members,

The Directors present the 49th Annual Report of RITES Ltd. (the Company or RITES) along with the audited financial statements for the financial year ended March 31, 2023, and Auditors' Report thereon.

FINANCIAL HIGHLIGHTS

The financial performance during the year under review (FY 2022-23) as compared to the previous year is summarized below:

(₹ In Crore)

Particulars	Standalone		Consolidated	
	2022-23	2021-22	2022-23	2021-22
Revenue from Operations	2520	2575	2628	2662
Other Income	119	86	102	83
Total Income	2639	2661	2730	2745
Profit/loss before Depreciation, Finance Costs, Exceptional items and Tax Expense	775	738	848	808
Less: Depreciation/Amortisation/Impairment	59	58	67	66
Profit/loss before Finance Costs, Exceptional items and Tax Expense	715	680	781	742
Less: Finance Cost	7	5	7	7
Profit/loss before Exceptional items and Tax Expense	709	675	774	735
Profit/loss before Tax Expense	709	675	774	735
Pre- Acquisition Profit of JV	-	-	-	-
Less: Tax Expense (Current & Deferred)	178	178	203	197
Profit/Loss for the Year(1)	531	497	571	538
Total Comprehensive Income/Loss (2)	6	1	6	1
Total (1+2)	537	498	577	539
Balance of Profit/Loss for earlier years	2159	2082	2354	2240
Less: Transfer to Debenture Redemption Reserve	-	-	-	-
Less: Transfer to Reserve	-	-	-	-
Less: Dividend Paid to Equity Shares	433	421	452	425
Less: Buy Back Expense including taxes	-	-	-	-
Less: Dividend paid on Preference Shares	-	-	-	-
Balance carried Forward	2263	2159	2479	2354

With a well-diversified and resilient business model, RITES has followed a trajectory uniquely rooted in India's growth story. A future-ready and multidisciplinary consultancy organization, RITES is providing customized, diversified, comprehensive, and concept to commissioning services and integrated solutions in the transport infrastructure sector in India and abroad.

The company is uniquely placed in terms of geographical reach and consultancy services in sectors such as railways, highways, airports, ports, ropeways, metros, bridges & tunnels, urban engineering and sustainability, inland waterways, and renewable energy. Equipped with sophisticated software (including for designs) and modern equipment, RITES is also a unique inspection organization with in-house material-testing laboratories with national/international accreditation/certification.

Delivering smart and sustainable solutions with a talent pool of over 2,000 professionals, and the ability to adapt to diverse market needs and foster collaborative relationships, RITES has served clients in more than 55 countries across Asia, Africa, Latin America, South America, and Middle East region.

During the financial year 2022-23, the company recorded consolidated revenue of ₹2730 crore and achieved highest-ever consultancy revenue. Additionally, our Profit After Tax of ₹571 crore underscores our ability to navigate market challenges and capitalize on emerging opportunities.

The increased thrust on the expansion & upgrade of transport infrastructure and last-mile connectivity, domestically as well as globally, provides opportunities for technical consultancy and export of rolling stock (indigenously developed and customised offerings), adding credence to the idea of Atmanirbhar Bharat that calls for 'Make in India, Make for the World'. By aligning our growth plans with the Nation's vision, we aim to further strengthen our position, embracing innovation, and fostering sustainable practices.

STATE OF COMPANY'S AFFAIRS & OUTLOOK



Hon'ble Prime Minister Shri Narendra Modi Inaugurates the Ahmedabad Metro

Infrastructure plays a key role in facilitating and stimulating economic growth by providing better connectivity, enabling within and trans-border movement of people and goods and enhancing productivity and efficiency. The sector is responsible for propelling India's overall development and draws focus from the Government, which has unveiled various initiatives that would ensure time-bound creation of world-class infrastructure.

The company continued to be a leading consultancy organisation providing consultancy, design, engineering and turnkey solutions to its various clients in India and abroad. Under its strategic initiative 'RITES Videsh', the company is tapping on the emerging opportunities (export and consultancy) in Southeast Asia and Africa. In the current year, the company achieved highest-ever revenue in international consultancy as well as highest-ever consultancy revenue, leading to higher standalone profit.

'Transforming to Green', RITES has charted a roadmap to emphasize the integration of infrastructure and green solutions, hasten green growth, and provide smart solutions for shaping tomorrow's mobility. Under a dedicated 'Sustainability Unit', RITES undertakes projects involving advanced sustainable solutions. Also, the company has been embracing and advocating sustainable & cutting-edge solutions that aid in the transition to a circular economy.

RITES' subsidiary REMC Ltd is involved in power management and generation and has a mandate to manage the entire power procurement under open access for Indian Railways, besides handling renewable energy and energy-efficiency projects. During FY 2022-23, REMC Ltd. achieved highest-ever turnover of ₹117.06 crore and profit before tax of ₹83.80 crore. It became debt- free during FY 2022-23. During the year, REMC Ltd paid an interim dividend of ₹26.25 crore (₹2.5 per share) and declared final dividend

of ₹31.50 crore (₹3 per share), which is highest-ever in a financial year, subject to the approval of shareholders.

SAIL-RITES Bengal Wagon Industry Pvt. Ltd., a joint venture of RITES and SAIL on 50:50 basis, has manufactured 320 BCNAHSM1 wagons and 364 BOXNHL wagons during FY 2022-23. An order has also been received from GATX for supplying 186 BOXNHL wagons and 03 Brake Vans. It had revenue of ₹222.79 crore with profit after tax of ₹0.33 crore during FY 2022-23.

RITES' foreign subsidiary RITES (Afrika) (Proprietary) Limited, Botswana, has a proven track record of executing projects in Botswana and has executed projects from concept to commissioning for value ranging up to BWP 520.00 million. RITES (Afrika) (Proprietary) Limited achieved the turnover of BWP 12.62 million (₹7.87 crore) and earned a net profit after tax of BWP 1.25 million (₹0.78 crore) during FY 2022-23.



East Bank-East Coast Road Linkage Project in Guyana

CHANGE IN THE NATURE OF BUSINESS

There was no material change in the nature of business of the company during FY 2022-23.

RESERVES

The company has not transferred any amount to the reserves during FY 2022-23.

DIVIDEND

Your company has a consistent track record of dividend payment. For FY 2022-23 also, based on company's performance, the Directors have declared three interim dividends aggregating to ₹14.5 per equity share. The Directors have also recommended a final dividend of ₹6.00 per equity share. The total dividend for the financial year 2022-23 is ₹492.62 crore (i.e.₹20.50 per share) which is 205% of paid-up share capital of the company.

The total dividend payout during the year works out to be ₹432.55 crore which includes ₹84.11 crore final dividend for financial year 2021-22 and ₹348.44 crore interim dividend for the financial year 2022-23.

DIVIDEND DISTRIBUTION POLICY

The Dividend Distribution Policy, in terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") is annexed to this report as **Annexure –D** and is also available on the Company's website at https://www.rites.com/Upload/upload/misc/Balancesheet/Dividend-Distribution-Policy070619.pdf

PRESIDENTIAL DIRECTIVE

During the year, a presidential directive has been issued vide Railway Board letter no. 20-21/PL/57/2 dated 16th Sept 2022 allowing all PSUs to undertake all kind of businesses as deemed suitable/ appropriate by them with a view to maximize their revenue and profit.

DEPOSITS

The company has not accepted any deposits from public during the financial year 2022-23.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION

No material changes or commitments affecting the financial position of the company has occurred during the financial year 2022-23 and after the close of the financial year up to the date of the report.

CAPITAL STRUCTURE

During the FY 2022-23, the paid–up share capital of the company was ₹240.30 crore as against the Authorized Share Capital of ₹300

crore. There was no change in paid up and authorized capital of the company during the financial year 2022-23.

CREDIT RATING

During the financial year 2022-23, the company has received a credit rating of IVR AAA/ Stable (IVR Triple A with stable outlook) for Long Term Bank facilities up to an amount of ₹1265 crore from Infomerics Valuation and Ratings Private Limited.

INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

The company has complied with the provisions relating to the Investor Education and Protection Fund (IEPF) under the Companies Act, 2013 and the rules made thereunder. Company Secretary is the nodal officer to deal with the IEPF Authorities and compliances related thereto. No amount is due for transfer to IEPF and details of unclaimed dividend as on March 31, 2023 are available on the company website and has also been disclosed in the Corporate Governance report. Further, the company does not have shares in Demat Suspense Account/ Unclaimed Suspense Account/ Unclaimed dividend and the same has been disclosed in the Corporate Governance report.

MEMORANDUM OF UNDERSTANDING (MoU)

Evaluation of MoU performance for the Year 2021-22 as per DPE parameters is finalized and the company secured a rating of "Very Good" for the year 2021-22.

The company signed Memorandum of Understanding (MoU) with the Ministry of Railways for 2022-23 and its evaluation is under process with DPE.

During FY 2022-23, MoU includes some of the compliance parameters and their compliance status are as follows:

S. No.	Name of Parameter	Remarks
1	Acceptance/ Rejection of Goods & Services through TReDS Portal	Fully Complied and nothing is pending as on 31.03.2023.
2	Procurement from GeM as % of total procurement	Fully Complied as Company has procured ₹17.42 Crs. which is 27.58% of total Sambandh Portal (MSME) procurement as against 25% target prescribed for FY 2022-23.

S. No.	Compliance Parameters	Remarks
1	DPE guidelines issued from time to time on CSR expenditure by CPSEs.	Fully Complied (Refer CSR Note)
2	Target as given by NITI Aayog on Assets Monetization Milestones	Complied. Nil Target has been communicated by Ministry of Railways
3	Procurement of goods or services through MSEs as % of Total procurement of goods and services	Fully Complied as company procured ₹25.43 Crs.from MSEs which is 40.26% of total procurement as per Sambandh Portal as against 25% target prescribed for FY 2022-23.
4	Procurement of goods or services through SC/ST MSEs as % of Total procurement of goods and services	Target for procurement from Women & SC/ST were not fully achieved due to lack of participation on account of various reasons including but not limited to value of procurement being high. However, Company encourages participation through these categories of MSEs by incorporating preferential clauses in tender documents and following these terms in latter and spirit. It is noteworthy to mention that Company's overall procurement from MSEs has been more than the prescribed target for FY 2022-23. These 4% (SC/ST MSEs) and 3% (Women MSEs) are within the above mentioned total 25% from MSEs. Further Public procurement policy provides that in event of failure to participate in tender process or meet L1 requirements then sub-targets shall be met from other MSE. Therefore Company has complied these parameters.
5	Procurement of goods or services through Women MSEs as % of Total procurement of goods and services	
6	Steps and initiative taken for Health & Safety improvement of Human Resources in CPSEs (Target to be prescribed by the Administrative Ministry)	Target prescribed by the Ministry of Railways "100% Covid-19 booster vaccination for those employees who opted for booster vaccination (including regular, deputationist, contractual and outsourced)" and Company has ensured that target given by the Ministry has been fully Complied.

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 7.1, 8, 16, 17 &.43 (f) (ii) of the standalone financial statement).

BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL (KMP) AND NUMBER OF MEETINGS OF THE BOARD

As on 31st March, 2023, the Company had 10 Directors comprising four Functional Directors and two Government Nominee Directors and four Independent Directors. During the year, 8 meetings of Board of Directors were held as mentioned below:

Board Meeting No.	Board Meeting Dates
276	24.05.2022
277	28.07.2022
278	16.09.2022
279	26.09.2022
280	10.11.2022
281	09.02.2023
282	17.03.2023
283	27.03.2023

The following Directors held office during the year:

Whole-time Directors:

Shri Rahul Mithal (DIN: 07610499)	Chairman and Managing Director
Shri Gopi Sureshkumar Varadarajan (DIN: 08241385)	Director Projects (up to 31.07.2022)
Shri Rahul Mithal (DIN: 07610499)	Director Projects as Additional Charge (From 01.08.2022 to 25.09.2022)
Shri Bibhu Prasad Nayak (DIN: 08197975)	Director Finance
Shri Arun Kumar Singh (DIN: 09747776)	Director Projects (w.e.f. 26.09.2022)
Shri Anil Vij (DIN: 07145875)	Director Technical (up to 28.02.2023)
Shri Amrendra Kumar Chandra (DIN: 10076614)	Director Technical as Additional Charge (From 17.03.2023 to 26.03.2023)
Dr. Deepak Tripathi (DIN: 10090267)	Director Technical (w.e.f. 27.03.2023)

Government Nominee Directors:

Shri Raj Kumar Mangla (DIN: 09533985)	Director
Shri Sandeep Jain (DIN: 09435375)	Director

Independent Directors:

Dr. Godawari Mishra (DIN: 09394545)	Director
Shri. Laxman Tammanna Tapashi (DIN: 01838521)	Director
Dr. Dineshananda Goswami (DIN: 09394294)	Director
Shri Likha Togu (DIN: 09470640)	Director

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

Shri Rahul Mithal (DIN: 07610499)	Chairman and Managing Director and Chief Executive Officer
Shri Gopi Sureshkumar Varadarajan (DIN: 08241385)	Director Projects (up to 31.07.2022)
Shri Rahul Mithal (DIN: 07610499)	Director Projects as Additional Charge (From 01.08.2022 to 25.09.2022)
Shri Bibhu Prasad Nayak (DIN: 08197975)	Director Finance & Chief Financial Officer
Shri Anil Vij (DIN: 07145875)	Director Technical (up to 28.02.2023)
Shri Arun Kumar Singh (DIN: 09747776)	Director Projects (w.e.f. 26.09.2022)
Shri Amrendra Kumar Chandra (DIN: 10076614)	Director Technical as Additional Charge (From 17.03.2023 to 26.03.2023)
Dr. Deepak Tripathi (DIN: 10090267)	Director Technical (w.e.f. 27.03.2023)
Shri Joshit Ranjan Sikidar	Company Secretary

DIRECTORS & KEY MANAGERIAL PERSONNEL

Inductions, Retirements and Resignations

The company has inducted three Functional Directors and two Directors superannuated during the Financial Year 2022-23. Appointment of Directors is done by the Government of India from a pool of professionals in varied fields, with due verification of expertise, integrity and experience.

During the Financial Year 2022-23, Shri Gopi Sureshkumar Varadarajan (DIN: 08241385) ceased to be Director Projects of the company w.e.f. closing of working hours on 31.07.2022 on attaining the age of superannuation. The Ministry of Railways vide its order no. 2021/E(O)II/40/8 dated 23.09.2022 had appointed Shri Arun Kumar Singh as Director Projects of the Company w.e.f. date of his assumption of charge. Shri Arun Kumar Singh assumed the charge of Director (Projects) w.e.f. 26.09.2022.

Shri Anil Vij (DIN: 07145875) has superannuated from the post of Director (Technical) w.e.f. closing of working hours on 28.02.2023. The Ministry of Railways vide its order no. 2018/E(O)II/40/22 dated 16.03.2023 has entrusted additional charge of the post of Director (Technical), RITES to Shri A.K. Chandra, IRSME, PED/W&D, Railway Board till the appointment of a regular incumbent to the post or until further orders, whichever is earlier.

Ministry of Railways vide its letter no 2021/E(O)II/40/30 dated March 21, 2023 has appointed Dr. Deepak Tripathi (DIN: 10090267) as Director (Technical) of the Company w.e.f. the date of assumption of charge i.e., 27.03.2023 till the date of his superannuation or until further orders, whichever is earlier. Shri A.K. Chandra (DIN: 10076614) holding additional charge to the post of Director (Technical) of RITES Limited ceases to be Director (Technical) of RITES Limited w.e.f. the date of appointment of Dr. Deepak Tripathi as Director (Technical) of RITES Limited, due to appointment of regular incumbent to the post.

DECLARATION BY INDEPENDENT DIRECTORS

As on 31st March, 2023, two positions of Independent Directors were vacant. During the financial year 2022-23, all independent directors have met the requirements specified u/s 149(6). The declaration as required under section 149(7) of the Companies Act, 2013 has been received from independent directors.

COMMITTEES OF THE BOARD

The Company has Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, Project Investment Committee, CSR Committee and Stakeholders' Relationship Committee of the Board in place. The separate meeting of independent directors was held on May 23, 2022 as per the provisions specified in regulation 25 of SEBI (Listing Obligations and Disclosure Requirements), 2015.

The composition, number and date of meetings of such committees held during the year and scope of the committees are provided in the report of Corporate Governance at **Annexure- A**.

COMPANY'S POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION

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 Section 197 of Companies Act, 2013. Therefore, such particulars have not been included as a part of Director's Report.

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 Government Company, is done by the Administrative Ministry. Further, as per Notification issued by Ministry of Corporate Affairs dated 5th June, 2015, the provisions of the said section shall not apply to Government Company, in case the Directors are evaluated by the Ministry or Department of the Central Government etc.

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}, will be liable to retire by rotation. Accordingly, one-third among all other directors will retire by rotation. Accordingly, **Shri Sandeep Jain (DIN:09435375**) and **Shri Raj Kumar Mangla (DIN:09533985)** will retire by rotation and being eligible, offer themselves for reappointment.

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.

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 2022-23 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.43 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

SUBSIDIARIES

REMC 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.

The company has also one overseas wholly owned subsidiary company namely RITES (Afrika) (Pty) Limited, Botswana, incorporated on 16th January 1991 and is primarily engaged in design and projects consultancy services in Botswana.

JOINT VENTURES

The company also has two joint ventures namely SAIL RITES Bengal Wagon Industry Private Limited (50% stake in JV) and Indian Railway Stations Development Corporation Limited (24% stake in JV) which is under winding up.



Launch of National Energy Management Centre (NEMC)

A report on the performance and financial position of each subsidiaries, associates and Joint Ventures companies as per the provisions of Section 129 (3) of the Companies Act, 2013 in prescribed format AOC-1 is provided as Annexure to the consolidated financial statements and hence not repeated here for sake of brevity.

AUDITORS

The Comptroller & Auditor General of India appointed the following Statutory Auditor for the FY-2022-23:

M/s Pawan Puri & Associates, Chartered Accountants	Statutory Auditors

The Auditors' Report for the financial year 2022-23 does not contain any qualification, reservation or adverse remark. The Report is enclosed with the financial statements in this Annual Report.

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

SECRETARIAL AUDIT REPORT

The Board has appointed Akhil Rohatgi & Co., Practicing Company Secretary to conduct Secretarial Audit for the financial year 2022-23. The Secretarial Audit Report for the financial year ended March 31, 2023 has been placed at **Annexure – III.**

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark except commenting on present strength of Independent Directors as the number of Independent Directors on the Board was less than half of the total strength of Board, as required under SEBI (LODR) Regulations and DPE Guidelines.

In this regard Company has received notices from Stock Exchanges levying fine on the company. The company has replied to Stock Exchanges stating that the power to appoint the Directors including Independent Directors vests with the Government of India and the company has requested the administrative Ministry in this regard for making necessary appointments.

COST RECORDS & 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.

FRAUDS REPORTED BY THE AUDITOR

No frauds are reported by the Auditors which fall under the purview of sub section (12) of Section 143 of the Companies Act, 2013

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's 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 following: -

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. Based on 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, an adequate internal financial controls with reference to the Standalone Financial Statements, were established and operating effectively as on March 31,2023.

CORPORATE SOCIAL RESPONSIBILITY & SUSTAINABILITY:

India, being a pioneer in the global arena, took a significant stride by mandating Corporate Social Responsibility (CSR) through an amendment to the Companies Act in April 2014. It is a continuing commitment by businesses to integrate social and environmental concerns in their business operations. CSR is a concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders.

Corporate Social Responsibility (CSR), is a tool by which an organisation integrates social, environmental, and economic concerns into their values, culture, decision making, strategy and operations in a transparent and accountable manner, thereby establishing better practices to enhance and improve society sustainably for the welfare of all. The CSR activities of the Company should take into account the expectations of stakeholders and should comply with applicable law and be consistent with good business norms and practices. It should act in a way that enhances society and its inhabitants and be held accountable for any action that affects the people, their communities and the environment.

At RITES social responsibility and sustainable development are seamlessly integrated throughout the organisation. RITES recognizes its responsibility toward society and strives to work consistently for its betterment by taking actions to address societal challenges. It applies to a wide variety of company activities, which operate in different social and environmental settings. RITES not only delivers one of the best technological supports in the field of transport & transport infrastructure, but it does it in a transparent sustainable & ethical manner to create a meaningful impact on the beneficiaries.

The Companies Act, which has brought the idea of CSR to the forefront and through its disclose-or-explain mandate, is promoting greater transparency and disclosure. RITES is a staunch advocator of Sustainable Development and is committed to operate in an economically, socially and environmentally sustainable manner that is transparent and ethical. It applies to a wide variety of company activities, which operate in very different social and environmental settings. In line with these principles, a total amount of ₹14.10 crore was spent during FY 2022-23 on various CSR initiatives.

RITES has a strong corporate governance process in place to address new industry standards and regulations as they emerge. In line with the Guidelines on CSR issued by DPE and provisions of Section 135 of the Companies Act, 2013, a Board-level committee has been constituted to oversee the implementation of CSR and to assist the Board of Directors to formulate suitable policies & strategies in this regard. As on March 31, 2023, the CSR Committee is headed by Shri Raj Kumar Mangla, Chairperson and comprises Shri Bibhu Prasad Nayak Director Finance and Shri Laxman T. Tapashi, Independent Director, as Members of this Committee.

A report on CSR activities as prescribed under Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 is attached as **Annexure II.**

CORPORATE SOCIAL RESPONSIBILITY

HEALTHCARE

Efforts have been focused on building capacity and running programs, in conjunction with the public health system, serving rural and remote areas.









3 GOOD HEALTH AND WELL-BEING

4 QUALITY EDUCATION

5 GENDER EQUALITY

6 CLEAN WATER AND SANITATION

EDUCATION

Supporting various interventions from primary education to digital learning.








ENVIRONMENT & SUSTAINABILITY

Encouraging concentrated action for the preservation of the environment and building a sustainable future.















WOMEN EMPOWERMENT

Empowering women with new skillsets and opportunities to enhance their employability.








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

CONSERVATION OF ENERGY

Although, RITES, which is mainly a consultancy organisation, is not a major consumer of electricity and therefore does not fall under the category of major carbon emitter in the country. But since India is the world's 3rd largest consumer of electricity, during the Paris Agreement's (in the year 2016) Intended Nationally Determined Contributions Targets, India made a commitment of producing 50% of its total electricity from non-fossil fuel sources by 2030. RITES has been continuously working in this direction along with its subsidiary company REMC Ltd in achieving the national goal of energy conservation and accordingly, suggestions are given to our various clients for measures and methods to conserve energy.

I. Steps taken for impact on conservation of energy:

RITES has undertaken a few initiatives like setting-up of solar panels for solar energy at available, selected and suitable locations, turbines for wind energy in the states of Rajasthan, Tamil Nadu and Maharashtra. Further, energy - efficiency measures were initiated like installing energy efficient lighting system (LED) in RITES owned properties (Shikhar, Srijan, Rest House, RPO Buildings), upgrading electrical equipment with star rated equipment etc.

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

RITES has taken various steps for harnessing green energy through use of renewable energy sources and to list a few are:

a) Installation of solar panels on roof top

   i) on offices at Gurugram (Shikar & Srijan), Rest House at Gurugram.

   ii) on the platforms in Sahibabad Railway Station

   iii) one of the platforms in Gurugram Railway Station and

b) installed wind power plants (through its subsidiary company REMCL Ltd.) in Rajasthan, Tamil Nadu and Maharashtra for Railways, besides suggesting/ undertaking various energy conservation measures through energy-efficiency studies and their implementation for various clients, RITES Office and various Zonal Railways in the country.

Further, REMC Ltd. (subsidiary company of RITES), has been actively working towards achieving the Net Zero Carbon Emission Goal of Indian Railways by 2030 in harnessing green energy through non-fossil fuel sources-renewable energy resources (mainly Solar & wind).

Measures initiated and in progress

a) Replacement of Outdated equipment (elevators, DG sets, Air-conditioning system) with latest technology (energy efficient).

b) Use of electric vehicles in place of vehicles run on fuel (diesel, petrol, CNG).

c) Use of low capacity DG set to illuminate building during night in case of power failure

d) Regular cleaning of window/Atrium glass that fills the majority of building with natural light.

II. The Capital investment on energy conservation equipment;

During the year, Capital investment on energy conservation equipment is ₹40.47 lakhs (approx.).

a) Replacement of CFL light fixtures with energy efficient LED light fixtures at Shikhar & Srijan and Guest House at Mumbai at a cost of ₹31.84 lakh.

b) Installation and commissioning of 8 kWp Solar Panel at Rest house in Gurgaon at a cost of ₹2.10 lakh.

c) Installation and Commissioning of Brushless DC Fan at Rest House in Gurgaon at a cost of ₹0.60 lakh.

d) Replacement of Halogen Flood Lights with LED Flood Lights for land scaping in Shikar at a cost of ₹4.12 lakh.

e) Replacement of 15 HP 3 phase mono-block pumps for water supply and water softener plant at Shikar at a cost of ₹1.81 lakh.

III. GRIHA 4-star rating

RITES has undertaken construction of office building at Kolkata and Lucknow. The construction of these two buildings are being done with a view of obtaining **GRIHA 4** rating, which requires "Resource conservation and efficient utilization of resources". In addition to above, renewable energy utilization being mandatory, 130 kW solar panels are being planned for the office at Kolkata and 40 kW at Lucknow.

IV. Reduction in use of paper

Use of IT for processing files through E-office, Employee Self Service (ESS) portal for administration purposes, SAP for payments to vendors etc. are in progress, thereby reducing use of paper.

The company has disseminated annual reports in electronic mode to the shareholders who have registered their e-mail address either with the Registrar and share transfer agents or the depositories. The initiative is aimed at minimizing the impact on the planet and supporting carbon neutrality.

RITES endeavors to comply with all applicable environmental laws and regulations and strives to continually strengthen its environmental practices.

TECHNOLOGY ABSORPTION

1. Implementation of Structural Health monitoring System (SHMS) is the latest technological advancement that take cares

the inspection, maintenance, rehabilitation and replacement of bridges in cost-effective manner. SHMS provides more precise, structured, and automated inspection, diagnostic and Maintenance system. SHMS provides quantitative data about the structural behavior (in order to confirm design assumptions), real-time feed-back during construction, post construction analysis, and to evaluate the real time current condition of the bridge. The results/information obtained through SHMS allows authorities/owners to take informed decisions about remaining life of bridges/structures, to plan maintenance or repair actions which inter alia results in increasing the safety of the structure and provides early warning of an acceleration of the known degradations that are being monitored.

Indian Railways has now a days adopted this latest trend of implementing SHMS on almost every important and mega bridge projects. RITES has taken this opportunity to go the deep end of the pool and secured the contract of SHMS of prestigious Br no 39 & 43 of USBRL project (on open tender basis), which is under advance stage of implementation. RITES is also providing the SHMS for prestigious Bogibeel bridge which is one of the most comprehensive monitoring system worldwide covering all aspects of the SHMS.

2. In a place like Ladakh, which is known as dry desert, there is a high scarcity of water, especially where natural water channels are in deficiency. In order to suffice the need of fresh water of people of Leh city, RITES has integrated various engineering techniques to divert a stream carrying fresh water melted from KhardungLa Glacier away from Leh city (towards North) and planned the highway Khardungla tunnel in such a way so that this tunnel could carry the desired fresh water from the diverted stream towards Leh city (towards South) along with the anticipated traffic. The planning of multi-purpose tunnel will suffice the water requirement of the capital city of Ladakh, along with providing alternate road alignment bypassing the high altitude Khardungla pass for traffic, mitigating issues arising from high altitude like icing, avalanche, high snow accumulation on existing road and providing all weather connectivity between Leh and Nubra Valley.

3. While working in remote projects of Ladakh, like 100km long proposed Bazgo Niala Hunder road, which is in totally greenfield, completely inaccessible to any type of movement and no prior information available to any availability of previous trace cuts, RITES had planned its alignment to the greatest level of accuracy utilizing High Resolution Satellite Imagery (HRSI). RITES has carried out topographic survey to act as input for design and planning of the road network in the union territory of Ladakh. The basic objective of the topographic survey is to capture the essential ground features and creating the Digital Terrain Model (DTM) for the planning of road network and optimize the alignment of the proposed tunnels. Using the photogrammetric processing, the high resolution digital elevation model (DEM) and overlay of topographical contours will be produced to portraits the accurate topographical maps. Since the DTM and contours of 1M was needed to be used for optimization and finalization of tentative alignment of the proposed road network, it was required to be optimized on micro level using the very high ground levels for next level final survey using High resolution Satellite imagery (30 cm – WV3). The area to the extent of several hundred square kilometers covering the alignment has been procured by RITES and DTM/DEM been generated after topographic survey on site for planning of alignment with high accuracy.

FOREIGN EXCHANGE EARNING AND OUTGO

The foreign exchange earned and the foreign exchange outgo in terms of actual inflows/ outflows during the year are as under:

Total foreign exchange earnings during the year under review was ₹401.74 crore (previous year ₹1039.17 crore) and foreign exchange outgo was ₹29.17 crore (previous year ₹61.52 crore). This resulted in net foreign exchange earnings of ₹372.56 crore (previous year ₹977.65 crore).

Environment Protection

RITES strives towards sustainable development and continues to be committed to preserve natural resource and reining in environmental impact. RITES initiatives aim at promoting environment protection, eco-friendly solutions, utilizing cleaner and green energy, investing in renewable energy, ensuring optimal utilization of resources and spreading environment awareness.

Being a consultancy organization, RITES carries out feasibility studies, detailed project reports, environment, and social impact assessment for various infrastructure projects on behalf of its clients. These reports, not only address concerns raised by the stakeholders but also promote sustainable development and suggest mitigation measures for reducing the project impacts. These reports are prepared as per the guidelines / framework stipulated by MoEFCC, ADB/ World Bank/ AFD/ JICA/ EIB/ KFW/ AIIB and other International funding agencies. In addition, RITES' CSR activities are also directed towards sustainable development.

With focus on Sustainable Development, RITES diversified into Solid Waste Management (SWM) and National Clean Air Program (NCAP) projects for cities / Urban Local bodies (ULBs).

RITES has been appointed as the 'Technical Support Unit' (TSU) for solid waste management and used water management works under the Swachh Bharat Mission Urban 2.0 (SBM-Urban 2.0) by the Ministry of Housing & Urban Affairs (MoHUA). RITES is providing technical support to MoHUA for Legacy waste Management, design standardization for Material Recovery Facility, Vendor Development, Efficiency & Optimisation for Garbage Collection & Transport System etc. The TSU will also work on Used Water Management, design standards & specifications for reuse of Used Water & Sludge and preparation of model tender document for procurement.

RITES has been appointed as the Project Management Consultant to provide support and services to Bengaluru Solid Waste

Management Limited (BSWML) and shall work on Institutional Development Plan, Planning and Management of Projects in Design Phase, Operations & Management strategy for the projects in Implementation stage, Procurement & Financing strategy for existing/proposed future projects, Standard Operations Plan & Result dashboarding.

In addition to Client Services, RITES promotes sustainable measures in its own activities. Some of the initiatives and activities highlighting RITES' focus on minimizing Environment impact and promoting sustainable development includes:

AT RITES OFFICE

- The RITES office complex Srijan at Sector 44, Gurugram, has been rated as 'GRIHA Gold Standard Building' and RITES Kolkata Office has been awarded the four stars GRIHA Pre-Certification. RITES endeavours to ensure that GRIHA provisions are strictly followed.
- Installation of solar panels, LED lighting, sky light etc. at the RITES complex with the focus on efficient use of energy for sustainable development, and to optimize energy usage.
- The buildings at RITES office complex in Gurugram have implemented the rainwater harvesting system, sensor based efficient fixtures and sewage treatment plant.
- The emissions & waste generated by the Company are within permissible limits. All the buildings/offices comply with environmental regulations.
- RITES has been actively working towards a zero-paper office and have adopted e-office file management system, SAP/ERP system, e-procurement to reduce paper use and moderate carbon footprint.
- **Under RITES CSR Scheme:** Installation of solar power plants at Jodhpur Railway Stations, solar lighting system in villages of UP to curb the dependence on shrinking non-renewable resources, in turn, reducing carbon emissions.

AS A CONSULTING ORANIZATION

- RITES takes pride in facilitating and promoting non-polluting mode of transports such as metros and ropeways.
- As a consultant, RITES recommend to clients Energy Efficient smart fittings, treatment/reuse of waste water, Water Conservation, harnessing solar power, use of Recycled Materials, Fly ash & localised materials, and enhancement of green cover etc.
- RITES explores the project alternatives to reduce the environment and social impact and financial viability of projects.
- RITES focus's is on having environment-friendly sound engineering practices with minimal ecological disturbance for wildlife sanctuaries, water bodies and protected/reserve forests.
- For the affected residential and/or commercial structure adjoining the infrastructure projects, census and socio-economic survey are conducted and the Land Plan Schedule, along with R&R plans are prepared. Public consultations, plans for suitable compensation etc are done to minimize the negative impact of the development projects.
- REMC Ltd., a subsidiary company of RITES, has 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. REMC Ltd. also assists Indian Railways in achieving Net Zero carbon emission.

RISK MANAGEMENT

The Company's Risk Management Committee as on 31st March 2023 comprises of Dr. Dineshananda Goswami, Independent Director as Chairperson with members Shri Bibhu Prasad Nayak Director (Finance), Shri Arun Kumar Singh, Director (Projects) and Shri Likha Togu, Independent Director. Shri Pawan Chaudhary, ED (B&A) was designated as the Chief Risk Officer.

The Company follows a consistent and comprehensive risk management strategy at all levels. Each Regional, Sub-Unit and Project Unit head is designated as Risk Mitigation Plan Owner to assess and mitigate risks at operational level. The risk reported and mitigation plans across whole organization are reviewed by Enterprise Risk Management Committee consisting of senior executives of Company, which in turn presents consolidated report of companywide risks assessed with suggestions for risk mitigation to Risk Management Committee of the board for review and approval. During the year, two meetings of Risk Management Committee were held.

Decisions taken on risk mitigation are implemented and reviewed regularly for effectiveness, for which a rigorous system of audits by internal as well as external auditors exists.

Company's Risk Management procedure covers all aspects which may affect its working like, changes in business environment, Government policies, competency requirements, manpower planning, safety of manpower, buildings and other assets, currency risk management, data security, cyber security etc.

VIGILANCE

Vigilance Cell supports Management to mitigate the risk of corrupt and unethical practices in the organization. The vision of Vigilance Cell is to enhance transparency, objectivity, and accountability in diversified processes of the organization. To promote Vigilance objectives, Vigilance Cell carries out Preventive checks, Surprise inspections, Periodic inspections, audits etc. By use of e-governance, implementation of systemic improvements in ongoing processes and by raising red flags in grey areas, Preventive Vigilance reduces/eliminates the scope of corrupt and unethical practices in organization.

Vigilance Cell creates reliable avoidance against corruption by enforcement of anti-corruption laws, rules and regulations. For raising awareness to inculcate ethical practices and zero tolerance

against corruption, Vigilance Cell organizes various lectures, presentations etc. to sensitize employees and other stakeholders of the organization.

Major activities carried out by Vigilance Cell during year 2022-2023 are following:

1. Vigilance Awareness Week was organized from 31st October to 06th November 2022 under administrative guidance of CVC.
2. During Vigilance Awareness Week following activities were organized:
   - Vigilance awareness program at Khoda Colony, Ghaziabad (UP).
   - Quiz competition, Essay writing competition for employees.
   - Poster making competition for wards of employees.
   - Lectures were organized to sensitize the employees on various topics like:
     (i) D&AR rules and Investigation Procedures.
     (ii) Aspects of Vigilance, conducting inquiries and understating the Prevention of Corruption Act.
     (iii) Ethics and Integrity.
     (iv) Common Irregularities in Civil/electrical works.
     (v) Corruption free India for a developed nation.
3. Vendors meet, Inspecting Engineers meet were attended by CVO and VOs at Regional Inspection offices.
4. Visit of CVO and VOs at various Regional Project Offices for raising awareness in employees regarding common irregularities in works/procurements.
5. Surprise and Periodical Inspections.
6. Intensive Examination of works/procurements.
7. Scrutiny of Annual Property returns.
8. Scrutiny of Audit reports.
9. Systemic improvements in various processes.
10. Quarterly Structured Meeting of CVO with Management for review of Vigilance Work or matters by Directors & Chairman & Managing Director.



Vigilance Awareness Program at Khoda Colony, Ghaziabad and the launch of RITES Vigilance Bulletin as part of the Vigilance Awareness Week 2022.

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.

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. https://www.rites.com/AnnualReturn.

SECRETARIAL STANDARDS

Your Company has complied with the provisions of the applicable secretarial standards issued The Institute of Company Secretaries of India (ICSI).

APPLICATION/PROCEEDING PENDING UNDER INSOLVENCY & BANKRUPTCY CODE, 2016

There are no proceedings initiated / pending against your company under the Insolvency and Bankruptcy Code, 2016 which materially impact the business of the company.

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis covering division-wise performance, which forms part of the Directors' Report, has been placed at **Annexure –B.**

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

Your Company is committed to provide safe and secure work environment to its employees which is free from any kind of fear, intimidation, exploitation or harassment. We have adopted robust

frameworks to counter any potential harassment or discrimination against women with policies that cover every aspect of employment. To empower women and protect them against sexual harassment, Committee for Prevention of Sexual Harassment of Women at Workplace as the Govt. guidelines exists in all major locations of the Company. The Company has a dedicated helpline number and e-mail id on which employees can register their complaints for speedy action. POSH Committee is committed to free & fair enquiry as per the laid down procedure. The summary of complaints received during the year:

No. of complaints pending at beginning of the year	1
No. of complaints received during the year	Nil
No. of complaints finalised during the year	1
No. of complaints pending at the end of the year	Nil

WOMEN EMPOWERMENT

As an Equal Opportunity Employer (EOE), Your Company has a gender neutral approach under which women are handling many key and critical roles and contributing immensely towards the business.

During the year, several programs were organized on gender diversity, prevention of sexual harassment at workplace, women empowerment etc. On the occasion of International Women`s Day (2023), a bouquet of activities was conducted including various programs on building Leadership Skills among Women Employees.

Ms. Vinita Bakshi, Founder President of Aambra Foundation, Social Entrepreneur & International Speaker on Women Issues was invited for a talk on Women Empowerment & Gender Sensitization which was attended by female staff across the company in large number.

A campaign was also run for Women Employees to share their stories about their Journey in RITES which was published on various social platforms.

Regular Health camps by reputed hospitals were conducted in the office premises especially designed for female employees.

PROPAGATION OF HINDI (RAJBHASHA)



The Parliamentary Rajbhasha Committee RITES West Region Office, Mumbai

RITES Ltd. has taken all necessary steps to ensure the use and spread of Hindi in official work as per the annual programme issued by Department of Official Language, Ministry of Home Affairs, Government of India and guidelines received from time to time from Railway Board, Ministry of Railways. Some of the important activities are detailed below:

A Discussion programme was held with the Chairman and Managing Director on 29.09.2022 by the Drafting and Evidence Sub-Committee of the Committee of Parliament on Official Language. The Second Sub-Committee of the Committee of Parliament on Official Language inspected Inspection Office Mumbai on 17.01.2023. During the discussion programme and inspection meetings, the Vice-Chairman/ Convenor of the Committee and the honorable members appreciated the steps taken to promote the use of Hindi in RITES Limited.

Chairman and Managing Director, RITES Ltd. participated in the meetings of the Hindi Salahkar Samiti chaired by the Hon'ble Minister of Railways, the meetings of the Railway Board's Official Language Implementation Committee chaired by the Chairman and Chief Executive Officer, Railway Board and the meetings of the town Official Language Implementation Committee, Gurugram. Quarterly meetings of RITES Official Language Implementation Committee

under the chairmanship of the Chairman and Managing Director were held regularly. During such meetings various items of the annual programme of the Department of Official Language, Ministry of Home Affairs were discussed and reviewed. This has resulted in gradual increase of Hindi correspondence and notings in the office.

Inspection of various departments of the Corporate Office were carried out. During the inspections, 114 officers and employees were imparted training in Hindi typing. In addition to this, inspection of Inspection Office, Northern Region, Inspection Office, Mumbai and REMCL were also carried out.

To increase the use of Hindi in e-office, a workshop was organized, during which training was also imparted in Hindi noting and drafting. Also, an online meeting cum Hindi workshop was organized for the project and inspection offices under the chairmanship of Mukhya Rajbhasha Adhikari and Chief People Officer. In this workshop, along with other topics, the items related to the questionnaire of the Committee of Parliament on Official Language were discussed.

The company is a member of the Town Official Language Implementation Committee (TOLIC), Gurugram and actively participates in all activities of this committee. Under the aegis of TOLIC, Gurugram, the company organized Rajbhasha Hindi General Knowledge Competition and Noting Drafting Competition. A total of 34 officers and employees from member offices participated in these competitions. Besides, officers and employees of our Company participated in competitions organized by other member offices of TOLIC, Gurugram. They excelled in these competitions, and were awarded with cash prizes and certificates. In the past, RITES has also received Rajbhasha Gaurav Puraskar from the TOLIC, Gurugram for the best implementation of official language. RITES has been selected for Rail Mantri Rajbhasha Chal Vaijayanti (Running Trophy) Award (Base Year-2020) as a model undertaking among Public Sector Undertakings for doing excellent work in Hindi. Apart from this, Shri Dinesh Kumar, Group General Manager/RES, RITES Limited, Corporate Office has been selected by the Railway Board, Ministry of Railways for the Rail Mantri Rajbhasha Rajat Padak for the year 2021-22.

Hindi Pakhwada was celebrated from 14th September to 29th September, 2022 at RITES Corporate Office. On this occasion, CMD/RITES' 'Hindi Divas' message was released. The Chairman and Managing Director inaugurated the Hindi Book Exhibition. Various competitions, literary seminars, Hindi workshops and Kavi Sammelan were organized. The officers and staff participated enthusiastically in various programs organized during the Pakhwada. The CMD felicitated the winners of the competitions. Hindi Pakhwada/Week was celebrated in Regional Project and Inspection Offices also. Cash prizes were given to 65 officers/ employees of Corporate Office and Regional Project/Inspection Offices under various award schemes related to the use and spread of Hindi.

Individual orders were issued under the signature of the Chairman and Managing Director to all officers and employees who have attained proficiency in Hindi, to do their work in Hindi. This inspired the officers and employees to use Hindi in their daily official work.

As a result of the above efforts, the use and spread of Hindi in RITES has got a lot of impetus and we are determined to achieve the set goals.

SCHEDULED CASTE, SCHEDULED TRIBES AND OTHER BACKWARD CLASSES

The Company has adopted the best practices for providing equal opportunities and harmonious environment for advancement of SC, ST, OBC, Minorities and women employees. It has provided reservation in recruitments and promotions to SC/ST communities and in recruitments to OBC/EWS/Divyang candidates. Members of these communities are provided due relaxation in eligibility conditions and application fee while applying for recruitment and qualifying standards in recruitment and promotion as per the Govt of India guidelines. In selection committees for recruitment, due representation is given to SC, ST, OBC, minorities and women members. During the year, 34 employees belonging to EWS/ SC/ST/OBC/ Divyang categories (regular and contract) were inducted. The employees belonging to these communities are given due representation in the elected body of employees (CONCERT).

SYSTEM CERTIFICATION (ISO 9001:2015) & OTHER ACCREDITATIONS

RITES Limited has been certified to Quality Management System (QMS) as per ISO 9000 series of Standards. The system has been documented as per ISO 9001:2015 requirements. Its implementation and controls are carried out through documented manuals and procedures which are monitored at Corporate level as well as at the Vertical/ Regional / Sub-Units/Project Units. QMS involves regular reviews of internal system through Internal audits, Management Review meetings, Customer Feedback, Risk Assessment etc. so as to ensure the compliance to stipulated rules / regulations on a regular basis and therefore, forms a part of the internal control systems. QMS ensures quality service output, quality in its operations/ functions, continual improvement and risk management practices in line & comparable to international norms. ISO 9001:2015 Certificate has been awarded to RITES by M/s. NVTQC under ANAB accreditation.

The activities under QMS during the year 2022-23 are enlisted below:

1. Introductory awareness training session on ISO 9001:2015 for new employees inducted during 2022-23
2. Interaction programme on ISO 9001:2015 for RITES Internal Auditors from all domains
3. Internal audits at Corporate, Regional Offices & Sub-Units and Project Units.
4. Management Review Meetings at Corporate, Regional Offices & Sub-Units and Project Units.

In addition, RITES QA Vertical is also accredited to ISO 17020:2012 Standard by NABCB, (A body under Quality Council of India) to ensure compatibility of its inspection services to international norms. The QA Vertical has material testing laboratories in different regions which are accredited as per ISO 17025.

The QA vertical has recently achieved its accreditation to ISO 17065:2012 to become the first Govt. Certification body for rolling stock.

CORPORATE GOVERNANCE REPORT AND GREEN INITIATIVE

RITES Ltd. believes in the principle that good corporate governance establishes a positive organisational culture, and it is evident by its responsibility, accountability, consistency, fairness and transparency towards 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 the Ministry of Corporate Affairs, Government of India, which has enabled electronic delivery of documents, as well as in conformation to the circular issued by the Securities and Exchange Board of India (SEBI) dated November 05, 2011, and as prescribed under the relevant provisions of the Companies Act, 2013 and the Rules made thereunder, RITES Ltd has disseminated Annual Reports in electronic mode to the shareholders who have registered their e-mail addresses either with the Registrar and Share Transfer Agents or with the Depositories. The initiative is aimed at minimising the impact on the planet and supporting carbon neutrality.

RITES Ltd has also adopted several environment-friendly initiatives to realise its endeavour of '***Transforming to Green'***. The company continues to adapt and innovate its strategy to reflect its ambition of 'Shaping Tomorrow's Mobility' that is sustainable and connected. Some among them include promotion of mobility solutions that emphasize sustainable performance, decarbonisation and digitally-enabled efficiency; adoption of innovative systems that underpin the transition to a low-carbon future, in line with India's target of achieving net-zero emission by 2070; and development of green transport infrastructure.

It has also been actively involved in CSR activities, including pond rejuvenation, plantation drives, waste management, rainwater harvesting and recycling projects across the country.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (BRSR)

Fulfilment of environmental, social and governance responsibilities is part of RITES' business culture. SEBI, vide its circular dated May 10, 2021, made BRSR mandatory for the top 1,000 listed companies (by market capitalization) from fiscal 2023. In compliance, the BRSR disclosure is integrated into the Annual report and aimed at describing RITES' initiatives in discharging responsibilities from an environmental, social and governance perspective. The BRSR is attached as **Annexure - C** which forms part of this report.

KNOWLEDGE MANAGEMENT SYSTEM

RITES gives a lot of emphasis on creating and updating a knowledge base to maintain its leadership position in the market place. IT Sub-Unit of RITES is an enabler which provides technology support to other units and helps them to gain a competitive edge in the market. In line with Industry, RITES is determined to accelerate its Digitalization journey. RITES has embarked on its journey on creating a **"Vault"** which will house all the artefacts created as part of consulting assignments. It will be a central repository of all documents that can be easily retrieved for reference in future as well as using for credentials. Digitization of Personal Files has been an ongoing process in RITES. It helps in fast retrieval of information. All these initiatives manifest RITES emphasis on Knowledge Management.

Implementation of SAP and a renewed approach for keeping SAP as single source of truth has helped RITES in standardising its process across all SBUs. The process documents along with training are available online.

RITES is implementing system which will streamline knowledge sharing process. It will be central repository of training materials including videos.

A CV Dashboard has been created which curates the employee CVs with advance search on various parameters. It helps RITES in identifying right person for a particular project.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

Being a leading transport infrastructure consultancy and engineering company, RITES is constantly looking to enhance its knowledge capabilities and professional pool by inducting bright, qualified employees into its team every year. In line with this mission, the Human Resource Department of RITES is committed to achieve excellence in talent acquisition, upskilling & training, employee engagement, talent retention, career progression and development of human capital.

The company's progressive HR policies have a purpose-driven approach to being established as an "Equal Opportunity Employer". Such policies are one of the many reasons there is an ease in employee acquisition, retention and maintenance of a very low attrition rate. The attrition rate during FY 22-23 stood at a mere 1.58 %.

As a part of succession planning and career progression, as well as to keep the employee motivated, a periodic review of cadres is done. The reviews are conducted in a supportive environment, with benchmarks outlined against the business goals of the Company and best practices in the industry. During FY 22-23, the selection process of 340 eligible candidates from across disciplines, levels & regions was conducted, and 234 employees (including both executive & non-executive staff) were promoted.

The company believes in consistently improving its systems and processes to attract, motivate and nurture talent. It focuses on making the workforce agile and ***Future Ready*** to align with dynamic industry trends and the infrastructure needs of tomorrow.

IMPLEMENTATION OF RIGHT TO INFORMATION ACT, 2005

RITES has put in place a robust implementation structure with high level of commitment towards transparency amongst the First

Appellate Authority (FAA), Central Public Information Officer (CPIO) & Assistant Central Public Information Officers (ACPIOs) which had profound influence on successful implementation and accomplishing goals & objectives of the Right to Information Act, 2005. By establishing citizens' right to have maximum access to records & documents in all areas, barring a limited regime of exceptions, has thus improved transparency, accountability, good governance and service delivery.

To bring about transparency in RITES, administrative culture, concerted efforts were made through in house awareness and training programmes for officers & staff highlighting the significance and strategic approach with which RITES is pursuing the implementation of the Right to Information Act, 2005. This has helped in a catalytic improvement in implementing the Act, making the goals & objectives achievable with their concerted, creative and decisive actions.

RITES believes on the principle of "maximum disclosure", the right to access information extends to a broad range of records & documents unless specifically included in the narrowly defined list of exemptions. Therefore, in RITES, there is a fundamental paradigm shift, a presumption of disclosure and transparency supersedes the presumption of secrecy and the effective implementation of the Right to Information Act, 2005, has fostered a new culture of openness.

RITES has been putting sincere efforts in creating informed citizenry & promoting transparency through pro-active disclosures on its website under Section 4(1)(b) of the Right to Information Act, 2005. Categories of information frequently sought, have also been identified, catalogued, and organized in a retrievable user-friendly database. RITES conduct Transparency Audit regularly to ensure compliance of all the stipulated major statutory requirements of Section 4 of the Right to Information Act and compliances for DoPT OM/Circular dated April 15, 2013 for proactive/Suo-Moto disclosures and other provisions of the Right to Information Act.

The provision for submission of RTI applications/First Appeals with payment of application/additional fee online, provided on RITES website, has enabled citizens to file their applications/First Appeals with ease and receive information faster, cutting on the cost of postal dispatch and nullifying the time of postal transit.

The gradual reduction in the number of new applications highlights the effective use of RITES' Website and Social Media platforms for dissemination of information. Efficient & scientific record keeping, ensuring timely and accurate information to the applicants under the provisions of the Act, vocalizes effective containment of First and Second Appeals in compliance with the letter and spirit of the Right to Information Act, 2005.

EXHIBITIONS AND AWARDS

As a part of business strategy, the company encourages participation in specialized trade exhibitions with the objective of displaying its multifarious capabilities and exploring business opportunities in India and abroad. It believes these expositions play an important role in building business linkages and providing exposure to numerous prospective clients, delegations, and ministerial participation. This year, the Company participated in an exhibition on 'Contribution of CPSEs in nation building since Independence - Showcasing their first-in-the-country product/services' from 9th June to 12th June, 2022, in Gandhinagar. The exhibition was organized as part of Azadi Ka Amrit Mahotsav (AKAM) celebrations.



RITES Pavillion- Exhibition on 'Contribution of CPSEs in Nation Building' in Gandhinagar, Gujarat.

AWARDS



SAFA Gold Award for Best Presented Annual Report (Infra & Construction category)



Dream Companies to Work For (Infrastructure) by Times Ascent at World HRD Congress-2023



'Most Admired Consultancy for Rail & Metro Sectors Award (PMC & Consultancy category) at the 2nd Urban Infra Business Summit & Awards



ICAI Award for Excellence in Financial Reporting 2021-22 (Silver Shield)



Best Engineering Consulting Firm Award at the Diplomatic Nite-2022

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.

4. With respect to statement on deviation or variation as per Regulation 32 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has not received any amount / proceeds from public issue, right issue, preferential issue, etc.

Neither the Chairman and Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.

ACKNOWLEDGEMENTS

The Board of Directors express gratitude to esteemed Shareholders, the Chairman and Chief Executive Officer, Railway Board, Members and Officers of the Railway Board, for their valuable support, advice and co-operation. The Board of Directors are particularly grateful to the Government of India, Ministries of Railways, Road, Transport and Highways, Commerce, Finance, External Affairs and Urban Development, Health, DIPAM and other Ministries, Regulators, Indian Embassies and Missions abroad, Foreign Mission and Embassies in India, Exim Bank and other Bankers of the company,

Comptroller & Auditor General and Statutory & Internal Auditors, Stock Exchanges and RTA, for their valuable support and guidance to the Company. Your continued support and unstinted confidence inspire us in all our endeavours for excellence.

The Board of directors are proud of the tireless efforts by the RITES team of officers and staff for delivering this performance and their valuable contribution in the journey and taking the company to newer heights. 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.

The Board of Directors are indebted to our loyal clients for their continuous support and being a source of inspiration for us to constantly strive to achieve higher standards of performance.

For and on behalf of Board of Directors

(Rahul Mithal)
Chairman & Managing Director &
Chief Executive Officer
DIN: 07610499

Place: Gurugram
Dated: 28.07.2023

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 2022-23.

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	5
	RITES (Afrika) (Pty) Limited	**REMC Limited**	**SAIL-RITES Bengal Wagon Industry Private Limited (SRBWIPL)**	**Indian Railway Stations Development Corporation Limited**	**Elicius Energy Private Limited**
(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%)	RITES stake is 24%	Associates RITES stake is 13%
(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.	Inspection fee and Testing charges	Consultancy Service	-
(c) Duration of the contracts / arrangements/ transactions	Ongoing-standing arrangements.	Ongoing till subsidiary does not have its own employees.	Ongoing	-	-
(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.	Inspection fees and Testing charges	Consultancy Services	-
Transactions during the year	• Consultancy Fee: ₹1.96 crore • Reimbursement : ₹0.23 Crore	• Consultancy Fee: ₹11.41 crore. • Recoverable/ Reimbursement: ₹0.07 crore. • Dividend received: ₹20.35 crore	-	Unbilled revenue: ₹0.89 crore Transfer of leave encashment & gratuity: ₹0.20 crore	-
(e) Date(s) of approval by the Board, if any: -	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
(f) Amount paid as advances, if any:	NIL	NIL	NIL	NIL.	NIL

(Rahul Mithal)
Chairman & Managing Director
(DIN: 07610499)

Place: Gurugram
Date: 28.07.2023

Annexure – II
Corporate Social Responsibility

1. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY: RITES CSR & SUSTAINABILITY POLICY

Introduction

i. RITES Ltd., ('RITES' or 'Company') a Government of India Enterprise was established in 1974, under the aegis of Indian Railways. RITES is incorporated in India as a Public Limited Company under the Companies Act, 2013 and is governed by a Board of Directors which includes persons of eminence from various sectors of engineering and management RITES provides a comprehensive array of services under a single roof and believes in transfer of technology to client organizations. In overseas projects, RITES actively pursues and develops cooperative links with local consultants/ firms, as means of maximum utilization of local resources and as an effective instrument of sharing its expertise.

ii. Over the years, RITES has made significant contributions towards society by working in remote areas under arduous conditions and at lower fee for the development of remote areas, undertaking construction management projects, rural road, and rural electrification projects. Professional integrity and total transparency are the hallmarks of RITES practice of Corporate Governance. RITES promotes the cause of Sustainable Development and gives due attention to social and environmental aspects and their impacts in all its studies, investigations, designs & DPRs.

iii. RITES Corporate Social Responsibility & Sustainability Policy ('Policy'), is based on the CSR policy framework laid down in Section 135 of the Companies Act, 2013 ('the Act') and in accordance with the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended ('the Rules') notified by Ministry of Corporate Affairs, Government of India and the Guidelines on Corporate Social Responsibility and Sustainability for Central Public Sector Enterprises, 2014 issued by the Department of Public Enterprises, Government of India ('DPE Guidelines').

Definitions

In this Policy, unless otherwise specified, all capitalized words shall have the meaning as provided in the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Policy Rules, 2014, as amended.

Scope

i. This Policy applies to selection, implementation, monitoring, documentation and reporting of CSR and sustainability activities undertaken up by the Company.

ii. This Policy does not cover activities undertaken by the company in its normal course of business as well as activities exclusively for benefit of employees and/or their family.

iii. This Policy shall apply evenly to all CSR projects or programmes undertaken by the Company.

iv. Any point not covered by this Policy would be interpreted in accordance with the existing provisions of Section 135 of the Act, the Rules and the DPE Guidelines, with the former two taking precedence over the latter in cases of any conflict.

v. Any new provision arising out of amendments to Companies Act, 2013, the Rules or the DPE Guidelines shall apply to this Policy, as if it is specifically incorporated in the Policy.

Vision

Corporate Social Responsibility and Sustainability Policy is our commitment to support initiatives in creating a socially, economically, and environmentally sustainable society in a manner that is responsible, transparent, and ethical.

Mission

To promote and enhance the social, economic, and environmental welfare of the society, by working towards providing the best possible solutions for sustainable developmental needs, by efficient use of resources, green energy initiatives and minimizing cost and to encourage engagement with the stake holders including employees, shareholders, investors, customers, clients, business associates, civil society groups, Central/State/local government, communities, environment and society at large in determining their needs and expectations.

Objectives

i. To support activities/projects listed in Schedule VII of the Act by giving priority to issue which are foremost concern in the national development agenda, like safe drinking water for all, provision of toilets especially for girls, health and sanitation, education, etc.

ii. To promote sustainable development and inclusive growth, and to address the basic needs of the deprived, under privileged, neglected, and weaker sections of the society which comprise of SC, ST, OBCs, minorities, BPL families, old and aged, women/girl child, physically challenged, etc.

iii. 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.

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

v. Engaging stakeholders in undertaking CSR & Sustainability projects in and around the areas of Company's offices/projects and 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.

vi. Spreading awareness amongst employees about the company's CSR & Sustainability Policy, various programmes & initiatives, and the need for and importance of adopting ethical business practices and implementation of CSR & Sustainability agenda of the company.

vii. To adhere to the global standards in CSR & Sustainability practices and keep in mind the UN Global Compact and the UN Millennium Development Goals.

viii. To promote responsible behavior by encouraging production of goods and services which are safe and healthy for the consumers and the environment, resource efficient, consumer friendly, and environmentally sustainable throughout their life cycles i.e., from the stage of raw material extraction to production, use / consumption, and final disposal.

ix. To ensure that employees at all levels understand and imbibe the philosophy and spirit of CSR and Sustainability and get embedded in the core values of the company.

x. To devise a communication strategy for regular dialogue and consultation with key stakeholders to ascertain their views and suggestions regarding the CSR activities and sustainability initiatives undertaken by the company and making regular reports of CSR & Sustainability performance of the company.

xi. To implement the Policy by ensuring compliance to legal & regulatory requirements and the Act, the Rules, the DPE Guidelines, Government guidelines or circulars issued from time to time.

2. COMPOSITION OF CSR COMMITTEE

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Shri Bibhu Prasad Nayak (up to 27.07.2022)	Chairman	2	2
2	Shri Bibhu Prasad Nayak (w.e.f 28.07.2022)	Member	2	2
3	Shri Laxman Tammanna Tapashi	Member	4	4
4	Shri Anil Vij (upto 28.02.2023)	Member	4	4
5	Shri Raj Kumar Mangla (w.e.f. 28.07.2022)	Chairperson	2	2

3. PROVIDE THE WEB-LINK(S) WHERE COMPOSITION OF CSR COMMITTEE, CSR POLICY AND CSR PROJECTS APPROVED BY THE BOARD ARE DISCLOSED ON THE WEBSITE OF THE COMPANY.

https://rites.com/CSRRITES

4. PROVIDE THE EXECUTIVE SUMMARY ALONG WITH WEB-LINK(S) OF IMPACT ASSESSMENT OF CSR PROJECTS CARRIED OUT IN PURSUANCE OF SUB-RULE (3) OF RULE 8, IF APPLICABLE.

https://rites.com/Upload/MediaGallery/PDF/3/RITES_CSR_&_Sustainabilty_Policy-_Nov_2021_pdf-2023-Jan-31-16-4-55.pdf

Impact Assessment & Feedback from Beneficiaries

i. In order to determine the degree of success and effectiveness of the Company's CSR & Sustainability initiatives, an impact assessment shall be carried out by the Company having average CSR obligation of ₹10 crore or more in pursuance of sub-section (5) of section 135 of the Act, in the three immediately preceding financial years. The impact assessment shall be undertaken through an independent agency, of CSR projects having outlays of ₹1 Crore or more, and which have been completed not less than one year before undertaking the impact study. A survey shall be conducted to assess the impact of CSR & Sustainability project in terms of social, economic, and environmental benefits accrued to the intended beneficiaries. The impact assessment report shall be placed before the Board of the Company and shall be annexed to the Annual Report on CSR.

ii. All the CSR & Sustainability projects/activities are undertaken with anticipated impact on society and environment. Against these perceptions and expectations of impact that the completed activity/ project should be measured to ascertain the degree of the success, or failure. Impact assessment is not only concerned with the mere outputs or outcomes involving accomplishment of set targets and goals at various stages of progress in implementation but the cumulative effect of these outcome(s) on the developmental process affecting society, economy, and environment.

iii. The survey is conducted through the means of a structured questionnaire designed keeping in mind the prior data of baseline survey or need assessment study. The stakeholders are interviewed during the site visits and their responses are recorded to gauge the impact of the CSR & Sustainability projects in their social, environment and economic well-being.

iv. The surveys shall be done by the RITES CSR & Sustainability Cell either by own staff or through the help of an external agency. The requirements highlighted during the need assessment study and the proposed benefits and impacts are verified against the ground level conditions and the beneficial impacts seen/ felt by the stakeholders.

v. The local community, stakeholders are involved in feedback via surveys, interactions during site visits and their involvement in the day-to-day operations and assessment of further developmental needs. It is recognized that the impact assessment shall be qualitative in nature and exact quantification of the benefits accrued may be difficult to be ascertained. The sample size selected for impact assessment shall be representative of the population and would include the officials of local/district administration, NGOs, SHGs, gram panchayats, gram sabhas, local councillors and other members of local community both young and old, gents and ladies, boys and girls to the extent possible.

vi. The report of impact assessment shall include:

(a) Name, address and contact details of the person/ household surveyed;

(b) The parameters on which the impact assessment is based; (iii) The status in terms of then and now;

(c) Photographs of the group meeting/ community engagement along with the date and location;

(d) Photographic or narrative description of improvement;

(e) Details of survey team members and their role in the survey;

(f) Brief summary about the new initiatives which can be taken up further.

vii. The report shall be scrutinized, analyzed for deficiencies, if any, by the CSR Cell and salient features shall be brought to the notice of board level committee. The report shall form one of the basis for further improvement in the company's CSR & Sustainability initiative. The impact assessment results shall be a part of the annual CSR Report.

viii. The expenditure incurred by the Company for undertaking impact assessment may be booked towards Corporate Social Responsibility for that financial year, which shall not exceed 5% of the total CSR expenditure for the financial year or ₹50 lakh, whichever is less

5. (a) Average net profit of the company as per sub-section (5) of section 135.

₹701.83 Crore

(b) Two percent of average net profit of the company as per sub-section (5) of section 135.

₹14.10 Crore

(c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years.

Nil

(d) Amount required to be set-off for the financial year, if any.

Nil

(e) Total CSR obligation for the financial year [(b)+(c)-(d)].

₹14.10 Crore

6. a. Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project).

₹13.43 Crore

b. Amount spent in Administrative Overheads.

₹0.672 Crore

c. Amount spent on Impact Assessment, if applicable.
Nil,

d. Total amount spent for the Financial Year [(a)+(b)+(c)].
₹14.102 Crore

7. (A) CSR AMOUNT SPENT OR UNSPENT FOR THE FINANCIAL YEAR.

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
14.10 Crore	0.00	NA	NA	0.00	NA

Sl. No.	Particular	Amount (in ₹)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	₹14.10 Crore
(ii)	Total amount spent for the Financial Year	₹14.102 Crore
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	₹0.002 Crore
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	0.00
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	(-) ₹0.002 Crore

8. DETAILS OF UNSPENT CORPORATE SOCIAL RESPONSIBILITY AMOUNT FOR THE PRECEDING THREE FINANCIAL YEARS:

1	2	3	4	5	6		7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub- section (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub- section (6) of section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub- section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of Transfer		
1	FY-1	427.40 Lakh	184.37 Lakh	243.02 Lakh	0.00	NA	184.37 Lakh	
2	FY-2	Nil	-	-	-	-	-	
3	FY-3	Nil	-	-	-	-	-	

9. WHETHER ANY CAPITAL ASSETS HAVE BEEN CREATED OR ACQUIRED THROUGH CORPORATE SOCIAL RESPONSIBILITY AMOUNT SPENT IN THE FINANCIAL YEAR.

Yes/No

If yes, enter the number of Capital assets created/ acquired 20

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin Code of the property or asset(s)	Date of creation	Amount of CSR amount spent (₹in lakhs)	Details of entity/ Authority/ beneficiary of the registered owner		
1	2	3	4	5	6		
					CSR Registration Number, if applicable	Name	Registered address
1	Procurement of Two Mobile Medical Unit i.e VAN (without equipments) for running up programme "Mission TB- Free Haryana.	122001	16.02.2022	26.83	CSR00020811	Medanta - The Medicity Gurgaon	Director Respiratory & Sleep Medicine, Project Leader Mission TB- Free Haryana, Medanta Institute Of Education And Research, Medanta - The Medicity Gurgaon, Sector - 38, Gurgaon, Haryana
2	Financial support for procurement of 03 Echocardiography machines and training of doctors in Echocardiography in selected government Hospitals of Delhi.	110049	20.01.2022	13.62	CSR00001384	Child Heart Foundation, New Delhi.	130, Uday Park, Opp. Anand Lok HDFC Bank, New Delhi

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin Code of the property or asset(s)	Date of creation	Amount of CSR amount spent (₹in lakhs)	Details of entity/ Authority/ beneficiary of the registered owner		
1	2	3	4	5	6		
					CSR Registration Number, if applicable	Name	Registered address
3	Financial support for Medical Equipment, Furniture and Fittings etc. for the existing Physiotherapy Unit of Ramakrishna Mission Home of Service Hospital, Varanasi.	221010	26.06.2022	27.17	CSR00006101	Ramakrishna Mission, Howrah West Bengal	Ramakrishna Mission Home of Science (General Hospital), Luxa, Varanasi,Uttar Pradesh
4	Financial support for Health and Nutrition Program by improving Anganwadi infrastructure & Nutritional awareness in Ahmedabad, Gujarat.	380009	29.08.2022	96.25	CSR00000473	YUVA Unstoppable, Ahmedabad Gujarat	YUVA Unstoppable, 12-14, Gold Souk Complex, Behind Yes Bank, CG Road, Ahmedabad
5	Financial support for Health facilities in Shanti Mukand Hospital, Karkardooma, Delhi.	110092	05.12.2022	10.00	CSR00017059	Shri Mukandi Lal Memorial Foundation for Heart & Medical Care, Delhi	2, Institutional Area, Bhartendu Harish Chandra Marg, Vikas Marg Extension, Karkardooma, New Delhi, Delhi
6	Financial assistance for electrically operated Wheel Chairs in Badshahpur, Haryana.	110055	22.12.2022	5.26	CSR00000532	Artificial Limbs Manufacturing Corporation of India (ALIMCO)	Artificial Limbs Manufacturing Corporation of India C/o Social Justice Centre Mahila Imdad Committee,Paharganj Opposite New Delhi Rly. Reservation Office, New Delhi
7	Financial assistance for the installation of one open Gym in West Champaran, Bihar.	841240	02.12.2022	9.50	CSR00012114	Ram Subhag Kalyan Samiti, Bihar	Ram Subhag Kalyan Samiti, At- Pipra, PO- Chandparsha PS- Hasanpura, Distt. – Siwan,Bihar
8	Financial support for undertaking "Jan Arogayam" Community Healthcare Programme in Distt. Nuh, Haryana.	110024	29.11.2022	16.60 (Out of ₹16.60 lakh ₹4.27 Lakh is capex)	CSR00001405	Bisnouli Sarvodaya Gramodyog Sewa Sansthan	Bisnouli Sarvodaya Gramodyog Sewa Sansthan, A-171, Ground Floor, Defence Colony, New Delhi
9	Financial Assistance for Procurement of Mobile Medical Unit (MMCU) for Bhokardan Taluka of Jalna District, Maharashtra.	421301		16.00		SAVALI, Maharashtra	A-3/201, Shree Complex – IV,Khadak Pada, Kalyan (W) Dist. Thane, Maharashtra
10	Financial Assistance for medical equipment and development of facilities at Homi Bhabha Cancer Hospital & Mahamana Pandit Madan Mohan Malviya Cancer Centre, Varanasi, Uttar Pradesh.	221005	28. 02.2023	76.00	CSR00001287	Tata Memorial Centre, Mumbai / Homi Bhabha Cancer Hospital / Mahamana Pandit Madan Mohan Malviya Cancer Centre.	HBCH & MPMMCC, Varanasi, Sunderbagiya, B.H.U. Campus Varanasi, Uttar Pradesh
11	Financial assistance for establishing of 03 Mini Science Center (One Center per School) in Three Government School under District Nuh, Haryana.	400708	17.02.2020	4.25	CSR00000687	Samabhavana Society Mumbai	6, Sumangal Co op Housing Society Sector- 2, Airvoli, Navi Mumbai Maharashtra

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin Code of the property or asset(s)	Date of creation	Amount of CSR amount spent (₹in lakhs)	Details of entity/ Authority/ beneficiary of the registered owner		
1	2	3	4	5	6		
					CSR Registration Number, if applicable	Name	Registered address
12	Financial support for promoting educational programmes for Vivekananda Institute of Values in Gurgaon, Haryana. (In principle approval).	110055	29.11.2022	50.00	CSR00006101	Rmakrishna Mission, New Delhi	RAMAKRISHNA ASHRAMA MARG, NEW DELHI
13	Financial support for the installation of One Computer lab in the School of Valmiki Nagar, Bihar.	110034	05.12.2022	7.79	CSR00013510	Sankalph Foundation, Delhi	Sankalp Foundation,AP-108C, Pritampura New Delhi
14	Construction of Skill Development Center in village ralawata, tehsil- Kishangarh, Ajmer, Rajasthan.	305801	29.06.2021	31.33	CSR00006284.	Women Children welfare and Rural Development Society (WARDS), Ajmer	Women Children Welfare and Rural Development Society (WARDS), K.C House, In Front of Kataria Transport Mahaveer Colony. Madanganj - Kishangarh,District Ajmer. Rajasthan
15	Financial support for Skill Development Training programme by providing equipments like Box making machinery, paper plate making machine etc. in Centre of Excellence at Atal Incubation Centre (AIC) - Nalanda Institute of Technology Foundation, Bhubaneshwar, Odisha.	754005	28.10.2022	10.00	CSR00014256	Atal Incubation Centre (AIC) - Nalanda Institute of Technology Foundation,Bhubaneshwar, Odisha	AIC- Nalanda Institute of Technology Foundation,Buddhist Villa, Chandaka, Bhubaneshwar
16	Financial support for Skill Development Training programme in Huzur Nagar, Bhagalpur District, Bihar.	110059	29.08.2022	10.00	CSR00011956	Shri Gyan Gangotri Vikas Sanstha	Shri Gyan Gangotri Vikas Sanstha, B-70, Madhu Vihar, Uttam Nagar, New Delhi
17	Financial support for installation of On-site Sewage Treatment System, Water Recovery for Reuse & Renovation of Toilets in Government School of Gujarat.	380009	16.06.2022	56.70	CSR00000473	YUVA Unstoppable, Ahmedabad Gujrat	YUVA Unstoppable, 12-14, Gold Souk Complex, Behind Yes Bank, CG Road, Ahmedabad
18	Financial assistance for Renovation/ Construction & Maintenance of Sulabh Toilet Complex (Sulabh Suvidha Kendra) Bus stand near Niharika Bhawan, Katra in District Resai, Jammu & Kashmir.	110045	29.08.2022	32.26	CSR00000185	Sulabh International Social Service Organisation	Sulabh International Social Service Organisation,Sulabh Gram, Mahavir Enclave, Palam- Dabri Road, New Delhi
19	Installation of Hand-pumps in Palamu and Garhwa District of Jharkhand.	822101	16.06.2022	33.65	Govt. of Jharkhand	National Rural Employment Programme NREP, Government of Jharkhand.	OFFICE OF THE EXECUTIVE ENGINEER, N.R.E.P., PALAMU

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin Code of the property or asset(s)	Date of creation	Amount of CSR amount spent (₹in lakhs)	Details of entity/ Authority/ beneficiary of the registered owner		
1	2	3	4	5	6		
					CSR Registration Number, if applicable	Name	Registered address
20	Supply and Installation of RO Water Vending Machine in Parliamentary Constituency Ballia, Uttar Pradesh.	110086	29.08.2022	8.84	CSR00011233	Prayas Welfare and Education Trust	E-1-46, Chhoti Gali, Near Radhika Mandir, Budh Vihar, Phase-1, New Delhi

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/ Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

10. SPECIFY THE REASON(S), IF THE COMPANY HAS FAILED TO SPEND TWO PER CENT OF THE AVERAGE NET PROFIT AS PER SUB- SECTION (5) OF SECTION 135.

Sd/-
(Chief Executive Officer or Managing Director or Director).

Sd/-
(Chairman CSR Committee).

Sd/-
[Person specified under clause (d) of sub-section (1) of section 380]
(Wherever applicable).

Annexure – III
Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March 2023

[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 our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records or registers 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 2023**, 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 the Company for the financial year ended on 31st March, 2023 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 Overseas Direct Investment.

(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 (Listing Obligations and Disclosure Requirements) Regulations, 2015 and The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 and any amendment thereto (hereinafter collectively referred to as "Listing Regulations");

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

(e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not applicable to the Company during the period under review);

(f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the period under review);

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the period under review);

(h) 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.

(i) The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998/2018; (Not applicable to the Company during the period under review);

(j) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018: and

(k) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preferences Shares) Regulations, 2013 (Not applicable to the company during the period under review).

(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. Right to Information Act 2005

c. Micro, Small & Medium Enterprises Development (MSMED) Act, 2006

d. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013

e. Shops & Establishment Act, Delhi and Haryana

f. Applicable provisions of Foreign Exchange Management Act 1999

g. Labour Laws as applicable

h. Environmental Laws as applicable

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observation:

During the period under review, the number of Independent Directors on the Board was less than half of the total strength of Board as required under regulation 17(1) of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 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.

Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors. However, as mentioned above, the company did not have requisite number of Independent Director on its Board during the period under review. The changes, if any, in the composition of the Board that took place during the period under review were carried out in compliance with the provisions of the Act.

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 and Committee Meetings as per the statutory provisions, and agenda and detailed notes on agenda which were sent at shorter notice were taken up after obtaining the requisite permission as required under the Secretarial Standard -1 of ICSI. Further 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, as informed by the management, 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.

For Akhil Rohatgi & Co.
Company Secretaries
Reg. no. P1995DE072900

CS Deepak Kumar
Partner
M.No.- F 10189
C.P. No. 11372
UDIN: F010189E000692046

Date : 27/07/2023
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.
Company Secretaries
Reg. no. P1995DE072900

CS Deepak Kumar
Partner
M.No.- F 10189
C.P. No. 11372
UDIN: F010189E000692046

Date : 27/07/2023
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 good corporate governance practice is based upon transparency, fairness, conscience, teamwork, professionalism and accountability, paving the way for following the best standards and building confidence among all the stakeholders which is necessary to achieve its overall objectives.

The Company is adhering to the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI (Prohibition of Insider Trading) Regulations, 2015 and other related rules and regulations as issued by SEBI and other Regulatory Bodies. It is also following Guidelines on Corporate Governance issued by Department of Public Enterprises (DPE), Government of India. The particulars of Company's report on Corporate Governance are as under:

1. COMPANY'S PHILOSOPHY

The philosophy of the Company in relation to Corporate Governance is to ensure transparency in all its operations, make disclosures and reporting 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 the 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 stakeholders' 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 the Company. The Board of Directors consists of professionals from diverse fields having rich knowledge and experience in the industry and related sectors for providing strategic guidance and directions to the Company.

As on 31st March, 2023, the Board of Directors of the Company comprises of Ten Directors viz four functional Directors including Chairman & Managing Director, two Government Nominee Directors and four Independent Directors.

The number of Independent Directors required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013 are insufficient. 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.

Composition of Board of Directors as undergone with changes during FY 2022-23 is as follows:-

WHOLE TIME DIRECTORS:

S. No	Name	Designation
1.	Shri Rahul Mithal (DIN:07610499)	Chairman & Managing Director
2.	Shri Bibhu Prasad Nayak (DIN: 08197975)	Director Finance
3.	Shri Arun Kumar Singh (DIN: 09747776) (w.e.f 26.09.2022)	Director Projects
4.	Dr. Deepak Tripathi (DIN: 10090267) (w.e.f 27.03.2023)	Director Technical
5.	Shri. Gopi Sureshkumar Varadarajan (DIN: 08241385) (Upto 31.07.2022)	Director Projects
6.	Shri Anil Vij (DIN: 07145875) (Upto 28.02.2023)	Director Technical
7.	Shri Amrendra Kumar Chandra (DIN: 10076614) (w.e.f 17.03.2023 upto 26.03.2023)	Director Technical (Additional Charge)

GOVERNMENT NOMINEES:

S. No	Name	Designation
1.	Shri Sandeep Jain (DIN:09435375)	Director
2.	Shri Raj Kumar Mangla (DIN:09533985)	Director

INDEPENDENT DIRECTORS:

S. No	Name	Designation
1.	Dr. Dineshananda Goswami (DIN:09394294)	Director
2.	Shri Laxman Tammanna Tapashi (DIN:01838521)	Director
3.	Dr. Godawari Mishra (DIN:09394545)	Director
4.	Shri Likha Togu (DIN: 09470640)	Director

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

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

a. Yearly, half yearly and quarterly results for the company.

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

c. Minutes of Subsidiary Companies.

d. Related Party transactions.

e. Quarterly Information on currency risk management.

f. Capital and Revenue budgets and any updates.

g. Status of on-going Arbitration cases.

h. Status of risk management and mitigation plans.

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

j. Particulars of Related Party transactions.

k. 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.

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

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

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

o. Quarterly Report on Investment of Funds.

p. Compliance of various laws by the company.

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

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

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

t. Major orders secured and bids lost on quarterly basis and quarterly Information on works awarded on single tender/ nomination basis.

u. 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 no Director (including Independent Directorship) holds office in not more than seven (7) Listed Companies as specified in Regulation 17A of SEBI (LODR), 2015 and section 165 of Companies Act, 2013. 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, 8 meetings of Board of Directors were held as mentioned below:-

Board Meeting No.	Board Meeting Dates
276	24.05.2022
277	28.07.2022
278	16.09.2022
279	26.09.2022
280	10.11.2022
281	09.02.2023
282	17.03.2023
283	27.03.2023

2.1 Composition of the Board of Directors

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

S. No.	Name and Designation	Category of Directors	No. of other Directorship**	No. of Committee Membership**	
				As Chairman	As Member
1.	Shri Rahul Mithal Chairman & Managing Director	Managing Director	1	Nil	Nil
2.	Shri Bibhu Prasad Nayak Director Finance	Whole Time Director	3	1	Nil
3.	Shri Arun Kumar Singh Director Projects (w.e.f 26.09.2022)	Whole Time Director	1	Nil	1

S. No.	Name and Designation	Category of Directors	No. of other Directorship**	No. of Committee Membership** As Chairman	As Member
4.	Dr. Deepak Tripathi Director Technical (w.e.f 27.03.2023)	Whole Time Director	Nil	Nil	Nil
5.	Shri Sandeep Jain Director	Government Nominee	2	Nil	1
6.	Shri Raj Kumar Mangla Director	Government Nominee	1	Nil	Nil
7.	Shri Laxman Tammanna Tapashi Director	Independent Director	Nil	Nil	Nil
8.	Dr. Dineshananda Goswami Director	Independent Director	Nil	Nil	Nil
9.	Dr. Godawari Mishra Director	Independent Director	Nil	Nil	Nil
10.	Shri Likha Togu Director	Independent Director	Nil	Nil	Nil
11.	Shri Gopi Sureshkumar Varadarajan Director Projects (Upto 31.07.2022)	Whole Time Director	2	Nil	1
12.	Shri Anil Vij Director Technical (Upto 28.02.2023)	Whole Time Director	Nil	Nil	Nil
13.	Shri Amrendra Kumar Chandra Director Technical (Additional Charge) (17.03.2023 to 26.03.2023)	Whole Time Director	1	Nil	Nil

** **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)Regulations, 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 Sandeep Jain	IRCON International Limited	Additional Director
Shri Amrendra Kumar Chandra	Container Corporation of India Limited	Director

2.2 Brief Resume of Directors who joined the Board as Whole - time / Part - time Directors during the year 2022-23

Shri Arun Kumar Singh

Shri Arun Kumar Singh is from Indian Railway Services of Engineers (IRSE 1990 Batch). He holds the qualifications of B.E. (Civil Engineering) from MNIT, Prayagraj and M. Tech (Building Science and Construction Management) from I.I.T Delhi. He has vast experience of more than 30 years in major infrastructure planning, implementation and monitoring design, project management, procurement & contract management, risk management (including FIDIC based project), Operation and Maintenance, Consultancy services, business development and revenue generation etc while working in Indian Railways, Delhi Metro Rail Corporation (DMRC) and RITES. He has been associated with planning of various metros such as Lucknow, Nagpur and Delhi Metro Phase IV etc, implementation of Phase- 3 of DMRC.

He has also worked on General Consultancy / Detailed Design Consultancy for Delhi Metro, Ahmedabad Metro, Nagpur Metro, Pune Metro in India and Dhaka & Jakarta Metro abroad. Till recently he was Project Director of PMC team of RITES, on prestigious and challenging Mauritius Metro Project, for 5 years.

Dr. Deepak Tripathi

Dr. Deepak Tripathi, an ex. IRSME officer of 1990 batch, is a graduate in Mechanical Engineering with Doctorate & Post Graduation from NITIE/Mumbai specializing in Operations Management. He has also been trained in Leadership and Management programs from NUS/INSEAD/IIM-K and other institutes.

During his career span of 30+ yrs. in Indian Railways (IR) & Konkan Railway (KRCL), he has covered wide business spectrum in Traction & Rolling Stock, Railway Operations & Maintenance, Quality Assurance, Rolling Stock Infrastructure, O&M and Technology Projects, Marketing & Business Development and International Business.

He has steered several multidisciplinary business projects in Railway Operations & Maintenance in India and abroad including Development and O&M of innovative Roll-On Roll-Off services, Electric Traction Operations, Mechanized Railway Maintenance, Design to Construction of Rolling Stock Infrastructure. He has also worked on Rail & Port Connectivity projects.

As Director/Quality Assurance (I&L)/RDSO for 06 years, he organized Vendor Development Inspections, Quality Assurance etc. for Rolling Stock with firms in India and abroad. His contributions in the field of technology include development of patented 'SMART Yard technology,' Technology/ Transfer projects including Industry 4.0 and AI projects.

His contributions to the field of Management & Technology include authored books, international publications and contributions in conferences & workshops in India and abroad, focusing on lean and technology in Rail & Metro sector.

He has been awarded with 'National Award for Outstanding Services;' and Best Innovative Idea of the Year Award, from Hon'ble Minister of Railways. 'Outstanding Author Award' from EMERALD Publications, U.K for his publications and 'Lal Bahadur Shastri Award' for his book 'Smart Lean Management'. He won 'Director General Medals'–National Academy of Indian Railways (NAIR) and RDSO/Ministry of Railways and has also received two Presidential Awards from Hon'ble Home Minister for contributions to Rajbhasha.

Shri Amrendra Kumar Chandra

Shri A.K. Chandra, an IRSME officer of 1987 batch, graduated from Delhi University in Mechanical Engineering in 1986 and after a brief stint with ONGC, joined Indian Railways. During his long tenure of more than 33 years with Indian Railways, he has successfully executed and piloted many important projects. He has worked for about ten years during initial years in divisions acquiring valuable experience in core railway operations, planning, budgeting, material management and industrial relations.

He has served for about fifteen years in zonal railway headquarters in various capacities like Deputy General Manager, Chief Public Relations Officers, Chief Mechanical Engineer Planning & Chief Workshops Engineer acquiring skill sets like General Management, Project Planning and executions, Public Relations, setting up new Workshops and almost all facets of railways working.

He is one of the core members of many transformative reforms that IR has seen and gone through during recent times. He successfully piloted largest ever Rolling Stock Acquisition plan in the history of Indian Railways with a RSP sanction of ₹1.41 lakh crore in 2022-23 which was ten times more than the 2014 level. He is currently coordinating the activities of 08 Production Units and 48 Workshops of IR and coordinating and associated with the production of most prestigious Vande Bharat Series of Trains which has emerged as one of the best examples of "Make In India"

In addition to his techno-managerial, administrative and change management skills, he likes to pay back to society to the best of his abilities. He has looked after sports administration at division and zonal level for about 20 years. He was Chief-de-Mission for the Indian Women's Cricket Team's tour to England & Ireland in 2007. He is also credited with raising the first ever women's football on Indian Railways.

2.3 Number of Board Meetings:

The Board met Eight (8) times during the year 2022-23 to review the working of the Company and discuss the future plans etc.

S No.	Name and Designation	Board Meetings During the Year 2022-23		Attendance at the last AGM held on 16th Day of September, 2022
		Held During tenure	Attended	Present / Not Present / Not Applicable (NA)
1.	Shri Rahul Mithal Chairman & Managing Director	8	8	Present
2.	Shri Bibhu Prasad Nayak Director Finance	8	7	Present
3.	Shri Arun Kumar Singh Director Projects	4	4	NA
4.	Dr. Deepak Tripathi Director Technical	0	0	NA
5.	Shri Sandeep Jain Govt. Nominee Director	8	6	Present
6.	Shri Raj Kumar Mangla Govt. Nominee Director	8	8	Present
7.	Shri. Laxman Tammanna Tapashi Independent Director	8	8	Present
8.	Dr. Dineshananda Goswami Independent Director	8	8	Present
9.	Dr. Godawari Mishra Independent Director	8	8	Present
10.	Shri Likha Togu Independent Director	8	8	Present

S No.	Name and Designation	Board Meetings During the Year 2022-23		Attendance at the last AGM held on 16th Day of September, 2022
		Held During tenure	Attended	Present / Not Present / Not Applicable (NA)
11.	Shri Gopi Sureshkumar Varadarajan Director Projects	2	2	NA
12.	Shri Anil Vij Director Technical	6	6	Present
13.	Shri Amrendra Kumar Chandra Director Technical (Additional Charge)	0	0	NA

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

2.4 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.

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

Nil

2.6 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. No.	Type of the Directorship	Required Qualification / Expertise / Skill
1.	**Functional Director**	
A.	Chairman & Managing Director	Persons with Degree in Engineering / MBA / CA / CS / CMA / Post Graduation in any discipline and having experience in management and experience in Engineering / Marketing / Production / Management/ Finance 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. The Chairman and the Managing Director of the Company, Shri Rahul Mithal has the requisite skills.
B.	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 Govternment/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. The Director Finance of the Company, Shri Bibhu Prasad Nayak has the requisite skills.
C.	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. 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. The Director Technical of the Company, Dr. Deepak Tripathi has the requisite skills.
D.	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. The Director Projects of the Company, Shri Arun Kumar Singh has the requisite skills.
2.	**Government Nominee (Part-time Official) Directors** (2 Directors)	As may be decided by the Ministry of Railways, Government of India.
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 Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

The eligibility of a person to be appointed as a Director of the Company is dependent on whether the person possesses the requisite skill sets as identified by the PESB and/or concerned ministry, and DPE in case of Independent Directors. Being an engineering consultancy company, the Company's business runs across different industry verticals, geographical markets and is global in nature. The Directors so appointed by the Government of India through Ministry of Railways, are drawn from diverse backgrounds and possess special skills with regard to the industries / fields from where they come.

2.7 Confirmation from Board of Directors

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

2.8 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.

2.9 Independent director databank registration

In compliance with the notification dated October 22, 2019 issued by the Ministry of Corporate Affairs, all directors have completed the registration with the Independent Directors Databank. Requisite disclosures have been received from the directors in this regard.

2.10 Code of Conduct:

RITES Code of Conduct for Board Members and Senior Management Personnel as laid down by BOD 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. https://www.rites.com/Policy

All Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended 31st March, 2023 and a declaration to this effect signed by the Chairman and Managing Director is placed as **Appendix –II** to this report.

3. 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.

The Company is adhering to all the requirements as per the SEBI (PIT) Regulations 2015 and the amendments there to. All the reports and disclosures as required under the code, have been provided to the Audit Committee and Board from time to time. The Company is also monitoring the trades done by the Designated Persons and their immediate relatives on a regular basis to ensure no deviation from the code is observed.

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, 2023, the Audit Committee comprised of the following Directors:

Name	Position in the Committee	Designation
Dr. Dineshananda Goswami	Chairperson	Independent Director
Dr. Godawari Mishra	Member	Independent Director
Shri Arun Kumar Singh (from 01.03.2023)	Member	Director Projects

During the year the composition of committee changed twice i.e. on 01.08.2022 and 01.03.2023 accordingly following changes was incurred:

Name	Position in the Committee	Designation
Anil Vij (from 01.08.2022 to 28.02.2023)	Member	Director (Technical)
Gopi Sureshkumar Varadarajan (upto 31.07.2022)	Member	Director (Projects)
Arun Kumar Singh (from 01.03.2023)	Member	Director (Projects)

Company Secretary acts as Secretary to the Committee.

Terms of Reference:

The terms of reference of the Audit Committee has been approved by the Board of Directors of the Company and are in line with the provisions of SEBI (Listing Obligations and Disclosure Requirements), 2015 and amendments thereto and Section 177 of the Companies Act, 2013, except to the extent that the statutory auditors are appointed by CAG as RITES is a Government Company.

The Terms of Reference of the Audit Committee 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.

The audit committee mandatorily reviews the following information:

1) Management discussion and analysis of financial condition and results of operations;
2) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
3) Management letters / letters of internal control weaknesses issued by the statutory auditors;
4) Internal audit reports relating to internal control weaknesses; and
5) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
6) Statement of deviations: (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1). (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

Meetings of Audit Committee

The Audit Committee met five(5) times during the financial year 2022-23 on 24th May, 2022, 28th July, 2022, 15th September, 2022, 10th November, 2022 and 09th February, 2023. The attendance of each member at Audit Committee meetings is as under:

Member	Position in the Committee	Audit Committee meeting held during the year 2022-23	
		Meetings held (during their respective tenures)	Meetings attended
Dr. Dineshananda Goswami	Chairperson	5	5
Dr. Godawari Mishra	Member	5	5
Shri Gopi Sureshkumar Varadarajan	Member	2	2
Shri Anil Vij	Member	3	3

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 dt. 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, 2023, the Nomination and Remuneration Committee comprised of the following Directors:

Name	Position in the Committee	Designation
Dr. Godawari Mishra	Chairperson	Independent Director
Shri Laxman Tammanna Tapashi	Member	Independent Director
Shri Sandeep Jain	Member	Government Nominee Director

During the year, there has been no change in the composition of committee.

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.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:

The Nomination and Remuneration met Eight (8) times during the financial year 2022-23 on 24th May, 2022, 28th July, 2022, 15th September, 2022, 26th September, 2022, 10th November, 2022, 8th February, 2023, 17th March, 2023 and 27th March, 2023. The attendance of each member of Nomination and Remuneration Committee is as under:

Name	Position in the Committee	Held during their tenure	Attended
Dr. Godawari Mishra	Chairperson	8	8
Shri Laxman Tammanna Tapashi	Member	8	8
Shri Sandeep Jain	Member	8	7

Details of Remuneration of Functional Directors of the Company during the year 2022-23 are as under:

Name of Director	Salary (₹)	Benefits (₹)	Performance linked incentives ₹)	Total (₹)
Shri Rahul Mithal (Chairman & Managing Director)	56,95,266.00	24,17,700.34	11,56,317.00	92,69,283.34
Shri Gopi Sureshkumar Varadarajan (Director Projects)	17,33,620.00	24,96,260.54	18,16,679.00	60,46,559.54
Shri Anil Vij (Director Technical)	46,05,857.00	72,51,762.91	23,25,352.00	1,41,82,971.91
Shri Bibhu Prasad Nayak (Director Finance)	53,45,107.00	19,56,319.98	22,74,926.00	95,76,352.98
Shri Arun Kumar Singh (Director Projects)	24,28,339.00	10,85,124.76	10,67,078.00	45,80,541.76

* Benefits includes Post-Employment Benefits, Perquisites and Other Long Term Benefits

During the year 2022-23 the Independent Directors were paid sitting fee of ₹40,000/- each for attending Board meetings and ₹30,000/- each for attending Committee meetings. Total sitting fees paid to Independent Directors during the Year 2022-23

S. No.	Name	Amount (₹)
1.	Shri Laxman Tammanna Tapashi	₹ 8,10,000/-
2.	Dr. Godawari Mishra	₹ 7,55,000/-
3	Dr. Dineshananda Goswami	₹ 5,80,000/-
4	Shri. Likha Togu	₹ 5,20,000/-

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, 2023, the Risk Management Committee comprised of the following Directors:

Name	Position in the Committee	Designation
Dr. Dineshananda Goswami	Chairman	Independent Director
Shri Bibhu Prasad Nayak	Member	Director (Finance)
Shri Arun Kumar Singh	Member	Director (Projects)
Shri Likha Togu	Member	Independent Director

During the year the composition of committee changed twice i.e. on 01.08.2022 and 10.11.2022 accordingly following changes were incurred:

Name	Position in the Committee	Designation
Dr. Dineshananda Goswami (w.e.f. 01.08.2022)	Chairperson	Independent Director
Shri. Gopi Sureshkumar Varadarajan (Upto 31.07.2022)	Chairman	Director (Projects)
Dr. Dineshananda Goswami (Upto 31.07.2022)	Member	Independent Director
Shri. Arun Kumar Singh (w.e.f. 10.11.2022)	Member	Independent Director

Company Secretary acts as Secretary to the Committee.

Terms of Reference:

The terms of reference of the Risk Management Committee were revised during the year and are as follows:

1. To formulate a detailed risk management policy which shall include:
   a) A Framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
   b) Measures for risk mitigation including systems and processes for internal control of identified risks.
   c) Business continuity plan.
2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the company.
3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems.
4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity.
5. To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken.
6. The appointment, removal and terms of remuneration of the Chief Risk Officer (If any) shall be subject to review by the Risk Management Committee.

Meetings of Risk Management Committee:

Risk Management Committee met two (2) times during the financial year 2022-23, i.e., on 27th July, 2022 and 09th November, 2022. The attendance of the each member of Risk Management Committee is as under:

Name	Position in the Committee	Held during their tenure	Attended
Shri. Dineshananda Goswami (Designated as Chairman w.e.f 01.08.2022)	Chairman/ Member	2	2
Shri. Gopi Sureshkumar Vardarajan (upto 31.07.2022)	Chairman	1	1
Shri. Bibhu Prasad Nayak	Member	2	2
Shri Likha Togu	Member	2	2

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 the Directors.

Composition of Project Investment Committee: As on 31st March, 2023, the Project Investment Committee comprised of the following Directors:

Name	Position in the Committee	Designation
Shri Arun Kumar Singh	Chairperson	Director (Projects)
Dr. Godawari Mishra	Member	Independent Director
Dr. Dineshananda Goswami	Member	Independent Director

During the year the composition of committee changed once on 01.03.2023 and accordingly following changes were incurred:

Name	Position in the Committee	Designation
Shri Arun Kumar Singh (from 01.03.2023)	Chairman	Director (Projects)
Shri. Anil Vij (upto 28.02.2023)	Chairman	Director (Technical)
Dr. Godawari Mishra	Member	Independent Director
Dr. Dineshananda Goswami	Member	Independent Director

Company Secretary acts as Secretary to the Committee.

Meetings of Project Investment Committee:

Project Investment Committee met once (1) during the financial year 2022-23, i.e., on 9th November, 2022. 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 Vij	Chairman	1	1
Dr. Godawari Mishra	Member	1	1
Dr. Dineshananda Goswami	Member	1	1

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 conditions of Department of Public Enterprises guidelines.

Composition of Corporate Social Responsibility Committee:

As on 31st March, 2023, the Corporate Social Responsibility Committee comprised of the following Directors:

Name	Position in the Committee	Designation
Shri. Raj Kumar Mangla	Chairperson	Government Nominee Director
Shri Bibhu Prasad Nayak	Member	Director (Finance)
Shri Laxman Tammanna Tapashi	Member	Independent Director

During the year the composition of committee changed twice i.e. on 28.07.2022 and 01.03.2023 accordingly following changes were incurred:

Name	Position in the Committee	Designation
Shri. Raj Kumar Mangla (w.e.f. 28.07.2022)	Chairperson	Government Nominee Director
Shri Bibhu Prasad Nayak (upto 27.07.2022)	Chairperson	Director (Finance)
Shri Bibhu Prasad Nayak (w.e.f. 28.07.2022)	Member	Director (Finance)
Shri Anil Vij (Upto 28.02.2023)	Member	Director (Technical)

Company Secretary acts as Secretary to the Committee.

Terms of Reference:

The terms of reference, powers 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 2022-23, Four (4) meetings of CSR Committee were held on May 23, 2022, July 27, 2022, November 09, 2022 and February 8, 2023 respectively. The attendance of each member of CSR Committee is as under:

Name	Position in the Committee	Held during their tenure	Attended
Shri Raj Kumar Mangla	Chairperson	2	2
Shri Bibhu Prasad Nayak	Chairperson/ Member	4	4
Shri Anil Vij	Member	4	4
Shri Laxman Tammanna Tapashi	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.

The role of the committee inter-alia includes the following:

1) 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.
2) Review of measures taken for effective exercise of voting rights by shareholders.
3) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
4) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

Composition of Stakeholders' Relationship Committee:

As on 31st March, 2023, the Stakeholders' Relationship Committee comprised of the following

Directors	Position in the Committee	Designation
Shri Laxman Tammanna Tapashi	Chairperson	Independent Director
Shri Bibhu Prasad Nayak	Member	Director (Finance)
Shri Sandeep Jain	Member	Government Nominee Director
Shri Likha Togu	Member	Independent Director

During the year No change in composition of committee has occurred.

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 company 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 2022-23, Four (4) meetings of Stakeholders' Relationship Committee were held on May 23, 2022, July 27, 2022, November 09, 2022 and February 08, 2023 respectively. The attendance of each member of Stakeholders' Relationship Committee is as under:

Name	Position in the Committee	Held during their tenure	Attended
Shri. Laxman Tammanna Tapashi	Chairman	4	4
Shri Bibhu Prasad Nayak	Member	4	4
Shri. Sandeep Jain	Member	4	0
Shri. Likha Togu	Member	4	4

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 June, 2022	13	0	0
30th September, 2022	9	0	0
31st December, 2022	3	0	0
31st March, 2023	5	0	0

5. SEPARATE MEETING OF INDEPENDENT DIRECTORS:

The separate meeting of independent directors was held on May 23, 2022 as per the provisions specified in regulation 25 of SEBI (Listing Obligations and Disclosure Requirements), 2015.

The attendance of Separate Committee is as under

S. No.	Name	May 23, 2022
1.	Dr. Godawari Mishra	Present
2.	Shri. Laxman Tammanna Tapashi	Present
3.	Dr. Dineshananda Goswami	Present
4.	Shri Likha Togu	Present

* Dr. Godawari Mishra acted as the Chairman of the Meeting held on 23rd May, 2022

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 programme are disclosed on the company's website under the link: https://www.rites.com/Upload/MediaGallery/PDF/3/Disc-LODR-I_pdf-2022-Sep-09-10-43-16.pdf

7. NAME AND DESIGNATION OF COMPLIANCE OFFICER:

Name: Shri Joshit Ranjan Sikidar

Designation: Company Secretary and Compliance Officer

8. GENERAL BODY MEETING:

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

AGM	Year	Date of holding Meeting	Time	Venue	Special Resolution
48th AGM	2021-22	16th September, 2022	1100 Hours	Through Video Conferencing/ Other Audio Visual Means	Nil
47th AGM	2020-21	29th September, 2021	1100 Hours	Through Video Conferencing/ Other Audio Visual Means	Nil
46th AGM	2019-20	28th August, 2020	1130 Hours	Through Video Conferencing/ Other Audio Visual Means	Nil

9. RESOLUTIONS PASSED THROUGH POSTAL BALLOT:

During the financial year 2022-23 the Company had circulated Three (3) postal ballot for shareholders' approval. Pursuant to the amendment of the SEBI (LODR) Regulations 2015, with effect from January 01, 2022, approval of shareholders for appointment of a person on the Board of Directors or as a manager is to be taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier and approval of the shareholders for the appointment of Independent Directors should be through special resolutions.

Accordingly two ordinary resolutions were passed through Postal Ballot on April 09, 2022 for appointment of Shri Rahul Mithal as Chairman & Managing Director of the Company and Shri Sandeep Jain as Part-Time Government Nominee Director. Further 4 special resolutions were passed through Postal Ballot on April 09, 2022 for appointment of Shri Laxman Tammanna Tapashi, Dr. Godawari Mishra, Dr. Dineshananda Goswami and Shri Likha Togu as Independent Directors on the Board of the Company. The second postal ballot for appointment of Shri Raj Kumar Mangla as Part-Time Government Nominee Director was approved by the Members on June 10, 2022. Further the third postal ballot for appointment of Shri Arun Kumar Singh as Director (Projects) of the Company was approved by the Members on December 19, 2022. The Postal Ballots were conducted by following the process of remote e-voting system in line with the MCA circulars issued by the Ministry of Corporate Affairs from time to time

10. SUBSIDIARY COMPANIES:

The Company has one Indian Subsidiary i.e.

(i) REMC 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 one subsidiary company abroad namely RITES AFRIKA (PTY) Limited, Botswana.

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

https://www.rites.com/Upload/upload/misc/Balancesheet/Policy-Material-Subsidiaries.pdf

The Company does not have any material listed subsidiary Company in terms of SEBI (Listing Obligations and Disclosure Requirements), Regulation 2015 or the subsidiary as defined under Guidelines on Corporate Governance for Central Public Sector Enterprises issued by Department of Public Enterprises, Govt. of India. Hence, the corporate governance requirement as per Reg.24(1) of SEBI (LODR), 2015 with respect to subsidiary companies is not applicable on the company. However, the consolidated Financial Statements are presented before the audit committee and the minutes of the meetings of subsidiaries are also placed before the Board as required under clause 2 and 3 of regulation 24 of SEBI (LODR), 2015.

The Company also has two joint venture namely SAIL RITES Bengal Wagon Industry Private Limited (a 50:50 JV Company) and Indian Railways Stations Development Corporation Limited (24% stake in JV).

11. GENERAL SHAREHOLDERS' INFORMATION

I. Annual General Meeting Date: 15th September, 2023 (Friday)

Time: 11:00 A.M.

Venue: Through Video Conferencing/ OAVM

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

II. Book Closure

The Register of Members and Share Transfer Books of the Company will remain closed from 09.09.2023 to 15.09.2023 (both days inclusive).

III. Payment of dividend

Payment of final dividend for the financial year 2022-23 is ₹6/- per share amounting to ₹144 crores and interim dividends paid during the said period is ₹14.5 /- per share amounting to ₹348 crores.

IV. The record date for the payment of Final Dividend for the Financial Year 2022-23 is 08.09.2023.

V. Dividend History

Financial Year	Total paid-up Capital (₹ in crore)	Total Amount of Dividend (₹ in crore) paid for the Year
2021-22	240	421
2020-21	240	366
2019-20	250	330
2018-19	200	215
2017-18	200	148
2016-17	200	146
2015-16	100	77
2014-15	100	62
2013-14	100	53

VI. Listing on Stock Exchange:

Company equity shares are listed on the following Stock Exchanges:

1. **National Stock Exchange of India Limited**
   Exchange Plaza, C-1,G Block, Bandra-Kurla Complex,
   Bandra (East), Mumbai - 400 051
   Scrip code: RITES

2. **BSE Limited**
   Phiroze Jeejeebhoy Towers,
   Dalal Street, Mumbai – 400 001
   Scrip Code: 541556

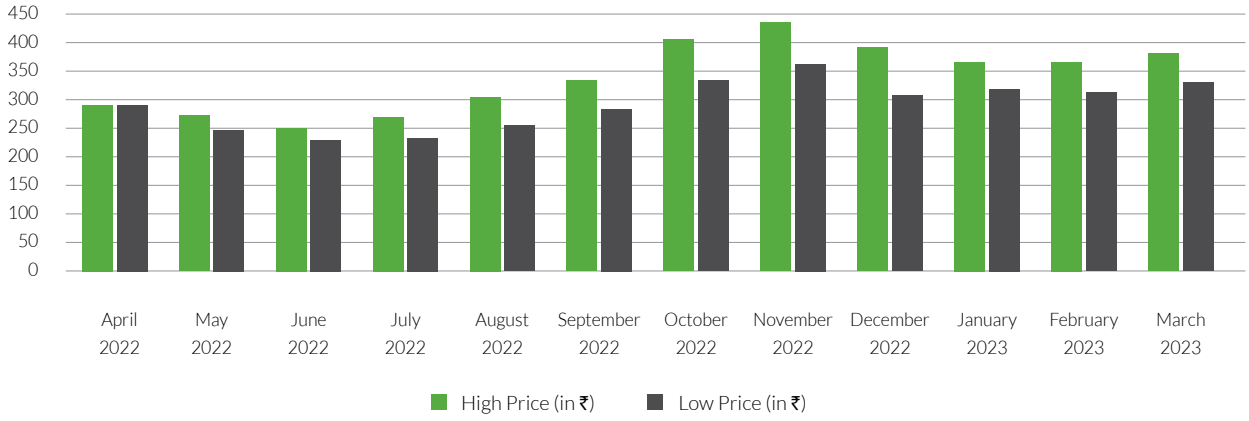
Company ISIN - INE320J01015

Annual Listing fee for the aforesaid Stock Exchanges has been paid for the financial year 2023-24.

VII. Shares Market Price (NSE)

Months	High (₹)	Low (₹)
April, 2022	287.00	255.10
May, 2022	269.30	244.40
June, 2022	249.80	226.20
July, 2022	267.00	229.00
August, 2022	302.75	252.25
September, 2022	330.60	281.40
October, 2022	404.90	330.00
November, 2022	433.00	360.00
December, 2022	388.50	305.60
January, 2023	365.00	316.90
February, 2023	364.60	311.30
March, 2023	376.50	326.25

NSE (Highs and Lows)

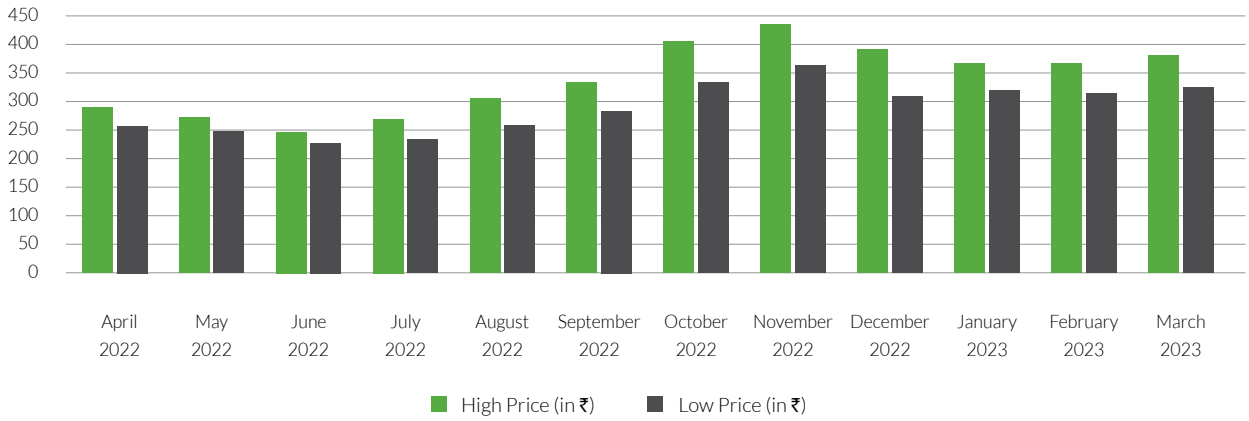


Shares Market Price (BSE)

Months	High (₹)	Low (₹)
April, 2022	286.8	255.5
May, 2022	269	244.5
June, 2022	249.4	226.05
July, 2022	266.55	229.15
August, 2022	302.75	255.6
September, 2022	330.55	281.85
October, 2022	404.8	331.05
November, 2022	433.2	360.5
December, 2022	388.7	305.75
January, 2023	364.6	317
February, 2023	364.6	311.6
March, 2023	376.5	325.1

Stock Prices (bseindia.com)

BSE (Highs and Lows)



VIII. Performance of Company's share in comparison to indices NSE nifty



Source:https://www1.nseindia.com/products/content/equities/indices/historical_index_data.html

Note: The Closing values are compared

IX. Performance of Company's share in comparison to indices BSE sensex



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

Note: The Closing values are compared

X. 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.

Time frame 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
30th July, 2019	Final Dividend for the year 2018-19	05th October, 2026
27th December, 2019	First Interim Dividend for the year 2019-20	03rd March, 2027
06th March, 2020	Second Interim Dividend for the year 2019-20	12th May, 2027
28th August, 2020	Final Dividend for the year 2019 -20	03rd November, 2027
30th December, 2020	First Interim Dividend for the year 2020-21	06th March, 2028
12th March, 2021	Second Interim Dividend for the year 2020-21	18th May, 2028
29th September, 2021	Final Dividend for the year 2020-21	05th December, 2028
12th August, 2021	First Interim Dividend for the year 2021-22	18th October, 2028
11th November, 2021	Second Interim Dividend for the year 2021-22	17th January, 2029
14th March, 2022	Third Interim Dividend for the year 2021-22	20th May, 2029
16th September, 2022	Final Dividend for the Year 2021-22	22nd October, 2029
28th July, 2022	First Interim Dividend for the Year 2022-23	03rd October, 2029
10th November, 2022	Second Interim Dividend for the Year 2022-23	16th January, 2030
09th February, 2023	Third Interim Dividend for the Year 2022-23	17th December, 2030

XI. Registrar and Share 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

XII. Share Transfer System:

Entire share transfer activities are carried out by Link Intime India Private Limited. Company obtains a yearly certificate from Practicing Company Secretaries as per the requirement of Regulation 40 (9) of Listing Regulations and the same is filed with the Stock Exchanges and uploaded on the website of the Company. In terms of amendments to Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, effective from 01st April, 2020, transfer of securities in physical form, except in case of request received for transmission or transposition of securities, shall not be processed unless the securities are held in the dematerialized form with a depository.

XIII. Distribution of shareholding

According to size, % of holding as on 31st March, 2023

Category	No. of Shareholders	No. of shareholders (%)	Total Shares	Total Shares (%)
1-500	109626	96.04	7043435	2.93
501-1000	2440	2.13	1882256	0.78
1001-2000	1035	0.91	1510905	0.63
2001-3000	339	0.30	862413	0.36
3001-4000	145	0.13	519917	0.22
4001-5000	102	0.09	479294	0.20
5001-10000	181	0.16	1292541	0.54
10001 and above	270	0.24	226711126	94.34
Total	**114138**	**100**	**240301887**	**100**

Shareholding of various categories as on 31st March, 2023

Category	Total Shares	% to equity
President of India	173504773	72.20
FIIs/FCB/FPI	8111997	3.38
Mutual Funds	15960201	6.64
Indian public	15188750	6.32
Insurance Companies	22238424	9.25
Bodies corporate	3139259	1.32
Banks & FIs	0	0
NRIs and OCBs	1103629	0.45
Others	1054854	0.44
Total	**240301887**	**100**

Major Shareholders

Details of shareholders holding more than 1% of paid-up capital, other than promoter group of the company as on 31st March, 2023.

S. No.	NAME OF THE SHAREHOLDER	SHARES	%	CATEGORY
1.	Life Insurance Corporation of India	19584120	8.15	Insurance Companies
2.	Nippon Life India Trustee Ltd-A/C Nippon Power & Infra Fund	14480007	6.03	Mutual Fund

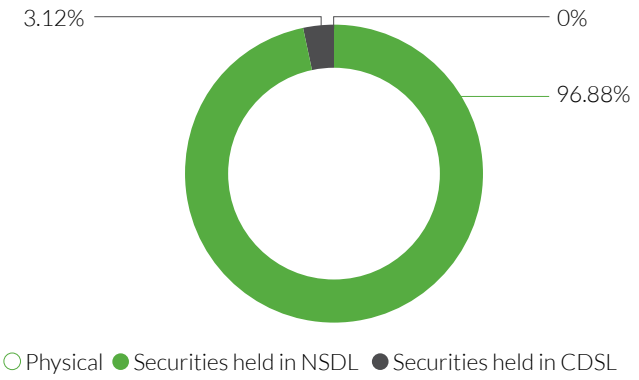
XIV. Dematerialization of Shares and Liquidity

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 31.03.2023):

S. No.	Physical/demat	Number of holders	Number of Shares	% of total issued capital
1.	Held in dematerialized form in NSDL	45031	232813120	97%
2.	Held in dematerialized form in CDSL	69067	7487593	3.0%
3.	Physical	40	1174	0.00
	Total	**104687**	**240301887**	**100**



XV. 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.

XVI. Commodity Price Risk or 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.

XVII. Location of Plants:

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

XVIII. Address for correspondence:

	Registered Office	Corporate Office
Address	RITES Limited, Scope Minar, Laxmi Nagar, Delhi - 110 092, India	Shikhar, Plot No. 1, Sector 29, Gurugram–122001, India
Telephone	+91 11 22024610	+91 124 2571665
Fax	+91 11 22024660	+91 124 2571187
Contact Person	Mr. Joshit Ranjan Sikidar, Company Secretary and Compliance Officer	
E-mail	cs@rites.com	
Website	www.rites.com	
Corporate Identification Number:	L74899DL1974GOI007227	

XIX. Credit ratings obtained by the Company

During the Financial year 2022-23, the company has received a credit rating of IVR AAA/ Stable (IVR Triple A with stable outlook) for Long Term Bank Facilities upto an amount of ₹1265 Crores from Infomerics Valuation and Rating Pvt. Ltd

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: https://www.rites.com/Upload/MediaGallery/PDF/3/Disc-LODR-G_pdf-2022-Sep-09-10-41-52.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 no. 43).
- 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.
- During the year under review, the Company was in compliance with all the applicable requirements except to the extent that the composition of the Board was not optimum and was not as per Regulation 17(1) of SEBI (LODR) Regulations, 2015.
- 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 except for the Regulation 17(1) as stated above. RITES being a Public Sector Undertaking, the power to appoint Directors vests with Ministry of Railways, Government of India.

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. The Company 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 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, Investor Grievance Report etc.
- Half Yearly compliances such as Compliance Certificate signed by RTA and Company Secretary of the Company, Compliance Certificate regarding transfer of Shares, Summary of Related Party transactions.
- Other disclosures made to stock exchange pursuant to regulation 30 of SEBI (LODR).

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/year ended	Date of publication	Newspaper	
			English	Hindi
1.	Quarter ended on 30.06.2022	29th July, 2022	Hindustan Times, Mint, The Economic Times and The Times of India	Navbharat Times
2.	Quarter ended on 30.09.2022	11th November, 2022	Hindustan Times, Mint, The Economic Times and The Times of India	Navbharat Times
3.	Quarter ended on 31.12.2022	10th February, 2023	Hindustan Times, Mint, The Economic Times and The Times of India	Navbharat Times
4	Year ended on 31.03.2023	19th May, 2023	The Times of India, Hindustan Times, Mint and The Economic 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:

Your Company is committed to create and maintain a secure work environment where its employees can work in an atmosphere free of harassment, exploitation and intimidation. To empower women and protect them against sexual harassment, Committee for Prevention of sexual Harassment of women at workplace as the Government. guidelines exists in all major locations of the Company. The Committee is committed to free & fair enquiry within the laid down timelines. The summary of complaints received during the year :

Complaints pending at the beginning of the year	No. of complaints filed during the year	No. of complaints disposed off	No. of complaints pending at the end of financial year
01	Nil	01	Nil

Women Empowerment

During the year, several programmes were organised on gender issues, prevention of sexual harassment at workplace, women empowerment etc. On 13th March 2023, International Women`s Day was celebrated in the organization in recognition to the various contributions made by women across the globe and as an opportunity to express their opinions on the issues. As an Equal Opportunity Employer (EOE), RITES Management has adopted a gender neutral approach in all its recruitment drives and also for assigning jobs/assignments in the organization in the existing roles. The women employees represent a significant number in the organization and many of them even marking their presence on the field/ site jobs.

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 Ms. Poonam (Membership No. ACS 37303, COP no. 24827), Partner of M/s Agarwal S. & Associates, 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 Ms. Poonam, the practicing Company Secretary, 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 Quarterly/Half yearly/Yearly financial results during the year 2022-23 were published in various newspapers in both English and Hindi. Separate reports have however, not been sent to each shareholder. Significant events have been promptly disclosed on the company website.

Audit Qualifications: There are no audit qualifications on the financial statement for the year 2022-23 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, 2023, is INR ₹0.51 Crore.

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 May 18, 2023 (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 (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 2022-23

Name of Directors	276 BOD Meeting 24th May, 2022	277 BOD Meeting 28th July, 2022	278 BOD Meeting 16th September, 2022	279 BOD Meeting 26th September, 2022	280 BOD Meeting 10th November, 2022	281 BOD Meeting 09th February, 2023	282 BOD Meeting 17th March, 2023	283 BOD Meeting 27th March, 2023	Total BOD Meeting 8(Eight)
Shri Rahul Mithal Chairman & Managing Director	✓	✓	✓	✓	✓	✓	✓	✓	Attended all
Shri Gopi Sureshkumar Varadarajan Director Projects	VC	✓	NA	NA	NA	NA	NA	NA	Held-2 Attended-2
Shri Anil Vij Director Technical	✓	✓	✓	✓	✓	✓	NA	NA	Held-6 Attended-6
Shri Bibhu Prasad Nayak Director Finance	✓	✓	✓	✓	✓	✓	×	✓	Held-8 Attended-7
Dr. Dineshananda Goswami Independent Director	✓	✓	✓	VC	✓	✓	VC	VC	Held – 8 Attended - 8
Dr. Godawari Mishra Independent Director	✓	✓	✓	VC	✓	✓	VC	VC	Held – 8 Attended - 8
Shri Likha Togu Independent Director	VC	✓	✓	VC	✓	✓	VC	VC	Held – 8 Attended - 8
Shri. Laxman Tammanna Tapashi Independent Director	✓	✓	✓	VC	✓	✓	VC	VC	Held – 8 Attended - 8
Shri Sandeep Jain Government Nominee Director	✓	✓	VC	×	VC	×	VC	VC	Held – 8 Attended – 6
Shri Raj Kumar Mangla Government Nominee Director	✓	VC	✓	VC	VC	VC	VC	VC	Held – 8 Attended – 8
Shri Arun Kumar Singh Director Projects	NA	NA	NA	NA	✓	✓	VC	✓	Held – 4 Attended – 4
Shri Amrendra Kumar Chandra Director Technical-Additional Charge	NA	NA	NA	NA	NA	NA	NA	NA	Held-0 Attended-0

NOTE:

✓ Meeting attended
NA Not applicable (not in position)
• Meeting not attended.
VC Attended through video conferencing
× Absent

Appendix - II

DECLARATION BY CHAIRMAN & MANAGING DIRECTOR REGARDING COMPLIANCE WITH THE CODE OF CONDUCT BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL DURING THE YEAR 2022-23

I, Rahul Mithal, 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 2022-23.

Sd/-
Rahul Mithal
Chairman & Managing Director
(DIN: 07610499)

Place: Gurugram
Date: 18th May, 2023

Appendix - III

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
RITES LIMITED,
SCOPE MINAR, LAXMI NAGAR
DELHI-110092

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **RITES LIMITED** having **CIN: L74899DL1974GOI007227** and having registered office at **SCOPE MINAR, LAXMI NAGAR DELHI-110092** (hereinafter referred to as '**the Company**'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10 (i) of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations/ representations furnished to us by the Company & its Director/ officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority:

S. No.	Name of Director	DIN	Date of appointment in Company
1.	Shri Rahul Mithal	07610499	07/10/2021
2.	Shri Bibhu Prasad Nayak	08197975	07/11/2019
3.	Shri Arun Kumar Singh	09747776	26/09/2022
4.	Dr. Deepak Tripathi	10090267	27/03/2023
5.	Shri Sandeep Jain	09435375	17/12/2021
6.	Shri Raj Kumar Mangla	09533985	14/03/2022
7.	Dr. Godawari Mishra	09394545	10/11/2021
8.	Dr. Dineshananda Goswami	09394294	11/11/2021
9.	Shri Laxman Tammanna Tapashi	01838521	10/11/2021
10	Shri Likha Togu	09470640	21/01/2022

Ensuring the eligibility of the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Agarwal S. & Associates,**
Company Secretaries
ICSI Unique Code: P2003DE049100
Peer Review Cert. No.: 2725/2022

CS Poonam
Partner
ACS No. : 37303
C.P No. : 24827
UDIN: A037303E000541961

Date: 04.07.2023
Place: New Delhi

Appendix - IV

COMPLIANCE CERTIFICATE BY CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) (Pursuant to Regulation 17(8) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

(a) We have reviewed financial statements and the cash flow statements for the year ended on 31st March, 2023 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 that to the best of our knowledge and belief there are no material deficiencies in the design or operation of such internal control.

(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**

Rahul Mithal
Chairman & Managing Director
and Chief Executive Officer
DIN: 07610499

B. P. Nayak
Director Finance & CFO
DIN: 08197975

Place: Gurugram
Date: 18.05.2023

Appendix - V

CERTIFICATE ON CORPORATE GOVERNANCE COMPLIANCES

To,
The Members,
RITES LIMITED,
SCOPE MINAR, LAXMI NAGAR
DELHI-110092

We have examined the compliance of conditions of Corporate Governance by RITES Limited ("**Company**") for the year ended 31st March, 2023 as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("**SEBI (LODR) Regulations**") in respect of Equity Shares of the Company listed with Stock Exchanges and the DPE guidelines on Corporate Governance for Central Public Sector Enterprises ("**CPSEs**") 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 SEBI (LODR) Regulations, 2015 and amendment therein from time to time and in the guidelines on corporate governance issued by the 'Department of Public Enterprises' except that during Financial Year 2022-23, the number of Independent Directors on the Board was less than half of the total strength of Board as required under Regulation 17 (1)(b) of SEBI (LODR) Regulations, 2015 and the DPE Guidelines.

The Company had requested to its administrative ministry i.e. Ministry of Railways for appointment of appropriate number of Independent Directors on the board.

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

For **Agarwal S. & Associates,**
Company Secretaries
ICSI Unique Code: P2003DE049100
Peer Review Cert. No.: 2725/2022

CS Poonam
Partner
ACS No. : 37303
C.P No. : 24827
UDIN: A037303E000541961

Date: 19.07.2023
Place: New Delhi

Annexure - B

Management Discussion and Analysis



Safety & Quality Assurance services for Mumbai's longest ROB on the Central Railway Tracks at Vidyavihar Station

The financial year 2023 was another pivotal year for RITES. With a well-diversified business model, the company demonstrated agility and adaptability, which allowed us to record the best-ever performance in the Consultancy segment despite export headwinds. Embarking on the next level of sustained growth, the company is capitalizing on its core competencies to help build smart & sustainable infrastructure with a three-pronged approach:

Innovation, Execution and Transformation

7.2%
GDP Growth for FY23

₹ 10 Lakh Cr.
Capex Outlay in 2023 Budget

₹ 16.5 Lakh Cr.
Estimated Direct Tax Collection for FY23

$326 billion
India's Transport infrastructure Industry by 2025

ECONOMIC OVERVIEW

In the financial year gone by, the world economy faced severe headwinds amid poor growth prospects, elevated inflation, and heightened uncertainties. A confluence of factors — the lingering Russia-Ukraine war, the recent banking sector turmoil, legacy effects of the Covid-19 pandemic, the worsening impact of climate change and ever-changing macroeconomic conditions — is clouding the economic outlook even as the global picture shows a slight improvement.

As per the United Nations World Economic Situation and Prospects Mid-Year Report, the deceleration in global growth is likely to be less severe than anticipated, mainly due to persistently robust spending (household) in the largest economies. The IMF World Economic Outlook April 2023 echoes similar sentiments; global inflation will cool down, although more slowly than initially anticipated, but is expected to touch the targeted levels of central banks by 2025. Advanced economies are expected to experience a deceleration in growth, but the global economy is projected to remain on a path of expansion. While there are challenges to be addressed, the outlook remains positive.

Despite the gloomy backdrop of what appears to be turning out to be a difficult year for the global economy, Asia and the Pacific remain a dynamic region. As the region increasingly lifted Covid-19 restrictions, amplifying mobility, boosting domestic demand, particularly in emerging market nations, and supplementing in closing output gaps. As per the IMF Regional Economic Outlook Edition May-23, economic growth in Asia and the Pacific is projected to increase this year to 4.6% from 3.8% in 2022. This means the region would contribute around 70% of global growth on Asia's dynamism.

India's economy has been showing a positive outlook, with a robust growth of 7.2% in the current year, making it the 5th largest economy globally. As per World Bank global economic prospectus report June 2023, the Indian economy is expected to remain one of the world's fastest growing major economies with a growth rate of 6.3% in FY24. As per the IMF forecast, India is expected to become a $5 trillion economy by FY27, however the government's resolve towards faster infrastructure development through supportive policy reforms is expected to catalyse growth and beat the IMF deadline.

Through its policies such as PM Gati Shakti, National Infrastructure Pipeline, PM Awas Yojana, Agricultural Accelerator Fund and more, the Government significantly increased capital expenditure on infrastructure projects to build back medium-term demand and prepare the economy for a sustained long-term expansion.

Also, India's G-20 presidency coupled with growth in world ranking is a testimony that the Indian economy is on the right track and being recognised as a bright spot in the world economy.

INDUSTRY OVERVIEW

As per the report published by Allied Market Research in December 2022, the global transport infrastructure industry has been growing at a steady pace, with the market size valued at $1.77 trillion in 2021, and projected to reach $5.1 trillion by 2026. Asia accounts for the largest share of the global transport infrastructure market, followed by Europe and North America. The market growth can be attributed to the increasing investments in transport infrastructure, technological advancements, and the growing demand for public transport.

In Asia, the transport infrastructure industry is witnessing significant growth, with an increasing demand for mass transit systems and the expansion of transportation networks. As per the UNCTAD June report, the market size of the transport infrastructure industry in Asia was valued at $2.4 trillion in 2020, and it is projected to reach $3.5 trillion by 2026. India is one of the largest markets in the region, with the country investing heavily in its transportation infrastructure.

In India, the transport infrastructure industry is witnessing a paradigm shift, with the government focusing on improving the country's transportation network to drive economic growth. India's transport infrastructure industry is expected to reach $326 billion by 2025.

The Government's focus on developing green and sustainable transport infrastructure, as reflected in the 2023 Budget which recognises the infrastructure sector as a key contributor to the vision of sustainable growth in Amrit Kaal, is expected to provide a significant boost to the industry. Also, the 2023 Infrastructure Agenda under the Indian G20 Presidency's theme of 'One Earth, One Family, One Future' underlines the priorities of building resilient, inclusive & future-ready urban infrastructure, making cities economic centres of growth and the importance of equitable growth. These prospects along with the enhanced capex outlay of ₹10 lakh crore (representing 3.3% of GDP), including the highest outlay for railways, development of regional airports and transport infrastructure projects, will enhance growth potential, job creation, pool private investments and provide a cushion against global headwinds.



Hon'ble Minister of External Affairs Mr. S Jaishankar, along with Hon'ble Transport Minister of Mozambique Mr. Mateus Magala, takes a ride in a made-in-India train, exported by RITES to CFM, Mozambique.

RITES' BUSINESS

I. ABOUT US



ABOUT US

- 49 years, 55 countries & beyond...
- Miniratna (Category-I) & Schedule 'A' CPSE under Ministry of Railways
- Services range from Concept to Commissioning
- 'RITES Videsh' : Thrust on exports of rolling stock & consultancy across sectors
- 'RITES Sustainability' : Focus on low-carbon, sustainable & smart mobility

SECTORS OF OPERATION

- Railways
- Metros
- Airports & Land Ports
- Ports & Harbours
- Highways
- Ropeways
- Tunnels & Bridges
- Institutional Buildings
- Renewable Energy
- Urban Planning & Infrastructure









SERVICE SPECTRUM

- Project Management Consultancy (PMC)
- Techno-Economic Feasibility
- Detailed Project Report (DPR)
- Third Party Inspection
- Transaction Advisory
- Wet Leasing of Locomotives
- O&M–Rail Infra & Equipment
- Construction Supervision
- Exports of Rolling Stock
- Quality Assurance
- Design Engineering Activities
- Sustainability Consultancy

SEGMENTS

- Consultancy
- Exports
- Leasing
- Turnkey/EPC

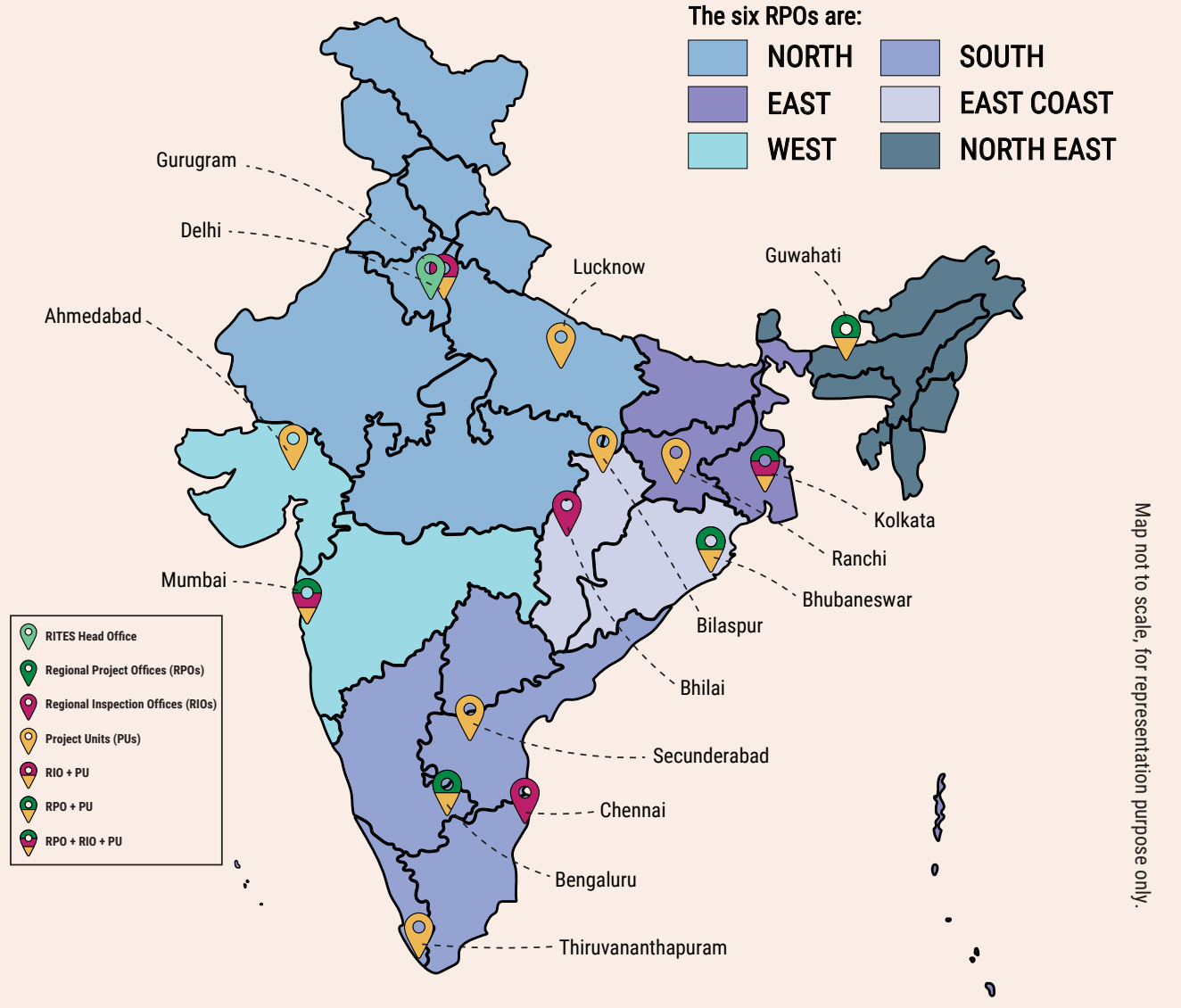
SUBSIDIARIES & JOINT VENTURES

- **REMC Limited** Power Procurement & Renewable Energy Generation
- **RITES Afrika (Pty) Limited** Transport Infrastructure Consultancy
- **SRBWIPL** Wagon Manufacturing

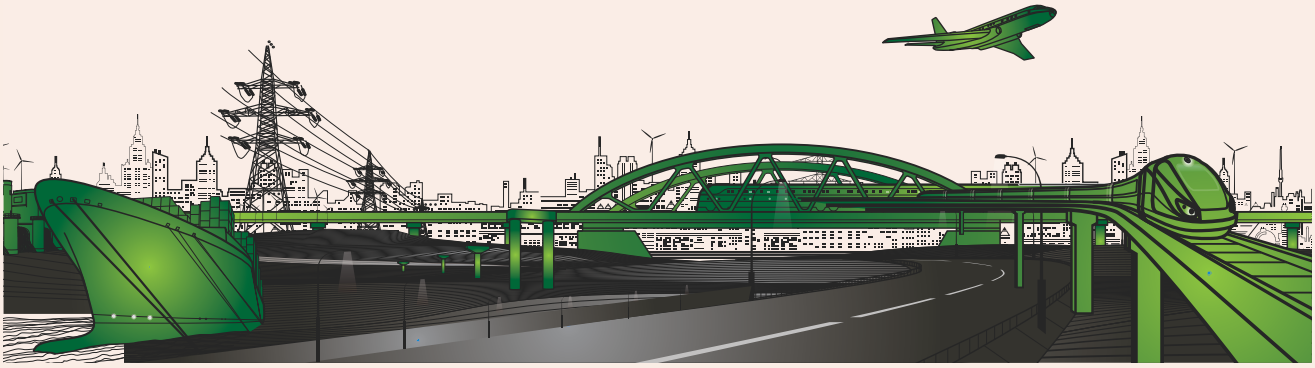
A NEW APPROACH

REGIONAL STRUCTURE

Adopted a regional management structure where each Regional Project Office (RPO), having Project Units (PUs), also undertakes multi-sectoral projects in the state-wise territory. The endeavour is to strengthen RITES' presence in regions of 'new growth', be in close proximity to clients, and achieve greater business synergies.



Map not to scale, for representation purpose only.



II. STRENGTHS & WEAKNESSES

RITES has built a reputation over the past 49 years of delivering top-notch engineering consultancy services across sectors. The company provides a comprehensive range of consultancy services and has a diversified sector portfolio in the transport infrastructure space. It has successfully completed projects to expand its reach and expertise, positioning itself to take advantage of additional business opportunities from the current clients as well as to meet the needs of a larger pool of potential/new clients. The company's diversified sector portfolio allows it to access industries with growth potential as per the changing macroeconomic trends and to expand operations in industries where the company already has a sizable presence. As an example, the company has pooled its resources from various verticals working on sustainability and related projects and grouped them under 'Sustainability Unit'.

Leveraging its position as a public sector company and its relationships with governments, government agencies and other public sector companies in India and various countries where it has delivered projects in the past, the company can increase its presence and participation in new emerging infrastructure sectors and in developing business relationships with governments and government instrumentalities as well as private sector corporations both domestically and internationally.

With unique export product offerings and strengths, RITES has an edge over others. The company has supplied rolling stock to 12 countries and being an MoR owned organization, it has access to new state-of-the-art products of Indian Railways for exports. Its product portfolio comprises Locomotives, Coaches, Wagons and Train Sets (including semi-high-speed trainsets) in various gauges --- Narrow, Meter, Standard, Cape and Broad. It has the unique strength of providing after-sale services including but not limited to warranty, spare part support, incidental services, and training etc. Over 49 years, the company has developed a strong quality assurance vertical, which is testing, at both process as well as final stages. Having the ability to harness relevant technology for mega projects, the company has delivered and been delivering projects in critical areas of infrastructure.

RITES' success depends largely upon highly skilled engineering and transportation professionals, particularly project managers at senior & mid-level positions. The company faces a continuous challenge to recruit and retain suitably skilled personnel, particularly as it continues to grow. There is significant competition for engineering, management, and other skilled personnel in India, and it may be a challenge to attract and retain the personnel company needs in the future. However, the company is taking various measures such as employee training and development, upskilling, job rotation, and career growth opportunities to overcome the challenge.



Hon'ble Minister of External Affairs Shri. S Jaishankar reviews a road project in Guyana.

III. OPPORTUNITIES & THREATS

In the backdrop of the government's strong emphasis on developing innovative and sustainable large infrastructure projects, opportunities galore for a player like RITES that has a multi-sectoral presence.

An all-time high capital outlay for the Railways, $1.3trillion National Master Plan for Infrastructure - Gati Shakti, the proposed Urban Infrastructure Development Fund, plan to revive 50 more airports, Amrit Bharat Station Development Scheme, focus on export of indigenous railway products such as Vande Bharat, Maritime India Vision 2030, Parvatmala Programme and other systemic and effective reforms in the sector are making the next fiscal year a critical one for effective execution and celerity of completion. Besides, the Net-Zero goal has emerged as a top-notch priority. Thus, all these offer RITES a vista of opportunities, vis-a-vis engineering to green consulting, to grow and contribute to build India@100.

Also, infrastructure networks of transport, communication and energy are expanding rapidly across borders. Post-Covid, sectors such as transport, including Light Rail System and multi-modal transport network; renewable energy; and info-communication technology have been reprioritised for infrastructure development in Southeast Asia, Africa, and Latin America, offering opportunities for technical consultancy and export of indigenously developed and customized rolling stock to clients in the region. Banking on its core expertise, RITES is strategically moving ahead, under its initiative 'RITES Videsh', to tap opportunities emerging in the regions and foray into new-age areas and markets as well.

Evolving as a 'Future-Ready' company in a dynamic economic environment with ever-emerging industry-related challenges, RITES is aware of potential business threats. The policy shift to competitive bidding, opening up of sectors, including railways, for private participation and changing policy & regulatory environment pose challenges to the company as these may moderate the margins. However, by undertaking more strategic initiatives, underscoring its brand strength and commitment to quality, the company is geared up to take on the Best in Class.

IV. FINANCIAL PERFORMANCE

With highest-ever consultancy, including international consultancy, the company recorded a total income of ₹2639 crore compared to ₹2661 crore in the previous year. Profit after tax for the year stood at ₹531 crore as against ₹497 crore in the year before.

It earned an operating turnover of ₹2520 crore as against ₹2575 crore in the previous year. This revenue is achieved on account of growth in all segments barring exports. The net worth has grown from ₹2399 crore to ₹2503 crore and the company has remained debt-free. During the year, the company has spent ₹14.10 crore towards corporate social responsibilities as compared to ₹13.90 crore last year.

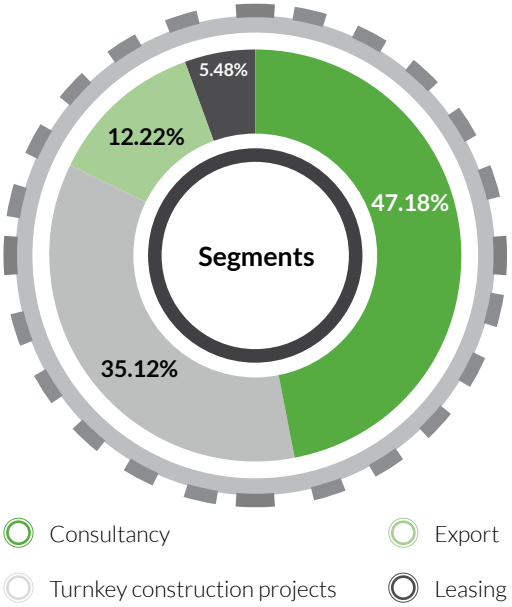
Continuous satisfactory performance to win clients' confidence and efforts on business development have contributed to close the year with an order book of ₹5870 crore with orders worth ₹3080 crore secured in FY23 only.

Key financial ratios

Particulars	2022-23	2021-22
(i) Return on Capital Employed	29.31	28.90
(ii) Current Ratio	3.93	3.85
(iii) Operating profit margin (%)	23.39	22.86
(iv) Net profit margin (%) (PAT / Total Revenue)	20.11	18.68
(v) Return on net worth (%) (PAT/Avg. net worth)	21.64	21.02

Segment-Wise Performance

During the year, consultancy, including quality assurance services, continued to provide highest percentage of revenue which is followed by turnkey, exports and leasing.



Particulars	2022-23 Operating Income (₹ in crore)	2022-23 %	2021-22 Operating Income (₹ in crore)	2021-22 %
Consultancy				
Domestic	1030	40.87	915	35.53
Abroad	159	6.31	104	4.04
Turnkey construction projects	885	35.12	459	17.83
Export	308	12.22	966	37.51
Leasing	138	5.48	131	5.09
Total	**2520**	**100**	**2575**	**100**

Expenditure

Total expenditure has decreased to ₹1930 crore from ₹1987 crore last year. The decrease is mainly on account of decline in exports, which has led to fall in exports' cost from ₹706 crore last year to ₹217 crore this year. Expenses related to employees have remained almost constant. Expenditure on supplies and services increased to ₹974 crore from ₹590 crore on account of higher execution of turnkey projects.

V. OPERATIONAL PERFORMANCE

The nearly five-decade-long journey of RITES, preferred by clients across the globe and ranked among the Top-500 listed companies in the country based on market capitalization, is a testimony to high quality of solutions and services delivered, driven by its talented pool of professionals.

Overseas

Having footprints in more than 55 countries, RITES continues to build on its legacy and international presence. This year, the company achieved its highest-ever revenue from international consultancy and under its strategic initiative 'RITES Videsh', the company aims at enhancing its international business with a focus on emerging opportunities (export and consultancy) in Southeast Asia, Africa, and South America.

During the year, RITES executed projects in 13 countries and some of these projects, such as 4-lane national highway in Bangladesh, dual gauge railway line from Bogura to Shahid M. Mansur in Bangladesh, Tshesebe to Masunga Road in Botswana, Consultancy for Integrated Check Posts at Nepalgunj and Bhairawaha in Nepal, study project for port in Indonesia and Myanmar, consultancy for runway rehabilitation at Gautam Buddha International Airport in Nepal and Project Management Consultancy for highway project in Guyana (by RITES wholly owned subsidiary RITES (AFRIKA), progressed well

With the supply of 4 DEMU trainsets and 1 locomotive to CFM Mozambique, RITES completed its contractual supply obligation for DEMUs and locomotives. In addition, RITES supplied 25 passenger coaches to Mozambique. Also, RITES completed the metro study for Bahrain & phase- IV of Mauritius Metro and Detailed Project Report for Link Road & helipad in Indorama Complex, Nigeria. After successfully delivering Mauritius Metro Phase I and II as General Consultant, phase III of the project was inaugurated during the year.

During the year, the company secured assignments for Construction Supervision of Highway in Guyana, PMC for Eastern Railway Sections in Ghana, High Occupancy Vehicle Lanes Study on Budaiya Highway in Bahrain.

Domestic

RITES has always remained at the forefront in development of transport infrastructure & related technologies and turnkey engineering solutions for clients from Ministries/ Departments of Central and state governments and private corporate houses.

During the year, the company's association continued with several railway projects including DFC, high-speed passenger corridors, semi high-speed corridors, rail connectivity for industry/ports for bulk movement of freight, capacity augmentation projects, railway electrification, signalling and telecommunication, Sub-Urban rail Projects, workshop modernization/capacity augmentation, traffic studies, detailed engineering of bridges, tunnels and geo-technical investigations, including structural health (condition) monitoring of railway bridges and other assets.

During the year, the company secured the Independent Safety Assessor (ISA) certificate and became the second company to have this certification in India. Indian Railways, the biggest client for Quality Assurance services of RITES, selected 4 parties to do the inspection works, which may have impact on revenue and profits during the FY24. RITES has continuously been making significant progress and has considerably enhanced its quality assurance business with non-railway & private clients such as SAIL, Oil PSUs, NTPC, state PWDs, state electricity boards/utilities, smart city projects, state rural and urban development projects, etc. RITES provides third-party inspection services for head hardened rails and long products at their conversion and wet leasing agents across the country.

In the rolling stock leasing segment, RITES owns 69 locomotives which are operating on the wet lease basis at major ports (Visakhapatnam, Mumbai, Mormugaon, Dhamra, Haldia etc), steel plants (Bhilai, Rourkela, Burnpur, Tata Steel-Kalinganagar, Jindal- Aungul in Odisha and more) and other sectors. The company continues to provide services for operation and maintenance of railway systems to domestic clients in power, steel, cement, coal, and port sectors. At present, it is engaged in maintenance of over 240 diesel locomotives and 2,000 wagons owned by NTPC, SAIL etc.

The sector-wise details of domestic projects undertaken or executed during the year are covered under RITES' Sectors of Operation.



₹5870 Crore

Order Book as on 31.03.2023



300+

Projects Secured during the year (including Extensions)



₹3080

Value of Projects Secured during the year (including Extensions)



670

Ongoing Projects as on 31.03.2023

VI. OUTLOOK

With countries embracing investment in infrastructure as a strategy for unlocking growth potential, RITES, with

wide consultancy expertise coupled with a multi-pronged approach, finds itself fully aligned to tap new opportunities, new markets, and new areas.

Large-scale development of transport networks will continue in many economies, including India, given the changing economic dynamics and rapid urbanisation. To ensure faster, safer and timely movement of goods and public, there is a massive thrust on railway electrification, semi high speed, track/railway line works, road infrastructure to accommodate more vehicles, urban mobility to relieve congestion, port infrastructure for strengthening last-mile connectivity and supporting expansion in international trade, alternate mobility solutions (ropeways) and sustainable & low-carbon infrastructure. This offers a constructive outlook to RITES as it is capable of undertaking complex and multi-faceted projects emerging under these thrust areas to witness sustained growth.

Also, Southeast Asia, Africa and Latin America are the geographical zones that harbour strong growth potential for RITES' business. Under its strategic initiative 'RITES Videsh', the company is exploring opportunities with prospective/ existing clients for consultancy and export of rolling stock across gauges.

Taking forward its 'Transforming to GREEN' campaign and expanding the ambit of green consultancy through the 'Sustainability Unit', RITES undertakes projects involving advanced sustainable solutions. Working in this direction, the company has recently collaborated with IIT-Kanpur for sustainability works, including NCAP and R&D on air quality sensors in line with MoEFCC and MoHUA's campaign to address pollution and waste management (solid and wastewater).

Digitalization and technological advancements are also transforming the way that infrastructure is designed, built, and operated. RITES is positioned to capitalize on these trends as it is continually exploring new technologies and approaches to improve its services and deliver better outcomes.

Overall, the outlook for RITES is positive with emerging opportunities for growth and innovation. Leveraging its core strengths and adapting to the changing ecosystem, RITES aims at delivering value to its clients and consolidating its position in the industry.

VII. SECTORS OF OPERATION

With a well-diversified business model, RITES continues to follow a path of systematic and professional operations to provide integrated solutions for building Infra4Future and drive growth in sectors such as railways, highways, metros sustainability and urban engineering, airports, ports, ropeways, institutional buildings, inland waterways, and renewable energy.

RAILWAYS



Project Management Consultancy for rail infrastructure at the Ghatampur Thermal Power Plant, UP

RITES envisages its continued presence in projects planned in the railway sector such as Dedicated Freight Corridors, high-speed & semi-high speed passenger corridors, capacity augmentation projects, railway electrification, sub-urban railways, workshop modernisation, last and first mile connectivity projects, freight terminals & logistics parks, station redevelopment, long bridges and tunnels, and energy & sustainability solutions.

The Offerings

Infrastructure Studies: Feasibility Studies, Preliminary Engineering-cum-Traffic Studies, Final Location Surveys

including Arial-LiDar and drone based, Detailed Project Reports and National Rail Plans.

Engineering Services: Detailed Engineering, Integrated Design Services, and Technical Support; rehabilitation & modernization of railway systems; Conceptualisation and Design of rail-based transportation systems, including 'merry-go-round' systems; Project Management Services, including turnkey solutions.

Rolling Stock Design: Studies and implementation of technological upgradation of rolling stock; maintenance and operational facilities such as Smart Yards, Coaching and Freight Maintenance Depots; design and development of rolling stock, including modification/upgrade of rolling stock designs, for domestic as well as for export markets; design validation.

Technical Services: Leasing of RITES' locomotives; operation and maintenance of locomotives and wagons; rehabilitation, upgradation and maintenance of freight stocks; rehabilitation and maintenance of tracks; operation and maintenance of machinery, plants and equipment; periodic overhaul/ major schedules of locomotives, wagons and diesel generator sets; management of railway system including operations, workshops, depots and ancillary facilities; study for upgrade, rehabilitation of rail systems etc.

Signaling & Telecommunications: Field survey and data collection, feasibility studies, Supervisory Control And Data Acquisition (SCADA), design of panel interlocking/ route relay interlocking/electronic interlocking, optical fibre communication networks, Mobile train radio communication (GSM-R).

Electrical Engineering: Construction supervision and commissioning services for Railways' overhead line and general electrification works including sub-stations, grid sub-stations, HVAC and fire alarm system. E&M work, escalators and elevators, DG sets, quality assurance and surveillance inspections and preparation of operation and maintenance manual. Other than railways, Company also provide services for rural electrification, solar modules photo voltic system and building electrification.



Railway electrification works underway at the Lumding-Badarpur Section

Information Technology: Consultancy services to Railways in the field of web-based technologies, system analysis and design, software development, implementation support, identification of hardware and system software requirements, software conversion/porting of Computerized Commercial Applications, particularly in the areas of Company Accounting, Payroll, Material Management, Supply of Information and Operation Management IT solutions.

On the job

During the year, the company has executed and secured the following projects (select ones) under the Railway sector. Works in progress are categorized as ongoing projects.

Select Projects Secured:

- PMC for railway sidings at Ashoka, Magadh, Amrapali, Pelma, KDH, Bhatgaon, Talcher etc for Coal India Limited's Subsidiaries.
- ROH Freight Maintenance Maneswar – Extension
- Development of Coaching Depot at Kotegan
- RTRS Track Alignment & Maintenance
- Detailed Design Engineering consultancy for yard remodelling work at Kalyan station
- Signalling & Telecommunication work of Dhaulpur-Gwalior section

Select Ongoing Projects:

- Establishment & Maintenance of CORS Network for Mumbai–Ahmedabad High–Speed Rail Project
- Consultancy for Construction of Dual Gauge Railway Line from Bogura to Shahid M. Mansur Ali Station, Sirajganj, of Bangladesh Railway
- Final Location Survey (FLS) for New Broad-Gauge line from Rangpo to Gantok in Sikkim
- Feasibility study for Rail infrastructure upgradation of VSTPS (including common facilities for SSTPS & RhSTPS)
- Project Management Consultancy for railway siding for THDCIL at Khurja
- Supervision of box-pushing work under railway line within railway land near Pragati Maidan, New Delhi
- PMC for 3 ROBs/flyovers at Amritsar
- RTRS Track alignment and maintenance at TBRL, Ramgarh
- Third line of Anuppur-Pendra section
- PMC for rail infrastructure at Ghatampur Thermal Power Plant, UP
- General Consultancy for Haryana Orbital Rail Corridor (HORC) from Palwal to Sonipat via Sohna Manesar and Kharkhoda Project
- PMC for railway siding and marshalling yard for (5x800 MW) YTPS at Nalgonda
- Consultancy services for proposed private railway siding at Rudrampur, Bhadradri-Kothagudem, Telangana
- PMC for (4*270 MW) BTPS for Railway siding and Marshalling yard for BTPS, Manuguru, Bhadradri, Kothagudem
- Civil and P-Way works for 2nd railway line for loading of caustic soda wagons at port facilities at Vizag
- Railway Electrification of Kalaburagi (Gulbarga) - BIDAR BG single line section



The DEMU/MEMU Shed at Lumding, Assam, a RITES project

Select Projects Executed:

- Final Alignment design including Aerial LiDAR Survey and Other Related Works for Delhi-Ahmedabad high Speed Rail Corridor
- Facility augmentation of railways workshop at Lumding, Assam
- PMC for Doubling of Railway line from Yeshwanthpur – Channasandra & Baiyyappanahalli – Hosur for Kride
- Feasibility Study & DPR for Railway siding facilities for HPCL & BPCL in Tamil Nadu
- 1st phase of RTRS Track alignment at TBRL, Ramgarh Range
- PMC of rail connectivity works for proposed silo near spur no.3&4 under Jagannath area of Mahanadi Coalfields Ltd
- PMC for railway siding at NTPC plant at Lara (Phase – II)
- PMC for Rail Road over Bridges (ROB) at Kotra and Mahasamund and Road under Bridges (RUB) at Gogaon and Telghani in Chattisgarh

HIGHWAYS



The Bundelkhand Expressway for which RITES provided Project Management Consultancy Services

Adept in providing highway consultancy services from the early planning stages of a project, design development and through final implementation, RITES partners in building a road network involving greenfield and brownfield projects of expressways, highways, long bridges/viaducts tunnels, ROBs, RUBs, flyovers, grade separator and skywalks.

The Offerings

- Advisory/technical assistance services
- Pre-Feasibility, Strategic Option, Feasibility Studies and Detailed Project Reports
- Transportation, Traffic and Network Improvement Studies
- Proof-checking and review of design
- Pre-qualification and procurement of works
- Construction Supervision/Project Management
- Authority's Engineer/Independent Engineer Services
- Road safety audit and External technical Audit
- Condition Surveys and health study of bridges
- Third Party Inspection/Quality Assurance
- Maintenance planning/management of road networks

On the job

During the year, the company has executed and secured the following projects (select ones) under the highway sector. Works in progress are categorized as ongoing projects.

Select Projects Secured:

- Construction Supervision of East Bank-East Coast Road Linkage Project (Ogle to Eccles (Haags Bosch))-Phase-I, Guyana
- DPR for approach road to LGB International Airport at Guwahati, Assam
- DPR for flyovers at Cycle Factory Junction at Guwahati Garbhanga Road; near Downtown Hospital on Guwahati-Shillong Road; at Fatasil Charali on R.K Choudhury Road; near Rajib Bhawan (ABC Point) on Guwahati-Shillong Road in Guwahati, Assam
- DPR for 7 Elephant Corridors locations on the Rani–Kaninadhara Road in Guwahati, Assam
- DPR for two-lane elevated road across Deepor Beel between Swahid Smarak Approach Road and Kaninadhara Road in Guwahati, Assam
- DPR for Road Section between km 0+000 to km 1+000 (Sinking Zone near Tarapur – Shibbari from km 0+450 to km 0+550) in Silchar, Assam
- DPR for Improvement and widening of Assam Trunk Road from Garal to Palashbari in Guwahati, Assam
- Feasibility Study Report for Elevated Road on Road Section from Ram Nagar to Trunk Road (near RRNMU Building) of NH-37 and from Capital Point (km 0+000) to Circular Point of Rangirkhari (km 2+300) of NH-306 in Silchar, Assam
- Safety Consultant for Pathrapati-Katghora of Bilaspur-Katghora section of NH-111 (New NH-130) in Chhattisgarh and for Gujarat-MP Border along NH-59 in Madhya Pradesh; for projects under O&M stage in Karnataka; for Pal./Khemana Abu Rd to Swaroopganj and Pal-San-Sam of NH-27 in Gujarat; for Samakhiyali to Gandhidham of NH-41, Samakhiyali–Garamore–Bamanbore and Porbandar–Jetpur of NH-27 in Gujarat
- Independent Quality Audit of KIIFB Projects
- PMC for transport projects under KIIFB

Select Ongoing Projects:

- PMC for Improvement of Ashuganj Akhaura Land Port Road as 4-Lane NH Project in Bangladesh
- Construction Supervision of Tshesebe–Masunga Road, Botswana
- DPR for 2 laning with hard shoulder from Meluri in Nagaland connecting Tusom– ChingaiKhamsom-Chamu–Nampisha–Khongla–Kasong–Saibol–Narum–Moreh– New Samtal–Khongtal–Behiang to Singhat in Manipur,
- DPR for Greenfield expressway from Raxaul to Haldia Port
- DPR for 4-laning of Kharagpur–Moregram section of NH14 in West Bengal

Select Works Executed:

- Engineering Study of Road Network and Detailed Design of Link Road and Helipad at Indorama Eleme Complex, Nigeria.
- Project Management Consultant (PMC) cum External Technical Auditor (ETA) for Construction of Purvanchal Expressway (Lucknow to Ballia)
- Consultancy Services to supervise/scrutinize/ vet certain pre-construction activities on Ganga Expressway
- Safety Consultancy Services during Construction Period of 4-laning of Chikhali to Tarsod (Package – IIA) section of NH-6 in Maharashtra
- DPR for construction of Traffic Dispersal System along Kona Expressway (NH-117) for upgraded Santragachi Railway Station and new Santragachi Bus Terminus in West Bengal
- DPR for comprehensive Traffic Management Plan for Nabadiganta Industrial Township
- Feasibility Study Report and DPR for widening of Existing RUB (Bridge 01-Gaya Bridge of Railway) at Dhanbad, Jharkhand
- Consultancy Services for On-street Parking Management in New Town, Kolkata

METROS



Consultancy for the Ahmedabad Metro Rail Project

Having provided consultancy for the Mass Rapid Transit Systems (MRTS) spanning over 2000 km in more than 30+ cities, RITES continues to leverage its expertise in all aspects of urban rail transit systems, road-based transit systems, metro rail systems, light rail transit systems, suburban rail system, Metro Lite and Metro-Neo systems.

The Offerings

- Feasibility and Traffic & Transport studies
- Detailed Engineering Studies and Detailed Project Reports (DPRs)
- Detailed Design and General Consultancy for Public Transport Infrastructure Systems
- Project Management Consultancy, including construction supervision of MRTS projects
- Transport Planning and Policy at city, regional and national levels
- Transit-Oriented Development studies
- Construction of depots and stations for metro lines

On the job

During the year, the company has undertaken the following projects (select ones):

- Preliminary Design services for Bahrain Metro Extension to Bahrain Sport City
- Proof-checking services for Ahmedabad Metro stations and Viaduct (Ph-I)
- Ahmedabad Metro Rail Project (Phase-I)
- Supervision of Metro Express Line, Phase-III (A Light Rail Transit System) in Mauritius
- General Consultancy work for Pune metro (Phase – I)
- Project Management Consultancy (Limited PMC) for the Civil Construction works of Bangaluru Metro Rail Project (Phase 2A & 2B)
- General Consultancy for Haryana Orbital Rail Corridor (HORC)
- General Consultancy for Ahmedabad Metro Rail Project (Phase II); Nagpur Metro Rail Project (Phase-I); and Delhi Metro Rail Project (Phase-IV)
- Detailed Design Consultancy for Elevated Metro Stations and Metro Depots (Apparel Park & Gyaspur) for Ahmedabad Metro Rail
- Power Supply Distribution & 750V DC 3rd Rail Traction system with SCADA for Ahmedabad Metro (Phase-II) and Surat Metro (Phase-I)
- Civil works of two Rolling Stock depots and Power Supply Distribution & 750V DC 3rd Rail Traction system with SCADA for Bhopal Metro and Indore Metro
- Detailed Design for Power Supply and distribution system for Bangalore Metro Rail Project, Phase-I
- General Engineer Consultancy for Ahmedabad Metro Rail Project Phase -II
- DPR for metro neo electrcs city Bengaluru
- AAR & DPR for MRTS in Bareilly and Jhansi city
- Alternate Analysis Report for Bangalore Metro PH-3, Prayagraj, Jhansi
- Construction of Challaghatta Depot for Bangalore Metro

AIRPORTS & LAND PORTS



A view of the proposed Bhogapuram Airport

With experience of consulting for over 100 airports, RITES primes itself in the field of aviation infrastructure and its related subdisciplines such as airports, heliports, terminals, cargo terminals, hangars, workshops and maintenance facilities, pavements and control towers etc. Also, RITES pioneered the concept of International Cross-Border Management through Integrated Check Posts (ICPs) in India.

The Offerings

- Master planning, site selection and obstruction surveys
- Air traffic surveys, demand assessment and forecasting
- Project Feasibility Studies, Detailed Project Reports,
- Design and construction management

- ATC systems design, communication and navigational aids, visual ground aid
- Non-destructive evaluation of airfield pavement using 'HWD'

On the job

During the year, the company has undertaken the following projects (select ones):

- Design & PMC for the expansion of Gwalior Airport and Srinagar International Airport
- Design and PMC for Gautam Buddha International Airport at Bhairahawa, Nepal
- Design and PMC for Integrated Check Posts at Nepalgunj and at Bhiarahwa, Nepal
- Design & PMC for development of Shivamogga, Hassan & Vijayapura Airports in Karnataka and Chitrakoot Airport in UP
- Independent Engineer Services for operations, management, and development of Thiruvanantpuram International Airport
- Preparation of Masterplan, DPR and EIA for development of airport at Raichur, Karnataka for day VFR operations
- Design and PMC services for upgradation of infrastructure at Belora Airport, Amravati
- TEFR for Development of Heliports at Shillong and Tura in Meghalaya
- Feasibility Study for developing 4 airstrips in Nagaland
- Consultancy for capacity enhancement of Chennai International Airport
- Feasibility Study and DPR for development of heliports at Gurugram and Tamenglong
- DPR for Integrated Check Post at Dodhra Chandni, Nepal

BRIDGES & TUNNELS



RITES' team undertakes geotech investigation for a tunnel project in Leh

RITES offers structural engineering consulting services for transportation projects including road, rail and road-cum-rail bridges, river crossings, cable-stayed, suspension and extra-dosed bridges, approach structures such as rail/road viaducts, and tunnels. Our road/railway tunnel engineering services involve various modes of operation, including PPP, EPC, and so on.

The Offerings

Bridges:

- Techno-economic/Pre-feasibility Studies, Feasibility Studies, Engineering Surveys and Detailed Project preparation
- River Training and Hydraulic Modelling
- Slope stability, Geological, Geophysical and Geomorphological Studies
- Detailed Engineering Studies, Design, Review and Proof-Checking
- Technical Support, Designer's Association/ Supervision during construction, Bridge Launching
- Project Management, Quality Assurance and Bid Process Management
- Structural Health Assessment and Monitoring, Repair and Rehabilitation of Structures
- Standardisation of Bridge Inspection Procedure and preparation of Maintenance Manual

Tunneling:

- Route selection and Alignment Studies; Prefeasibility and Feasibility Studies;
- Detailed Engineering including Geological and Geotechnical Studies;
- Detailed Design Consultancy, technical specifications and BOQ;
- Expert Engineering Services, including supervision during construction;
- Instrumentation and Rehabilitation Studies; Slope Stability Analysis

On the job

During the year, the company has undertaken the following projects (select ones):

Select Ongoing Projects

- Repair and rehabilitation of 2nd Hooghly Bridge (Vidyasagar Setu, Kolkata) including replacement of Stay & holding down cables and bearing etc. for Hooghly River Bridge Commissioner (HRBC).
- Detailed design including designer's support during construction for Rail Bridge over River Yamuna Anand Vihar and Tilak Bridge stations of Northern Railway.
- Detailed engineering including designer's support during construction of 2 Nos. Rail Flyovers & 45 ROBs on various section of Eastern Dedicated Freight Corridor for DFCCIL.
- Rail/Road Bridges comprising of PSC, steel, steel-concrete composite with single/continuous spans catering to forces due to LWR / CWR have been designed for USBRL project (Katra –Dharam - Qazigund- Srinagar – Baramulla sections of New BG Rail Link) in fragile and seismically sensitive Himalayan Region in J&K. Designs for slope stability with soil nails/ ground anchors including the Tunnel face development for 7 Nos. tunnels are being carried out with designer's support.
- Designing, developing, installation and commissioning of Structural Health Monitoring System (SHMS) for Special Br No. 39 (490m long) and Br No. 43 (777m long) for USBRL Project in J&K
- Designing, developing, installation and commissioning of Structural Health Monitoring System for Bogibeel Bridge
- DPR for Rail bridge (2.8 Km long – Double tracks)) across river Ganga on Vikramshila - Katareah Section of EC Rly and at Farakka Barrage (3 km long – Four Railway tracks) for Eastern Railway.
- DPRs for 4 highway tunnels across Key La (8.1 Km), Shinkun La (4.1 Km), Tanglang La (5.41 Km) & Lachalung La (7.2 Km) including approaches & bridges, slope stability etc. in Himachal Pradesh and Union Territory of Ladakh.
- DPRs including detailed design and GT investigations for 11 tunnels and more than 100 bridges/ROBs/ RUBs (including river Engg.) in connection with Abu Road-Taranga Hill section for North Western Railway in Rajasthan
- Supply, installation, instrumentation, 3D monitoring & construction supervision of 6 (six) Tunnels for doubling line between Jarati-Maligura station of KK Line of Waltier Division, East Coast Railway
- DPR for 3 tunnels (at Namik La, Fotu La and Khardung La) and 100-km road in Ladakh
- Hydrological Model Study for proposed New Rail bridge i.e. Vikramshila Bridge and Farakka Barrage Bridge over river Ganga for EC Rly & Eastern Rly.

Select Projects Executed

- DPR for Road Bridge (3.17km long) across River Muriganga to connect Kachuberia, Sagar Island with Kakdwip in South 24 Parganas, West Bengal
- Rehabilitation and assessment of the present health condition of the Br. No. 10 (UP & DN Line) at TATA Steel Meramandali (TSM) in Odisha
- DPRs, including detailed design and GT investigations, for Bridges (32Nos) & Tunnels (52 Nos) in connection with Boddavara- Karakavalasa (51km) section on KK Line and Tikri-Bhalumaska (45.86Km) section on KR line of East Coast Rly in Odisha.
- GT investigations, including carrying out marine boreholes, for LPG import facility of HPCL at Dahej, Gujarat.
- DPR for the proposed Tunnel in connection with Nathdwara- Nathdwara Town New BG Line project for NW Railway
- Hydrographic and topographic survey of minor, major and important bridges along the corridor between Thiruvananthapuram to Kasargo for Semi High-Speed Rail Corridor (Silver Line)

LOCOMOTIVE LEASING AND O&M OF RAIL ASSETS

At about 35 sites, RITES is involved in the operations and maintenance of rail assets which includes train operations and locomotive, wagons & track maintenance for clients such as power plants, coal mines, steel plants, container depots, ports etc. RITES is easing the rail operations for these clients at sidings and in-plant areas. RITES had a fleet of 69 locomotive for leasing which are placed at about 30 sites across India.

The Offerings

- Leasing of RITES locomotives to PSU and Private clients;
- Operation and maintenance of locomotives (diesel & electric) and wagons;
- Rehabilitation and maintenance of railway tracks;
- Train running and related operation in private yards and sidings;
- Periodic overhaul/ major schedules of locomotives, wagons and diesel generator sets;
- Railway system management, including the operations, workshops, depots and ancillary facilities;
- Study for upgrade, rehabilitation of rail system;



RITES owned loco for in-plant use.

On the job

During the year, the company has undertaken the following projects (select ones):

- Secured its highest value contract of about Rs. 360 crore for operation & maintenance of 20 locomotive of CONCOR for 10 years.
- Secured contract for maintenance of 6 diesel locomotives and 6 electric WAG9 locomotives and wagons maintenance for NTPC Lara plant. First electric locomotives maintenance order for RITES.
- Multi Loco leasing at Vishakhapatnam port
- A comprehensive contract by NTPC-Darlipalli for O&M of the entire Railway MGR System.
- R3Y and R6Y major schedule repair for 17 WDS6 locomotives by SAIL-Bhilai
- Traffic Operations for 2 years and locomotive maintaince works for Tata Steel's Meramadli plant
- Operation & Maintenance for rolling stock at NTPC-Rihand
- Leasing of 5 locomotives to SAIL plant at Rourkela
- Secured wet leasing contracts for Dhamra Port ports for supply of 04 nos. WDS6 locomotives for 5 years
- Leasing of 1 locomotive to Rashtriya Chemicals & Fertilizers ltd
- Secured contract towards locomotive maintenance for a period of 5 years for Haldia Dock Complex (Kolkata Port Trust)

EXPORT & LEASING OF RAILWAY ROLLING STOCK



A passenger coach is being exported to CFM, Mozambique

As a nodal export agency for the Indian Railways, RITES sources rolling stock from production units of the Indian Railways, and certain type of rolling stock such as wagons,

from private manufactures as well. It offers integrated and customized export packages to meet the transport requirements of clients having railways/metro operations on Meter, Cape, Standard and Broad Gauge.

We render technical consultancy for establishment and modernization of workshops, facility planning for rolling stock maintenance, training and technology transfer to overseas clients. Spare part support is also guaranteed after the delivery of the stock as per contract terms.

The Offerings

- Supply and commissioning of locomotives and rolling stocks
- Rehabilitation/ upgrade of rolling stock
- Supply, installation, commissioning of machinery and plant for railway maintenance facilities
- Supply of maintenance equipment for P-Way and other railway infrastructure
- Supply and commencing of metro and urban transit rolling stocks
- Consultancy/turnkey execution for upgrading rolling stock maintenance facilities
- Leasing of locomotives
- Technical assistance and feasibility study, detailed planning and techno-economic analysis for optimizing investment decisions in rolling stock maintenance
- Technical consultancy in operation & maintenance of rolling stock, including training

On the job

During the year, the company has undertaken the following projects (select ones):

Select Projects Secured

- Order of 10 AC chair car coaches from CFM, Mozambique
- Order of 2 Diesel Hydraulic Locomotives from Mitsubishi Heavy Industries (Japan) for their Bangladesh operations.

Select Projects Executed

- Supply of 1 AC-AC 3000 HP Diesel Electric Locomotive, 25 passenger coaches and 4 DEMU trainsets to CFM, Mozambique
- Warranty for 160 coaches, 08 DEMU trainsets and 10 Diesel Electric Locomotives supplied to Sri Lanka

BUILDINGS, STATION DEVELOPMENT & MMLPs



The Ayodhya Railway Station being redeveloped to offer state-of-the-art passengers amenities

Marrying its extensive experience in railway engineering, urban development and building projects, RITES has taken up assignments in areas for development of Multi Modal Logistic Parks (MMLP) for various PSU & Private clients, buildings for many educational institutes, PSUs and Government & its instrumentalities and railways station redevelopment to assist the Government in developing world-class infrastructure under its Amrit Bharat Station Scheme

The Offerings

- Conceptualization, reconnaissance, feasibility studies, detailed project report;
- Detailed Engineering, Project Planning, Scheduling and Controlling;
- Contract Management, Construction Project Management;

- Turnkey Construction;
- Authority Engineer;
- Quality Assurance, Inspection, Third Party Inspection and Technical audit;
- Architecture – Programme and space planning, predesign, preparation of master plan/layout-plan and architectural designs;
- HVAC, firefighting-cum-detection services, Acoustical Services and Landscaping

On the job

During the year, the company has undertaken the following projects (select ones):

- Turnkey work for redevelopment of Kollam railway station
- PMC for redevelopment for Somnath Railway Station
- Consultancy services for MMLP at Madalgarh and Hakimpur for CONCOR
- PMC services for Non-Transport areas for KIIFB, Kerala
- TPS, Safety & QC of Ayodhya Development Authority
- PMC for Re-development of Sepahijala Zoo
- TPQA of ICT for Lucknow Smart City Ltd
- Turnkey redevelopment of Ayodhya and Varanasi railway stations
- Construction and Development of Textile Park at Shiggavi in Haveri, Karnataka
- Construction of warehouse, temporary approach road, rail side warehouse at Kakinada, Krishnapatnam & Visakhapatnam
- Construction of SFA at Bhubaneswar
- Turnkey construction of IIM Shillong
- PMC series for works of Department of Technical Education and Department College Education, Karnataka

ROPEWAYS

Promoting development of ropeways as an alternative mobility solution in difficult terrains to improve first as well as last-mile connectivity, besides improving tourism, RITES offers consultancy services covering all aspects of passenger and material ropeways, Funicular railway systems, and other industrial units.

The Offerings

- Preparation of Techno-economic feasibility reports and detailed project reports
- Project Management Consultancy for Passenger and Material Ropeways, Funicular railway systems

On the job

During the year, the company has undertaken the following projects (Select ones):

- DPR for Ropeway between Langar and Sanjichhat, Katra
- PMC for Ropeway at Shilong Peak, Meghalaya
- DPR for Ropeway at Chamba, Himachal Pradesh

PORTS & WATER RESOURCES



Comprehensive Master Plan-2047 for Paradip Port

RITES' capabilities address all aspects of port planning and marine structural & civil engineering projects from berth to gate. We offer solutions for Inland Water Transport (IWT) and water resources engineering as well.

The Offerings

Ports and Harbour sector: Port Location Studies, Port Planning and Harbour Engineering; Dredging and reclamation, Navigational systems; Port Connectivity (Rail/Road/Waterway); Breakwaters and Model studies for port development, CRZ and EIA studies; Berthing structures; Material handling systems, port utilities, traffic studies, cost benefit analysis and project viability; Advisory services for privatisation, project management and independent engineer services.

Inland Water Transport (IWT): System planning, River engineering, Hydrographic surveys and investigations; River terminals, Training works and River management studies; Traffic and transport economics, financial analysis and EIA studies.

Water resources engineering sector: Reservoir capacity studies, Flood mitigation studies and Design of intake structures, dredging and shore disposal studies.

Water transmission & treatment: Total solutions from concept to commissioning of water supply systems, transmission, desalination and management of water projects by adopting state-of-the-art technologies providing clean and safe drinking water.

On the job

During the year, the company has undertaken the following projects:

- Detailed Project Report (DPR) for development of Sadiya to Dhubri stretch of Brahmaputra River (NW-2) for enhancement of transportation of cargo
- EIA & CRZ studies for Development of Machilipatnam Port for Andhra Pradesh Maritime Board
- PMC services for Development of Greenfield Port at Machilipatnam, Andhra Pradesh
- Independent Engineer Services for Development of Western Dock on BOT Basis to handle capsized vessels at Paradip Port
- Preparation of Comprehensive Master Plan-2047 for Paradip Port
- DPR for Operating the Cruise in Chambal River (Kota Barrage to Garadiya Mahadev) for UIT, Kota, Rajasthan
- Hydrography survey and Feasibility for Navigation in River Chimtuipui, Mizoram
- PMC Services for Development of IWT on R. Khawthlangtuipuri-Tulchawng in Lunglei district, Mizoram

QUALITY ASSURANCE

Having ISO: 17020 and ISA certifications, the Company provides Quality Assurance Services, in the areas of ultrasonic, magnetic, and dye-penetrant testing, radiography, high voltage testing, metrology, and metallurgical investigations. RITES laboratories in eastern and northern regions are accredited and conform to rigorous ISO/IEC17025 requirements by NABCB. The Company has recently secued its accreditation to ISO 17065:2012 to become the first Govt. Certification body for rolling stock.

The Offerings

- Third Party Inspection (TPI) of material in India and abroad
- Stage inspection/in-process inspection of material
- Vendor capacity and capability assessment
- Surveillance audit of vendors and products
- Witnessing energy efficiency tests of equipment in certified test labs
- Development of Quality Assurance Plans (QAPs)
- Quality Audit of process and systems
- Independent Safety Assessment (ISA) for rolling stock
- Independent Agency for Monitoring and Evaluation (IAME) for Energy Efficiency Standard and Star Labelling Programme for consumer durables and other electrical equipment
- Independent Review and Monitoring Agency (IRMA) for Infrastructure Project
- Energy Auditing Services

On the Job

During the year, the company has attended more than 92000 inspection calls across the country and undertaken the following projects:

- Standing authorized inspection agency for Indian Railways for rails, plant and machinery, wheel sets, wheel and axle, springs and other components of rolling stock in India as well as abroad
- Quality Management inspection & Testing of coaches at LHB Division, ICF, Chennai and at MCF, Raebareli
- Third Party Inspection for Jal Shakti, PHED, Kashmir; of ductile iron span pipes at Jindal Saw Ltd.; of wheels at RINL; of materials for Tata Projects Ltd.; of material/ equipment for Ashoka Buildcon Ltd., Nasik
- Inspection of steel bridge girders for Gujarat Metro Rail Corp. Ltd. (GMRCL), Gandhinagar
- Process Improvement and final inspection at Titagarh Wagon Ltd, Uttar Para & Titagarh
- Inspection of 'Swan Neck Support' for high-speed ship building of Engg. Co. Ltd., Bangladesh.
- Third Party Inspection services for various infrastructure projects of Smart Cities such as Bareilly, Jodhpur, Ajmer, Chandigarh etc. and State Water & Sanitation Mission and Bridge Girders

TRANSACTION ADVISORY

Empanelled as Transaction advisor for asset monetisation of projects under InvIT and ToT mode with NHAI, Monetisation Consultant with Department of Public Asset Management and NITI Aayog, Company offers Transaction Advisory services for various Public Private Partnership (PPP) projects in the infrastructure sector.

The Offerings

- Pre-feasibility and market studies
- Project structuring and stakeholder consultation
- PPP Transaction Advisory
- Business plans, bankability studies, benchmarking, and strategic advisory
- Asset Valuation Studies
- Transaction Advisory for Asset Monetisation
- Financial and Commercial Appraisal of projects

- Policymaking and Regulatory advisory
- Bid process management
- Consultancy for private investments in infrastructure projects
- Financial, Tax and Legal due diligence

On the Job

During the year, the company has undertaken the following projects (Select ones):

- Transaction Advisory series (TAS) for InvIT bundle 3 for NHAI
- TAS for ToT bundle 10 for NHAI
- TAS for selection of entity for procurement, operation and maintenance of rolling stock on PPP model for Bengaluru sub-urban rail project for Kride
- TAS for development of Heliport in NOIDA on PPP basis

SUSTAINABILITY & URBAN ENGINEERING



A visualisation of the upcoming Inter-Modal station at Katra

Sustainability is part of our purpose and business practices. We are committed to minimizing the impact on the planet and supporting those who are engaged in environmental protection.

Also, our urban engineering capabilities include a broad array of Transportation Planning services and cover everything necessary to address mobility needs and to plan and effectively deliver smart transport systems.

The Offerings

- National Clean Air Program (NCAP) implementation
- Environment, Social and Governance (ESG)
- Technical support services for solid waste management and Used Water Management
- Source Apportionment Study
- Net Zero (Carbon Neutral) Studies/Carbon Credits
- Environment and Social Impact Assessment studies
- Pollution Abatement studies
- Lake Conservation programs
- Extended producer responsibility for single-use plastics
- Transport Planning and Policy at city, regional and national levels
- Comprehensive Mobility Plan, Traffic & Transport studies and Transport Master Plan
- Integrated Multi-Modal Mass Rapid Transport Planning
- Bus system planning and design
- Freight /Logistic Infrastructure Planning & Design

On the Job

During the year, the company has undertaken the following projects (Select ones):

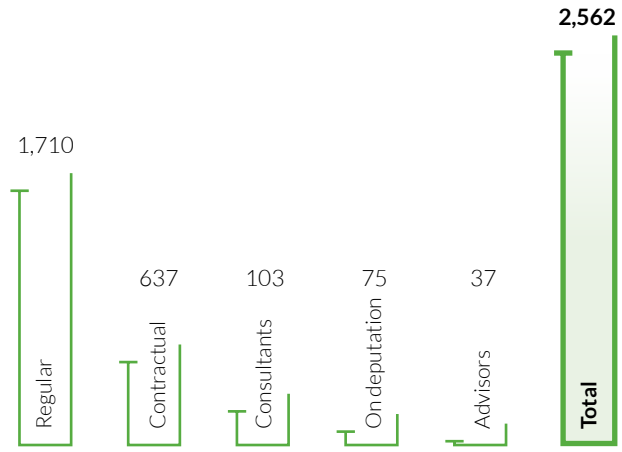
- High Occupancy Vehicle Lane Study on Budaiya Highway, Bahrain
- MMI Hub at Hebbal Junction at Bangalore
- Intermodal Transit Hub Bangalore

- Comprehensive Mobility Plan for Kolkata Metropolitan Area, Ayodhya, Jhansi, Saharanpur, and Chandigarh
- Preparation of Piligrims Management Plan for Shri Ram Janambhoomi Teertha Kshetra in Ayodhya
- Gramin Parivahn Sewa on PPP mode in Rajsthan
- EIA Study for Rohtasgarh, Mundeshwari, Brahmayoni, Dungeshwari and Vanavar ropeways in Bihar; Haridwar ropeway in Uttarakhand; and for Pretshila ropeway
- ESIA Study for Ahmedabad Metro Phase-II
- EIA Study for dedicated Test track Project at Sambhar; developing Helipad at Noida; 19 Stations and CBTC in Mumbai Suburban Rail; for enhancement of transportation of cargo in Brahmaputra River
- Technical Support Unit for SWM and UWM at MoUHA
- DPR for development of Intermodal Station at Tirupati and Feasibility Report of Commercial Zone at Tirupati
- Consultancy services for Bengaluru Solid Waste Management Limited
- DPR for IMS Katra and Feasibility Report of Commercial Zone at IMS Katra
- SIA Study for Agra Metro Rail Project
- City Logistics Plan for Agra and Ghaziabad

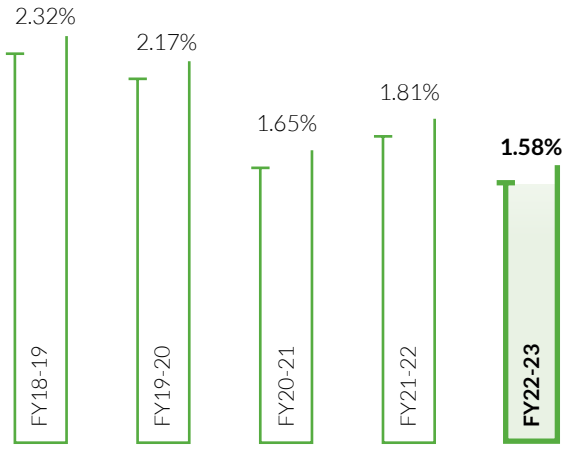
VIII. PEOPLE MANAGEMENT

Being a consulting organisation, RITES is constantly enhancing its knowledge and professional pool by regularly inducting skilled professionals. Its Human Resource Department is committed to achieving deliverables in terms of talent acquisition and retention, employee engagement, career progression, welfare, and development of the human capital.

Employee strength as on 31.03.2023



Attrition rate of regular employees



Recruitment

To maintain its competitive advantage, RITES is determined to induct the best and talented workforce across the hierarchy — from fresh graduates, to engineer and management trainees, to deputationists, to retired officials (as experts and advisors) and to staff on third-party pay roll. The company has adopted best practices for providing equal opportunities and harmonious environment for advancement of SC, ST, OBC, Minorities and women employees. Its recruitment policies indicate the forward-looking approach with the emphasis on becoming 'Equal Opportunity Employer'.

During the year, RITES inducted 53 employees (18 regular and 35 contractual) of which 34 belong to the SC/ST/OBC/EWS category. Further, 2 PWD candidates were also inducted.

Career Progression

RITES' promotion and transfer policy has been framed to provide adequate avenues of career advancement at all levels consistent with merit, suitability, performance and professional attainments of the employees. It is also commensurate with the business needs of the company to sustain in the competitive environment.

The promotion process was conducted for the 340 eligible candidates across disciplines, levels and regions and 234 employees (executive and non-executive staff) were promoted in FY 2022-23.

Based on the project requirements and to aid in learning and career progression as well as to comply with the job rotation policy for sensitive posts, around 500 employees have been transferred across verticals and regions during the year.

To make the workforce future ready and sustain a healthy pipeline of rich talent and expertise, RITES also continuously engages itself in succession planning.



A training session organised for officials from CFM, Mozambique

Training & Development

Over the years, RITES workforce has been continually evolving due to several factors. An increasingly competitive business landscape, rising complexity, and the digital revolution have placed a premium on training and development. The company focuses on reskilling and upskilling its workforce through interventions such as training programmes, workshops, seminars, conferences and capacity-building sessions, both online and offline, covering the broad spectrum of technical, functional, behavioural, well-being as well as technological areas.

The company collaborates with various Indian Railway academies, Centralised Training Centres, premier business schools and other prestigious institutes/agencies to hone engineers into managers and leaders of tomorrow. This year, a total of 8185 training man-days have been clocked.

In view of knowledge management and knowledge sharing, the company focuses on In-house Capability Development. Under this initiative, regular knowledge-sharing sessions are organized by various industry experts, retired RITES officials and senior personnel of the organization.

Performance Management System

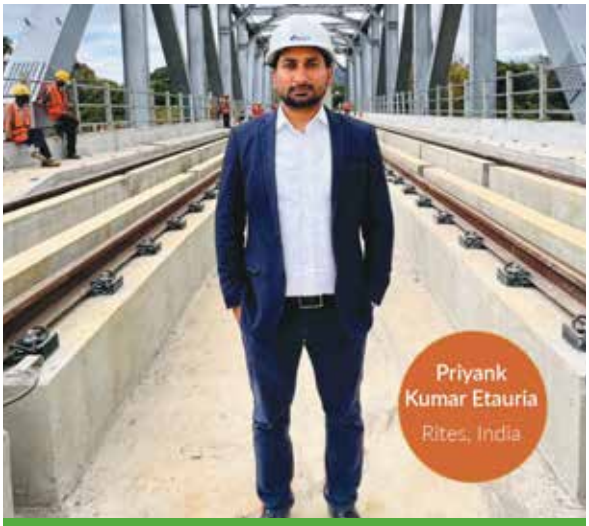
This year, the Performance Management System was revamped with the introduction of parameters aligning with vision of the organization. The performance appraisal process was carried out seamlessly through the e-PMS tool of Employee Self Service (ESS) and digitalization of processes such as submission of property transactions and no-due clearances resulted in efficacious delivery and reporting.

Digitalisation

The HR department has taken a leap forward to keep records in digitised format and implementing e-office for day-to-day operations. Also, the e-office system has been made bilingual to encourage the progressive use of Hindi in office functioning. More than 6,500 files, including 850 files for FY 2022-23, have been scanned and digitised up to March 2023.

HR functions such as Employee Records, Leave Records, Performance Management System, Annual Property Returns, Employee Engagement, Transfer and Postings have also been put in an e-format, thereby reducing paper use, and improving efficiency.

Employee Engagement



A pride moment for RITES as Priyank Etauria featured in International Railway Journal's 'Top 10 under 40'

Employees have been given an opportunity to be part of decision-making on issues such as service conditions, resolving grievances and improving productivity by setting up the consultative council called CONCERT. The council comprises elected and nominated representatives of all sections of employees for continuous communication. Periodic meetings are being held to achieve these objectives. Also, to recognise exceptional performance, periodic awards and recognition (individual as well as group) are given to employees.

Employee Welfare

RITES has various schemes to improve the overall well-being of its employees. The primary objective is to enhance the quality of life of the RITES employees. Employees have been granted perks, allowances and facilities and non-monetary benefits such as transportation, housing, leased accommodation, medical facility, health insurance, etc.

Apart from incorporating statutory benefits, Additional benefits have been provided such as personal healthcare (regular medical check-ups), reimbursement of OPD medical expenses (which includes prolonged treatment as well dental treatment) and availability of doctors on the RITES office campus. Buffer amount has been increased for both serving as well as retiring employees in Group Mediclaim Policy. Also, tie-ups with leading institutions have been garnered for cashless/discounted treatment.

A dedicated PRMS (Post Retirement Medical Scheme) cell and Abhaar committee have been formed to address the concerns of retired employees. To provide social security to family members of employees, apart from statutory measures, other insurance covers in the form of Group term plans and personal accident plans have been taken for employees. Superannuation benefits consisting of provident fund, gratuity, pension and post-retirement medical scheme are also provided.



A performance by members of RITES' Cultural Association 'Sankalp' on RITES Day



Team RITES in action during RITES Sports Day 'Spardha'

The Fixed Allowances have been streamlined for all employees and the facility of Sodexo Card has also been implemented. Encouraging Fit India Movement and sports, various individual and team events are organised every year for the overall development of the employees.

Proper prevention and protection measures have been taken to deal with COVID-19. Employees have been encouraged and motivated for the vaccination, including booster dose, by arranging vaccination camps and reimbursing the amount for the same.

Women Empowerment

RITES has always believed in providing equal opportunities and harmonious environment for the advancement of women employees. It is committed to drive positive change at workplace and beyond. As a result, various initiatives are being taken to ensure fair participation and representation of women workforce at all forums. empowering them to take decisions and make a difference.

International Women's Day (8th March) is celebrated in RITES every year marking contributions of women in the social, economic, cultural and political fields. This year, while celebrating the occasion, the management emphasised the need of having gender diversity and its benefits towards fostering creativity and innovation in the company's growth.

RITES' POSH Committee ensures providing safe and secure workplace for female employees. Employees are regularly sensitized on the issue of prevention of sexual harassment at workplace through trainings/awareness sessions. Through various initiatives, the committee reiterates the policy of ZERO tolerance to sexual harassment in any form.



Women's Day celebrations at RITES office, Shikhar, in Gurugram

Grievance Redressal

A centralised complaint cell has been functioning for registration, monitoring and disposal of grievances raised by staff, ex-employees and public. The employees can raise grievances online through the Employee Self Service (ESS) portal. Any member of public or ex-employee of the company can also submit their complaint through the company website. Two standing committees have been constituted to further augment the grievance handling mechanism of serving and retired employees.

Contribution to Govt. Initiatives

The Company has always been proactively supporting initiatives of the Government of India such as Skill India, Swachh Bharat Mission, Startup India, Make in India, including MSMEs, Digital India, promotion of solar ecosystem by formulating its business or governance objectives in line with the government plans.

During the year, the company procured goods worth ₹25.43 crore from Micro and Small Enterprises, including those belonging to SC/ST and women categories, against the total procurement of ₹63.17 crore.

IX. RISKS & CONCERNS

In view of the increased globalisation and opening of cross-border businesses, there is a greater risk of competition from foreign companies in consultancy projects. The company also faces competition from the existing service providers and new entrants in both public and private sectors within India. Increased competition and aggressive bidding by competitors can impact its business operations and financial conditions.

The company may have a risk of incurring additional liabilities due to failure or subdued performance of its joint venture/consortium partners in respect of assignments being executed in the joint venture/consortium manner. Also, the company's global operations are exposed to geopolitical and currency risks.

X. INTERNAL CONTROL SYSTEMS

The company has adequate internal control and audit systems to ensure efficient operations and compliance with applicable laws, rules, and regulations. It has structured policies and guidelines for the optimal delegation of authority for business facilitation. 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 for continuous improvement.

The internal control system has been further strengthened through:

Internal financial controls

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

System Certification (ISO 9001:2015) & Other Accreditations

The Company has been certified to Quality Management System (QMS) as per ISO 9000 series of Standards since 1999. The system has been documented as per ISO 9001:2015 requirements. The ISO-based QMS defines the requirement of internal controls through manuals and procedures which are formulated internally. The QMS, involving regular internal audits to ensure the compliances with stipulated rules/regulations, forms an integral part of the internal control systems. RITES' ISO 9001:2015 Certificate has been awarded by M/s. NVTQC under ANAB accreditation.

In addition, the Company is also accredited to ISO 17020:2012 Standard by NABCB, (A body under Quality Council of India) to ensure compatibility of its inspection services to international norms. The company has material testing laboratories in different regions which are accredited as per ISO 17025.

Risk management system

Company has a Risk Management Committee of the Board of Directors, which ensure that appropriate methodology, processes, and systems are in place to monitor and evaluate risks associated with the business of the company. A risk management system is in place to look into identification, prioritisation and mitigation of risks. It includes the financial risk management system since the company's activities are exposed to financial risks such as market risk, credit risk and liquidity risk. The financial risk management system foresees the unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial performance through the various risk mitigation strategies. Additional requirements related to the risk management in accordance with ISO9001: 2015 have also been implemented.

Treasury risk & liquidity management

The company has continued to optimise 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 the Government bodies, Department of Public Enterprises (DPE), Companies Act and those approved by Board of Directors (BoD).

The execution of foreign projects also carries a currency fluctuation risk. The company regularly monitors exchange fluctuations to mitigate it. The company has a sound currency risk management policy that covers various aspects of currency risk management, benchmarking, hedging and risk appetite, permissible instruments, structure of the risk management committee, treasury group and reporting procedures.

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

Annexure - C

Business Responsibility & Sustainability Report

SECTION A: GENERAL DISCLOSURES

I. DETAILS OF THE LISTED ENTITY

1. Corporate Identity Number (CIN) of the Listed Entity **L74899DL1974GOI007227**
2. Name of the Listed Entity **RITES Limited**
3. Year of incorporation **1974**
4. Registered office address **SCOPE Minar, Laxmi Nagar, Delhi – 110092**
5. Corporate address **Shikhar, Plot No. 01, Sector-29, Gurugram-122001, Haryana**
6. E-mail **info@rites.com**
7. Telephone **+91 1242571666**
8. Website **www.rites.com**
9. Financial year for which reporting is being done **Financial Year 2022-23 (April 1, 2022 to March 31, 2023)**
10. Name of the Stock Exchange(s) where shares are listed **BSE Limited, National Stock Exchange of India Limited**
11. Paid-up Capital **₹240.30 Crore**
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report

    Name: Mr. Stithapragyna Mohanty

    Designation: Chief People Officer

    Telephone Number: +91 124 2571666

    E-mail id: cpo_rites@rites.com
13. Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).
    Standalone Basis

II. PRODUCTS/SERVICES

14. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	**Consultancy**	Design, engineering **consultancy,** operation and maintenance of railway assets and project management for transport and infrastructure sector with focus on railways, urban transport, roads and highways, buildings, ports, including land ports, inland waterways, airports etc.	47.21%
2.	**Leasing**	**Leasing** of locomotives and other railway rolling stock	5.47%
3.	**Exports**	**Export** of locomotives and other railway rolling stock	12.22%
4.	**Turnkey Projects**	**Turnkey** projects for railway workshops, track doubling /tripling/quadruplicating, new/additional railway line, railway electrification, redevelopment of railway stations, institutional buildings, wind, solar and other renewable energy projects with or without equity participation.	35.10%

15. Products/Services sold by the entity *(accounting for 90% of the entity's Turnover)*:

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1.	Design, engineering **consultancy,** operation and maintenance of railway assets and project management for transport and infrastructure sector with focus on railways, urban transport, roads and highways, buildings, ports, including land ports, inland waterways, airports etc.	71100	47.21%
2.	**Leasing** of locomotives and other railway rolling stock	49120	5.47%
3.	**Export** of locomotives and other railway rolling stock	46592	12.22%
4.	**Turnkey** projects for railway workshops, track doubling /tripling/ quadruplicating, new/additional railway line, railway electrification, redevelopment of railway stations, institutional buildings, wind, solar and other renewable energy projects with or without equity participation.	4210	35.10%

III. OPERATIONS

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	NA	15	15
International	NA	7	7

17. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	28 States and 8 Union Territories
International (No. of Countries)	13

b. What is the contribution of exports as a percentage of the total turnover of the entity?

12.22%

c. A brief on types of customers

Our domestic as well as overseas clients typically are national governments, governmental instrumentalities, large private entities and public sector enterprises. Such governments, governmental agencies and public sector undertakings are engaged in large scale infrastructure planning and development both in India and abroad. We also undertake and execute projects funded by multilateral funding agencies.

We have a large base of multisectoral clientele across the globe that includes Central/State Governments, Departments, Public Sector Undertakings and leading private entities. Some of the major clients are National Thermal Power Corporation Limited, Dedicated Freight Corridor Corporation of India Limited, Steel Authority of India Limited, Airports Authority of India, National Highways Authority of India, National Highways Logistics Management Limited, Bangalore Metro Rail Corporation Limited, TATA Steel, Adani Ports, National Aluminium Company Limited, Coal India Limited, Paradip Port Trust, KIIFB, besides international clients from countries such as Sri Lanka, Mozambique, Mauritius, Bangladesh, Nepal, Guyana, Ghana and Bahrain.

IV. EMPLOYEES

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
			EMPLOYEES			
1.	Permanent (D)	1710	1542	90.18%	168	9.82%
2.	Other than Permanent (E)	712	673	94.5%	39	5.5%
3.	**Total employees (D + E)**	2422	2215	91.45%	207	8.55%
			WORKERS			
4.	Permanent (F)	-	-	-	-	-
5.	Other than Permanent (G)	-	-	-	-	-
6.	**Total workers (F + G)**	-	-	-	-	-

b. Differently abled Employees and workers:

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
	DIFFERENTLY ABLED EMPLOYEES					
1.	Permanent (D)	20	19	95%	01	5%
2.	Other than Permanent (E)	06	06	100%	00	-
3.	**Total differently abled employees (D + E)**	26	25	96.15%	01	3.85%
	DIFFERENTLY ABLED WORKERS					
4.	Permanent (F)	-	-	-	-	-
5.	Other than permanent (G)	-	-	-	-	-
6.	**Total differently abled workers (F + G)**	-	-	-	-	-

19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	10	1	10%
Key Management Personnel	5	-	-

20. Turnover rate for permanent employees and workers*

(Disclose trends for the past 3 years)

	FY 2022-23 (Turnover rate in current FY)			FY 2021-22 (Turnover rate in previous FY)			FY 2020-21 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	9.24%	6.43%	8.97%	7.58%	5.69%	7.40%	7.55%	6.66%	7.47%
Permanent Workers	-	-	-	-	-	-	-	-	-

*Turnover rate includes employees leaving the employment due to dismissal, termination, retirement or death in service.

V. HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (INCLUDING JOINT VENTURES)

21. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	RITES (Afrika) (Pty) Limited	Subsidiary	100%	Yes
2	REMC Limited	Subsidiary	51%	Yes
3	SAIL-RITES Bengal Wagon Industry Private Limited	Joint Venture	50%	No
4	Indian Railway Stations Development Corporation Limited*	Joint Venture	24%	No
5	Elicius Energy Private Limited	Associate Company	13%	No

*Ministry of Railway (MoR) vide letter dated 18.10.2021 had decided in principle for closure of Indian Railway Station Development Corporation (IRSDC), in which Company has an investment of ₹348 Crore. Closure activities are underway. Financial statement of IRSDC has been prepared on liquidation basis.

VI. CSR DETAILS

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: **Yes**

(ii) Turnover (in ₹) 2520 Crores

(iii) Net worth (in ₹) 2503 Crores

VII. TRANSPARENCY AND DISCLOSURES COMPLIANCES

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct: Grievance redressal mechanism is in place to address grievances of various stakeholders. 'Samvedna' and 'Aabhar' committees constituted by Management are ensuring proper redressal and disposal of the grievances, requests and suggestions of existing and ex-employees. Also, grievances received through CPGRAM (Centralized Public Grievance Redress And Monitoring) system of Government of India, are attended promptly.

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/ No) (If Yes, then provide web-link for grievance redress policy)	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes https://www.rites.com/Upload/MediaGallery/PDF/3/Grievance_Redressal_Policy_pdf-2023-Jun-23-17-1-33.pdf https://pgportal.gov.in/	27	Nil	Public grievances are handled through CPGRAM PG Portal and CPGRAM Appeal Portal	Nil	N.A.	Public grievances are handled through CPGRAM PG Portal and CPGRAM Appeal Portal
Investors (other than shareholders)	N.A.	Nil	N.A.	N.A.	Nil	N.A.	N.A.
Shareholders	Yes https://www.rites.com/Upload/MediaGallery/PDF/3/Grievance_Redressal_Policy_pdf-2023-Jun-23-17-1-33.pdf https://scores.gov.in/scores/Welcome.html	30	Nil	SCORES Platform & through email, Jointly managed by RITES and its RTA	61	Nil	SCORES Platform & through email, Jointly managed by RITES and its RTA
Employees and workers	Yes https://www.rites.com/Upload/MediaGallery/PDF/3/Grievance_Redressal_Policy_pdf-2023-Jun-23-17-1-33.pdf http://reppi-puc2.rites.com:55100/irj/portal https://www.rites.com/Complaint https://vigilance.rites.com/ https://www.rites.com/Feedback	61	1	Serving employees grievances are handled through RITES Employee Self Service Portal, Grievances from retired/ ex-employees are handled through RITES website	Nil	N.A.	Serving employees grievances are handled through RITES Employee Self Service Portal, Grievances from retired/ex-employees are handled through RITES website

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/ No) (If Yes, then provide web-link for grievance redress policy)	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Customers	Yes https://www.rites.com/Upload/MediaGallery/PDF/3/Grievance_Redressal_Policy_pdf-2023-Jun-23-17-1-33.pdf https://pgportal.gov.in/ https://www.rites.com/Complaint https://ritesinsp.com/RBS/Client_Feedback_Form.aspx	Nil	N.A.	Public grievances are handled through CPGRAM PG Portal and CPGRAM Appeal Portal	Nil	N.A.	Public grievances are handled through CPGRAM PG Portal and CPGRAM Appeal Portal
Value Chain Partners	Yes https://www.rites.com/Upload/MediaGallery/PDF/3/Grievance_Redressal_Policy_pdf-2023-Jun-23-17-1-33.pdf https://pgportal.gov.in/ https://www.rites.com/Complaint https://ritesinsp.com/RBS/Vendor_Feedback_Form.aspx	Nil	N.A.	Public grievances are handled through CPGRAM PG Portal and CPGRAM Appeal Portal	Nil	N.A.	Public grievances are handled through CPGRAM PG Portal and CPGRAM Appeal Portal
Other (please specify)	Yes https://www.rites.com/Upload/MediaGallery/PDF/3/Grievance_Redressal_Policy_pdf-2023-Jun-23-17-1-33.pdf https://pgportal.gov.in/ https://www.rites.com/Complaint https://ritesinsp.com/RBS/Email.aspx	Nil	N.A.	Public grievances are handled through CPGRAM PG Portal and CPGRAM Appeal Portal	Nil	N.A.	Public grievances are handled through CPGRAM PG Portal and CPGRAM Appeal Portal

24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Integrating infrastructure and green solutions	O	For overall economic development, Government policies and funding agencies support development and establishment of sustainable transport and related infrastructure system for 'Future Mobility' built on three-thronged approach --- connectivity, electrification and shared mobility while maintaining operational efficiencies	-	Positive
2	Usage of environment friendly material, energy saving devices for providing services for operation and maintenance of rolling stock, leasing, railways sidings etc	O	There is a requirement for compliances of environmental and social related matters for establishment, operation and maintenance of railway systems for various Industrial production units/ entities	-	Positive
3	Feasibility studies, traffic study, design, quality audit, project management services for Mass Rapid Transit System, road/ highways, bridges & tunnels, buildings, ports & water resources, airports, ropeway infrastructure etc	O	To accelerate growth in economy and general wellbeing of society, there is a need to foster a sustainable and rapid mass transportation system encompassing and integrating ESG initiatives in overall business conduct for enhanced stakeholder value	-	Positive
4	Facilitating Total Employee Experience for meeting skill/ knowledge with orientation for social and environmental solution	R	There are limited experts available with matching capabilities and the various players in consultancy business are eying for these experts.	Organisation is adopting a flexible policy for engagement of people with required skill set on regular/ contractual/ project-based assignments on case-to-case basis.	Negative

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a. Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web Link of the Policies, if available	https://www.rites.com/Upload/MediaGallery/PDF/3/Anti_Bribery_and_Anti_Corruption_Policy_pdf-2023-Jun-23-16-59-47.pdf	https://www.rites.com/Upload/MediaGallery/PDF/3/CSR-SustainabiltyPolicyNov21_pdf-2021-Dec-15-17-10-36.pdf https://www.rites.com/Upload/MediaGallery/PDF/3/Preferential_procurement_policy_framework_pdf-2023-Jun-23-17-3-48.pdf	https://www.rites.com/RitesGCC https://www.rites.com/Upload/MediaGallery/PDF/3/Equal_opportunity_policy_framework_pdf-2023-Jun-23-17-1-5.pdf	https://www.rites.com/Upload/MediaGallery/PDF/3/CSR-SustainabiltyPolicyNov21_pdf-2021-Dec-15-17-10-36.pdf	https://www.rites.com/Upload/MediaGallery/PDF/3/CSR-SustainabiltyPolicyNov21_pdf-2021-Dec-15-17-10-36.pdf	https://www.rites.com/Upload/MediaGallery/PDF/3/Policy_Framework_on_Cyber_Security_pdf-2023-Jun-23-17-3-9.pdf	https://www.rites.com/Upload/MediaGallery/PDF/3/CSR-SustainabiltyPolicyNov21_pdf-2021-Dec-15-17-10-36.pdf	https://www.rites.com/Upload/MediaGallery/PDF/3/CSR-SustainabiltyPolicyNov21_pdf-2021-Dec-15-17-10-36.pdf https://www.rites.com/Upload/MediaGallery/PDF/3/Preferential_procurement_policy_framework_pdf-2023-Jun-23-17-3-48.pdf	
	https://www.rites.com/Upload/MediaGallery/PDF/3/ESG_Policy-170223_pdf-2023-Feb-17-15-38-55.pdf https://www.rites.com/Upload/upload/misc/Balancesheet/CODE-OF-CONDUCT-Policy.pdf https://www.rites.com/Upload/MediaGallery/PDF/3/Whistle_Blower_Policy-Apr22_pdf-2022-May-02-16-35-2.pdf								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/ No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4. Name of the national and international codes/ certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	https://www.rites.com/Upload/upload/misc/Balancesheet/CODE-OF-CONDUCT-Policy.pdf ISO 9001:2015 ISO: 17020:2012 ISO: 17025:2017 National Accreditation Board for Education and Training (NABET)								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	Evolving as Corporate Governance Leader	Promoting sustainable sourcing and Sustainable provision of services	Enhancing Employee Wellbeing and inclusive work culture	Increasing Stakeholder Engagement	Promotion of Human Rights	Reduction in Carbon Emissions	Advocating sustainable practices in industry	Promote inclusive growth for society at large	Provide value to customers
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	RITES received the ICAI Award for Excellence in Financial Reporting, The company has been granted the 'Excellent' grading by the Department of Public Enterprises under the Ministry of Finance	Preferring Vendor Selection through Sustainable Sourcing process and ensuring coverage of sustainability aspect in our services	RITES received the "Dream Companies to Work For (Infrastructure)" Award by Times Ascent at World HRD Congress-2023	Regular interaction with stakeholders	Awareness and training program on Human Rights	Integrating Infra and green solutions in our business conduct	Interactive collaborations through trade forums and industry affiliates	Evolving as Trusted CSR Brand by effective implementation and monitoring the impact on society/ public at large. Further to promote inclusive growth of society, MSME procurments from MSME vendors are encouraged.	Customer Satisfaction Index maintained above 90%

Governance, leadership and oversight

7.	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements *(listed entity has flexibility regarding the placement of this disclosure)* *"RITES is committed to offering integrated solutions which provide a solid foundation for building Infra4Future. We're leveraging our GREEN insight into action, overcoming ESG-related challenges, and making the business sustainable & socially responsible. The company's ESG Policy speaks of its aspiration to be a well-governed organization striving for excellence while keeping its objectives and values central to its ethos."* - Arun Kumar Singh, Director (Projects)	
8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	**Director (Projects)**
9.	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes, the Company has Sustainability and ESG committee in place for formulating the sustainability strategy vested with the following roles and responsibilities: • To emphasise the importance of environmental measures, sustainability goals and performance, for various activities/ processes undertaken by the company. • To provide best practice on ESG structure, policies and regulations that impact the business • To instill understanding and awareness of corporate governance relating to social aspects that impact the industry • To implement and promote common and workable standards based on ESG parameters for good governance. • To Implement and review the ESG Policy and translating the same into procedures. • To recommend policy/ framework, that may be required for implementation and confirmation of BRSR requirements. • To review the performance of Anti-Bribery and corruption Policy, Grievance Redressal Policy, Equal Opportunity Policy, Preferential Procurement Policy for marginalised or vulnerable groups and Policy on Cyber Security, Data Privacy and Business Continuity." Further, Director (Projects) of the company is authorised to implement/ oversee and take decision on sustainability related issues.

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	Yes									Half Yearly								
Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances	Director and Committee of Senior Management Officials									Half Yearly								

11.	Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	**P 1 P 2 P 3 P 4 P 5 P 6 P 7 P 8 P 9** Yes, apart from Internal audit by an independent auditor, an in-house internal audit team has also conducted audit including Sustainability parameters across all offices of RITES. Beside this, ISO certification assessment, CAG audit and statutory audit from independent auditors are also conducted.

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principles material to its business (Yes/No)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
It is planned to be done in the next financial year (Yes/No)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Any other reason (please specify)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1 BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY, AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics /principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	10	All	80
Key Managerial Personnel	10	All	100
Employees other than BoD and KMPs	152	All	51
Workers	N.A.	N.A.	N.A.

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

	Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	Nil	Nil	Nil	N.A.	N.A.
Settlement	Nil	Nil	Nil	N.A.	N.A.
Compounding fee	Nil	Nil	Nil	N.A.	N.A.

	Non-Monetary			
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	Nil	Nil	N.A.	N.A.
Punishment	Nil	Nil	N.A.	N.A.

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
N.A.	N.A.

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

   Yes,
   https://www.rites.com/Upload/MediaGallery/PDF/3/Anti_Bribery_and_Anti_Corruption_Policy_pdf-2023-Jun-23-16-59-47.pdf
   https://www.rites.com/VigilanceCorner/Whistleblowerpolicy

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	N.A.	N.A.

6. Details of complaints with regard to conflict of interest:

	FY 2022-23 (Current Financial Year)		FY 2021-22 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	N.A.	Nil	N.A.
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	N.A.	Nil	N.A.

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

There were no fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest. Hence, there is no corrective action. The Company ensures that necessary policies, processes, systems and monitoring mechanism are put in place to ensure compliances. The policies are regularly reviewed to update them with best industry practices. The implementation of these policies is ensured through regular training, communication and awareness building sessions. As part of the risk assessment methodology, all activities/ processes are regularly assessed for risks related to corruption, environment, and social aspects.

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics/ principles covered under the training	%age of value chain partners covered (by value with such partners under the awareness programs)
4	All	60%

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? **(Yes/No**) If Yes, provide details of the same.

Yes, The Company has a policy on Business Ethics & Code of Conduct. The policy is placed on the Company's website. https://www.rites.com/Upload/upload/misc/Balancesheet/CODE-OF-CONDUCT-Policy.pdf

Further, all the board members provide directorship disclosures for the entities in which they are directors/ interested (MBP-1) at the first meeting of the Board in every financial year; or whenever there is any change in the disclosures already made, then at the first meeting held after such change.

PRINCIPLE 2 BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R&D	100%	Nil	Research and Development project in collaboration with IIT Kanpur on apportionment of Sources of pollution
Capex	Nil	Nil	N.A.

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)
Yes, Company ensures that sourcing is from suppliers who are compliant with social and environmental standards. This is ensured by incorporating relevant conditions in tender/contract documents and sustainable sourcing program/methodology as defined as part of tender document procedure. Further details are available at :- https://www.rites.com/RitesGCC, https://www.rites.com/Upload/MediaGallery/PDF/3/Preferential_procurement_policy_framework_pdf-2023-Jun-23-17-3-48.pdf

b. If yes, what percentage of inputs were sourced sustainably?
100% inputs are sourced sustainably for project activities.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

   N.A., the company is not a producer of any product and is engaged in design, engineering consultancy and project management for the integrated solutions in Transport and infrastructure development. Plastic Waste, E-waste and Hazardous waste generated at the office premises is disposed through Authorised Recyclers.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

   N.A., the company is not a producer of any product and is engaged in design, engineering consultancy and project management for the integrated solutions in Transport and infrastructure development.

   So, Extended Producer Responsibility (EPR) is not applicable to the entity's activities.

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

   Not applicable, Since RITES is primarily engaged in design, engineering consultancy and project management for integrated solutions in transport and infrastructure development.

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

   Not applicable, Since RITES is primarily engaged in design, engineering consultancy and project management for integrated solutions in transport and infrastructure development.

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

   Not applicable, Since RITES is primarily engaged in design, engineering consultancy and project management for integrated solutions in transport and infrastructure development.

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

   Not applicable, Since RITES is primarily engaged in design, engineering consultancy and project management for integrated solutions in transport and infrastructure development.

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

   Not applicable, Since RITES is primarily engaged in design, engineering consultancy and project management for integrated solutions in transport and infrastructure development.

PRINCIPLE 3 BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	1542	1542	100	1542	100	N.A.	N.A.	1542	100	1542	100
Female	168	168	100	168	100	168	100	N.A.	N.A.	168	100
Total	1710	1710	100	1710	100	168	100	1542	100	1710	100
Other than Permanent employees											
Male	673	673	100	673	100	N.A.	N.A.	673	100	673	100
Female	39	39	100	39	100	39	100	N.A.	N.A.	39	100
Total	712	712	100	712	100	39	100	673	100	712	100

b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent workers											
Male	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Female	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Total	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Other than Permanent workers											
Male	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Female	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Total	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	N.A.	Y	100%	N.A.	Y
Gratuity	100%	N.A.	Y	100%	N.A.	Y
ESI	-	-	-	-	-	-
Others-please specify	-	-	-	-	-	-

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes. The premises/ offices of the entity are accessible to differently abled employees.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, https://www.rites.com/Upload/MediaGallery/PDF/3/Equal_opportunity_policy_framework_pdf-2023-Jun-23-17-1-5.pdf

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

	Permanent employees		Permanent workers	
Gender	**Return to work rate**	**Retention rate**	**Return to work rate**	**Retention rate**
Male	100%	100%	N.A.	N.A.
Female	100%	100%	N.A.	N.A.
Total	100%	100%	N.A.	N.A.

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/ No *(If Yes, then give details of the mechanism in brief)*
Permanent Workers	N.A.
Other than Permanent Workers	N.A.
Permanent Employees	Yes*
Other than Permanent Employees	Yes*

*A scheme known as CONCERT (consultative Council for Enhancement of Rapport and Team Work) under which the employees of the Company are actively involved in decision making on vital issues like their service conditions and important organizational matters. Moreover, management has constituted two committees for RITES serving and ex-employees named, 'Samvedna', committee and 'Aabhar' Committee, Further, an online mechanism for raising grievances has been devised for lodging complaints of all types.

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Total employees / workers in respective category (A)	No. of employees / Workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees/ workers in respective category (C)	No. of employees/ workersin respective category, who are part of association(s) or Union (D)	% (D /C)
Total Permanent Employees	1710	1118	65.38	1845	1202	65.15
- Male	1542	993	64.40	1672	1070	64.00
- Female	168	125	74.40	173	132	76.30
Total Permanent Workers	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
- Male	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
- Female	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

8. Details of training given to employees and workers:

Category	FY 2022-23 Current Financial Year					FY 2021-22 Previous Financial Year				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
					Employees					
Male	1542	389	25.22	858	55.64	1672	407	24.34	816	48.80
Female	168	32	19.05	89	52.98	173	34	19.65	85	49.13
Total	1710	421	24.62	947	55.38	1845	441	23.90	901	48.83
					Workers					
Male	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Female	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Total	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

9. Details of performance and career development reviews of employees and worker:

Category	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
			Employees			
Male	1542	1542	100	1672	1672	100
Female	168	168	100	173	173	100
Total	1710	1710	100	1845	1845	100
			Workers			
Male	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Female	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Total	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

Performance Management System in RITES is carried out through online PMS tool using Employee Self Service (ESS). The robust and transparent system captures performance data of all regular employees across levels and facilitates timely completion of filling of APARs using system checks

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? ***(Yes / No).*** If yes, the coverage of such system?

Yes, RITES has implemented occupational health and safety management system, for providing facilities of indoor medical treatment to its employees and their dependent family members, the company has taken group medical insurance policy. Additionally, annual health checkup is carried for all Executives.

Programmes were also organized in the areas of physical and mental health, amongst others. Further, reimbursement of expenses on OPD treatment is also provided by the company.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Most common work-related hazards include occupational stress, fatigue, violence, harassment, road traffic injuries, electric shock, fire, slips, falls, etc. These risks are identified through regular inspection and monitoring at workplace including through our vendors/contractors. For critical activities such as "launching girders", "Railway Electrification" etc special/ focused attention is given to assess and mitigate the risk for hazards.

c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)

Yes, Majority of work is conducted on client site and as a pre requisite of executing the work, the related hazards are being reported and mitigated both through processes adopted by client, vendors and RITES.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? ***(Yes/ No)***

Yes, benefits such as personal healthcare (regular medical check-ups), medical treatment expenses and availability of doctors in office premises are being provided.

Further, free medical camps are also conducted for the benefit of employees.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	Nil	Nil
	Workers	N.A.	N.A.
Total recordablework-related injuries	Employees	Nil	Nil
	Workers	N.A.	N.A.
No. of fatalities	Employees	Nil*	Nil*
	Workers	N.A.	N.A.
High consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil	Nil
	Workers	N.A.	N.A.

*There were no work-related fatalities in FY 2022-23 and FY 2021-22.

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

For RITES, the health and safety of its employees is of paramount importance.

RITES always focusses on the well-being of its employees and the community as well as those associated with it and has therefore empaneled several hospitals pan India for providing health services and the list is reviewed periodically to expand such benefits.

RITES also keeps on organizing other medical camps throughout the year viz. Blood Donation Camp, Yoga Camp, meditation camps,Dental camp, Gynae camp for the health and safety of its employees.

In addition to providing benefits as statutorily required, additional benefits have been provided such as personal healthcare (regular medical check-ups), reimbursement of OPD medical expenses (which includes prolonged treatment as well dental treatment) and availability of doctors on the RITES office campus. The company also maintains a first aid kit to ensure immediate medical assistance to the sick or injured staff member until full medical treatment. The Company encourages provision of adequate sanitation facilities, safe drinking water, overall hygiene, crèche in office for the benefit of working parents and provision of gym for the overall health, fitness and well-being of the members of the staff.

13. Number of Complaints on the following made by employees and workers:

	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	Nil	Nil	N.A.	Nil	Nil	N.A.
Health & Safety	Nil	Nil	N.A.	Nil	Nil	N.A.

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	An internal committee has assessed the health and safety practices and working conditions at office premises
Working Conditions	

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

Company undertakes construction supervision activities at project/ client site. Corrective actions on health and safety working conditions are governed by contract provisions. Compliance for the same is assessed by designated project engineer/ incharge.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

Yes, RITES provides Life Insurance of varying amounts to employees. Also ex gratia is paid to family in case of death of employees while in service as per company norms.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

Relevant provisions are incorporated in standard tender document. Compliance by vendors are verified/ ensured by vendors as part of project management and work certifying procedures.

3. Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Employees	Nil	Nil	N.A.	N.A.
Workers	N.A.	N.A.	N.A.	N.A.

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? ***(Yes/ No)***

Yes, Suitable training and development programs are imparted to all employees throughout their career to ensure their continued employability. Such trainings are also provided to employees before/at the ending of their career period.

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	100% on project site
Working Conditions	100% on project site

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

There were no significant risks / concerns arising from the assessments.. Company undertakes construction supervision activities at project/ client site. Corrective actions on health and safety working conditions are governed by contract provisions. Compliance for the same is assessed by designated project engineer/ incharge.

PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

RITES has a wide range of stakeholders to effectively recognize their requirements and expectations. Based on its experience, the management of the company through its various activities identify the entities who are affected by our activity or entities affecting our business.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes /No)	Channels of Communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half Yearly/ Quarterly/ others-please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders	No	Annual General Meeting, email, social media, press release	Annual, Quarterly, Regular	Providing guidance on future prospects of the company and Understanding Shareholders expectations
Investors and Analysts	No	Investor Meet, Analyst Meet, email, Exhibitions, social media, press release	Annual, Quarterly, Regular	Engagement with investors to brief on financial performance of the company and clarifying on their observations, providing guidance to the investors during the meeting
Customers/ Clients	No	Personal Meetings and virtual communications, social media, email, website, SMS, Advertisement, Exhibitions, press release	Continuous	Understanding client requirement and feedback and creating awareness about varied service profiles/ segments
Employees	No	ESS Portal, Management Communication, Periodic employees meet, email, Video Conferences, one-on-one counselling, social media, press release	Continuous	Employee engagement, Career Management, Employee feedbacks, suggestions, reviews and grievance redressal
Vendor/ Contractor	No	Vendor Meet, email, calls, vendor events, social media, press release	Continuous	Vendor engagement, their feedback suggestions reviews and grievance redressal
Communities	Yes	CSR activities, social media, Site visits, press release	Continuous	Sustainable Development
Regulators	No	Conferences, Seminars, Surveys, Website, social media	Continuous	Ensure Compliance and providing inputs for policy development to various authorities

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

   RITES endeavours to understand the stakeholder expectations through a structured engagement process and communication strategy and leverages this understanding for their betterment.

   Meetings/interactions are held on regular basis with regulators, shareholders, media. Corporate financial and business plans/ initiatives are shared as per company norms.

   Regular interaction is also made with employees/families on various occasions such as company's annual day/ festival celebrations, sports activities, get togethers, medical health camps, recognition/award to their children for excellence in academics, superannuation of employees etc.

   Interaction with communities and civil society is made under various CSR initiatives and during project initiation & during survey/ study under rehabilitation program etc.

   Interaction is made with value chain partners/customers as part of the regular project meetings, client meets, discussion on project report/presentations etc.

   Salient points during such interactions are brought to the notice of Board through Policy discussion changes, etc.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

   Yes, based on inputs provided by stakeholders in meetings and various forums, policies are being framed and reviewed on its merits by the company from time to time.

Interactions with stakeholders also cover Consultation for ES (Environment and social) matters. Their suggestions on these issues are incorporated in various corporate policies, programmes, strategy etc. on its merits.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

RITES frequently engages with vulnerable and marginalized stakeholder groups. The company also endeavours to focus on aspirational districts for its CSR initiatives.

PRINCIPLE 5 BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Total (A)	No. of / employees workers covered (B)	% (B / A)	Total (C)	No. of / employees workers covered (D)	% (D / C)
Employees						
Permanent	1710	293	17.13	1845	219	11.86
Other than permanent	712	83	11.66	801	6	0.75
Total Employees	2422	376	15.52	2646	225	8.50
Workers						
Permanent	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Other than permanent	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Total Workers	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2022-23 Current Financial Year					FY 2021-22 Previous Financial Year				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Permanent	1710	NIL	N.A.	1710	100	1845	NIL	N.A.	1845	100
Male	1542	NIL	N.A.	1542	100	1672	NIL	N.A.	1672	100
Female	168	NIL	N.A.	168	100	173	NIL	N.A.	173	100
Other than Permanent	712	NIL	N.A.	712	100	801	NIL	N.A.	801	100
Male	673	NIL	N.A.	673	100	760	NIL	N.A.	760	100
Female	39	NIL	N.A.	39	100	41	NIL	N.A.	41	100
Workers										
Permanent	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Male	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Female	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Other than Permanent	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Male	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Female	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	4	72,63,667	Nil	N.A.
Key Managerial Personnel	5	69,39,674	Nil	N.A.
Employees other than BoD and KMP	2121	20,43,600	206	20,43,600
Workers	N.A	N.A	N.A	N.A

Note:

1) Data is specific to employees posted in India only (as on 31st March 2023).
2) Experts, Consultants and Secondment Employees are excluded.
3) Directors/KMPs to whom remuneration has been given only for part of the year have not been considered for computing Median Remuneration.

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? **(Yes/No)**

   Yes, all the issues related to Human Rights can be addressed to **Chief People Officer**

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

   All the grievances related to human rights can be lodged at https://www.rites.com/GrievanceComplaints

6. Number of Complaints on the following made by employees and workers:

	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	N.A.	0	1	Proceedings completed and enquiry report submitted
Discrimination at workplace	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Child Labour	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Forced Labour/Involuntary Labour	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Wages	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Other human rights related issues	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

   All the complainants reporting discrimination and harassment issues are reassured that any retaliation will be dealt with sensitively and will be subject to disciplinary action. Complaint mechanism is confidential to avoid any adverse impact or retaliation towards the complainant.

8. Do human rights requirements form part of your business agreements and contracts?

   Yes

9. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	RITES internally monitors all its offices for assessments pertaining to these issues.
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

    There were no significant risks/concerns arising from human rights assessment.

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

   The business processes are primarily designed in compliance of government guidelines/directives which address all human rights issues.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

   Company encourages its employees/ vendors/ value chain partners to report any violation of human rights. Awareness programs are also held to disseminate information on human rights aspects. Scope and coverage of human rights due diligence is as per the extant guidelines issued by government from time to time.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

   Yes

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	The contractual provisions facilitate assessment of value chain partners on these parameters.
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
Others – please specify	

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above

   There were no significant risks/concerns arising from human rights assessment.

PRINCIPLE 6: BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total electricity consumption (A)	14571.23	16674.25
Total fuel consumption (B)	442.25	790.77
Energy consumption through other sources (C)	167.37	200.86
Total energy consumption (A+B+C) (in Gj)	15180.85	17665.88
Energy intensity per rupee of turnover* (Total energy consumption/ turnover in rupees)	5.75 Gj/₹Cr	6.63 Gj/₹Cr
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

   Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

   *Turnover considered also includes revenue from consultancy services as indicated in Section A-14

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

   No

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	-	-
(iii) Third party water	25864	28360
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	25864	28360
Total volume of water consumption (in kilolitres)	20696	21537
Water intensity per rupee of turnover* (Water consumed / turnover)	7.84 Kl/₹Cr	8.09 Kl/₹Cr
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

*Turnover considered also includes revenue from consultancy services as indicated in Section A-14

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

No, However RITES is using treated water from Sewerage Treatment Plant (STP) for horticulture, flush tanks, etc and working towards Zero Liquid Discharge by implementing latest trend.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
NOx	kg	1317	1369
Sox	kg	29	78
Particulate matter (PM)	kg	106	168
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others – please Specify	-	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	2208	3297
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	3683	4465
Total Scope 1 and Scope 2 emissions per rupee of Turnover	Metric tonnes of CO2 equivalent	2.24	2.92
Total Scope 1 and Scope 2 emission intensity *(optional)* – the relevant metric may be selected by the entity	-	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Yes, RITES has undertaken a few initiatives like setting-up of Solar Power Plants, Wind Power Plants and implementation of energy-efficiency measures besides suggesting/undertaking various energy conservation measures through energy efficiency studies and their implementation for various Clients, RITES Offices & various Zonal Railways in the country. All these steps have resulted into the conservation of energy to RITES as well as its clients through saving in electricity consumptions besides reduction in their carbon emissions. Further, REMC Ltd. (subsidiary company of RITES), has been actively working towards achieving the Net Zero Carbon Emission Goal of Indian Railways by 2030 in harnessing green energy through non-fossil fuel sources - renewable energy resources (mainly Solar & Wind).

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste **(A)**	-	-
E-waste **(B)**	3.01	5.17
Bio-medical waste **(C)**	-	-
Construction and demolition waste **(D)**	-	-
Battery waste **(E)**	0.11	0.15

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Radioactive waste **(F)**	-	-
Other Hazardous waste. Please specify, if any. (G)	-	-
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	-	-
Total (A+B + C + D + E + F + G + H)	3.12	5.32
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	-	-
(ii) Re-used	-	-
(iii) Other recovery operations	3.12	5.32
Total	3.12	5.32
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste	-	-
(i) Incineration	-	-
(ii) Landfilling	-	-
(iii) Other disposal operations	3.12	5.32
Total	3.12	5.32

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

RITES being a consultancy organization, there is no major waste generation in the business process. E-waste/ scarp are disposed through authorized /registered re-cycle vendors. The company does not use hazardous and toxic chemicals in day to day use. RITES is also providing project management consultant (PMC) services in the area of waste management to Bengaluru Solid Waste Management Limited and MoHUA.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format: No

S. No.	Location of operations/ offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
	N.A.	N.A.	N.A.

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format: Yes

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non- compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
	N.A.	N.A.	N.A.	N.A.

Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
From renewable sources		
Total electricity consumption (A)	-	-
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	167.37	200.86
Total energy consumed from renewable sources (A+B+C)	167.37	200.86
From non-renewable sources		
Total electricity consumption (D)	14571.23	16674.25
Total fuel consumption (E)	442.25	790.77
Energy consumption through other sources (F)	-	-
Total energy consumed from non-renewable sources (D+E+F)	15013.48	17465.02

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

2. Provide the following details related to water discharged:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) To Groundwater		
- No treatment	-	-
- With treatment – please specify level of treatment	5168 (Environmental Water Quality)	6823 (Environmental Water Quality)
(iii) To Seawater		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iv) Sent to third-parties		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(v) Others		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
Total water discharged (in kilolitres)	5168	6823

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:
(i) Name of the area
(ii) Nature of operations
(iii) Water withdrawal, consumption and discharge

N.A.

4. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.
N.A.

5. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1.	Usage of renewable energy- solar power	Installation of solar panels on roof top:- On offices at Gurugram (Shikhar & Srijan) and Rest House at Gurugram On the platforms in Sahibabad Railway Station under CSR initiatives One of the platforms in Gurugram Railway station under CSR initiatives	Reduction in carbon emissions
2.	Usage of renewable energy- wind power	Installation of wind power plants (through company's subsidiary REMCL) in Rajasthan, Tamil Nadu and Maharashtra for Railways, besides suggesting/ undertaking various energy conservation measures through energy efficiency studies and their implementation for various clients, RITES office and various Zonal Railways in the country	Increased usage of renewable energy, resulting in improved resource efficiency
3.	Usage of environment friendly energy resource for mass transportation of goods and passengers	RITES (through its subsidiary REMCL), has been actively working towards achieving the Net Zero Carbon Emission Goal of Indian Railways by 2030 by harnessing green energy through non fossil fuel energy resources.	Reduction in GHG emissions

6. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

   Yes, The plan is a comprehensive framework designed to mitigate and effectively respond to various emergencies and disasters that may occur and aim to safeguard the lives of employees, protect company assets, and ensure the business continuity in the face of adverse situations.

   For Business continuity and security of data, RITES also has implemented/maintained Disaster Recovery site. RITES adheres to Information Security Management System (ISMS) standard in accordance with the requirements specified by ISO 27001:2013 standard.

   Thorough risk assessment is done to identify potential hazards such as fires, natural disasters, chemical spills, medical emergencies, or security breaches. Based on the evaluation, the plan outlines specific response protocols

   https://www.rites.com/Upload/MediaGallery/PDF/3/Policy_Framework_on_Cyber_Security_pdf-2023-Jun-23-17-3-9.pdf

7. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

   No significant adverse impact made to the environment.

8. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

   100% at project site

PRINCIPLE 7 BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.

      Seven (7)

   b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Federation of Indian Chambers of Commerce and Industry (FICCI)	National
2	Confederation of Indian Industries (CII)	National
3	Standing Conference on Public Enterprises (SCOPE)	National
4	Engineering Export Promotion Council (EEPC), Ministry of Commerce, Govt. of India	National
5	Consulting Engineers Association of India (CEAI)	National
6	Centre for Monitoring Indian Economy (CMIE)	National
7	ICC India (ICC)	National

2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
There has been no anti-competitive conduct by the company and there are no adverse orders received from any regulators		

Leadership Indicators

1. Details of public policy positions advocated by the entity:

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others please specify)	Web Link, if available
	N.A.	NIL	N.A.	N.A.	N.A.

RITES contribution in these matters is by means of advisory to its clients for public policies i.e. through projects awarded by regulated authority and inputs provided for policy framework to various regulatory authorities

PRINCIPLE 8 BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
NIL	NA	NA	NA	NA	NA

Not applicable – we have no SIA notification. RITES undertakes SIA studies for various projects of its clients. However, need based social impact assessments are done for various infrastructure projects undertaken by company for itself.

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

As part of our consultancy services to various clients for development of infrastructure projects, RITES provides plans for Rehabilitation and Resettlement (R&R) for affected families/ communities, if any.

3. Describe the mechanisms to receive and redress grievances of the community.

Public grievances are handled through CPGRAM PG Portal and CPGRAM Appeal Portal.

Further, complaints can also be made at the RITES website:

https://www.rites.com/Complaint

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

The company source input materials preferably from MSMEs and local suppliers in line with the Government guidelines.

The company also encourages its subcontractors, subsuppliers to source their requirements from MSMEs and local suppliers through provisions in the tender documents/ contracts. Also company has a Preferential Procurement Policy in place. The policy can be accessed from : https://www.rites.com/Upload/MediaGallery/PDF/3/Preferential_procurement_policy_framework_pdf-2023-Jun-23-17-3-48.pdf

	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Directly sourced from MSMEs/ small producers	40.26%#	77.68%#
Sourced directly from within the district and neighbouring districts	100%*	100%*

#represents percentage of input material directly sourced from MSEs only

*subject to availability of local suppliers

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
Nil	Nil

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount spent (In INR) (₹ Lacs)
1.	Jharkhand	East Singhbhum	108.024
2.	Haryana	Mewat/Nuh	36.485
3.	Uttar Pradesh	Bahraich	71.531
4.	Jharkhand	Palamu & Garwa	35.330
	Total		251.370

3. (a) Do have you a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)
   Yes,
   https://www.rites.com/Upload/MediaGallery/PDF/3/Preferential_procurement_policy_framework_pdf-2023-Jun-23-17-3-48.pdf

   (b) From which marginalized /vulnerable groups do you procure?
   Being a CPSE, the company follows the extant guidelines by government for procurement from marginalized/vulnerable groups.

   (c) What percentage of total procurement (by value) does it constitute?
   40.26%

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge: Nil

   RITES handles design projects/works on behalf of its clients for various engineering disciplines.

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

   No adverse order has been passed against the company.

6. Details of beneficiaries of CSR Projects:

   Company conducts CSR in the areas of Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation, making available safe drinking water, promoting education, promoting gender equality, empowering women, setting up homes and hostels for women and orphans, Nursing environmental sustainability, ecological balance for the benefit of public at large. (For more details including beneficiaries refer Annexure- II of Director's Report.

PRINCIPLE 9 BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

   Any concerns related to the product/ services by any of our consumers are registered, reviewed and resolved through concerned desk and monitored for satisfactory redressal through CPGRAM PG Portal, CPGRAM Appeal Portal and through email. An MIS is also generated for records and corrective action, if any. The Company interacts on regular basis with its B2B customers with respect to timely delivery of quality parameters within the project milestones. A grievance redressal policy is already in place and can be accessed from :

   https://www.rites.com/Upload/MediaGallery/PDF/3/Grievance_Redressal_Policy_pdf-2023-Jun-23-17-1-33.pdf

   As per standard practices followed by the company, a Project Coordinator is assigned in each project for addressing all consumer related issues.

   As part of ISO process, client feedback is also assured for delivery of satisfactory services.

   https://ritesinsp.com/RBS/Client_Feedback_Form.aspx

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a % to total turnover
Environmental and social parameters relevant to the product	100
Safe and responsible usage	100
Recycling and/or safe disposal	100

3. Number of consumer complaints in respect of the following:

	FY 2022-23 (Current Financial Year)		Remarks	FY 2021-22 (Previous Financial Year)		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	Nil	NA	NA	Nil	NA	NA
Advertising	Nil	NA	NA	Nil	NA	NA
Cyber-security	Nil	NA	NA	Nil	NA	NA
Delivery of essential services	NA	NA	NA	NA	NA	NA
Restrictive Trade Practices	Nil	NA	NA	Nil	NA	NA
Unfair Trade Practices	Nil	NA	NA	Nil	NA	NA
Other	Nil	NA	NA	Nil	NA	NA

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	NIL	NA
Forced recalls	NIL	NA

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.
Yes
https://www.rites.com/Upload/MediaGallery/PDF/3/Policy_Framework_on_Cyber_Security_pdf-2023-Jun-23-17-3-9.pdf
https://www.rites.com/Public/Theme1/assets/pdf/Rites_ISMS_Manual.pdf

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

No such incidence warranting corrective action occurred during the financial year.

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).
https://www.rites.com/
www.facebook.com/officialritesltd
https://twitter.com/RITESLIMITED
https://www.instagram.com/accounts/login/?next=/ritesltdindia/
https://www.kooapp.com/profile/RITESLtd
https://www.linkedin.com/in/rites-ltd-990ab4155/
email- info@rites.com

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

RITES provides services to their clients who in turn provide services to end consumers. The reports/ output provided by RITES covers aspects to educate clients as well as end users for safe and responsible usage. RITES provides detailed user manual covering safety aspects to educate client as well as users.

Our consultancy reports also cover safety aspects, as RITES does not have any major products and/or services that can entail safety issues or usage abuse. However, for our product, rolling stock, spares etc. we provide a manual having detailed hand holding training to educate the consumers about safe and responsible usage.

3. Mechanisms in place to inform consumers of any risk of disruption/ discontinuation of essential services.

   Since RITES is engaged in design, engineering consultancy and project management for the transport and infrastructure sector, the company is not directly engaged in provision of essential services. However, as part of our PMC services for commissioning of infrastructure projects of our clients, disruption of services is managed and minimized through meticulous planning.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

   Yes, the company is not a producer of any product and is engaged in design, engineering consultancy and project management for the integrated solutions in Transport and infrastructure development. However, the only product of the company supplied is rolling stock and spares etc, which displays elaborate information for its safe operation and usage.

   Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

   Yes, as a part of quality management system, regular feedback from clients is taken on various parameters and the clients satisfaction index is measured and reviewed by top management level and discussed during the corporate management review for corrective action, if any. For the Financial Year 2022-23, the average Customer Satisfaction Index (CSI) is calculated as 96.74%.

5. Provide the following information relating to data breaches:

   a. Number of instances of data breaches along-with impact
      RITES did not have any data breach incidents during the year.

   b. Percentage of data breaches involving personally identifiable information of customers
      Nil

Note: As per the communications of the stock exchanges, the XBRL filing of BRSR is presented alongwith the Annual Report. Some answers in the XBRL filing will be Zero/ No /100% in place of NA/ Blank in this report to maintain the intent of this report.

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 29th March, 2023.

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 FINANCIAL STATEMENTS

Opinion

We have audited the accompanying Standalone Financial Statements of RITES Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, 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 ended, notes to the Standalone Financial Statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone 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, 2023, 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 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 Standalone 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 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 Financial Statements.

Emphasis of Matter

(i) We draw attention to note no. 57(a) to the Standalone Financial Results wherein it is mentioned that the Financials Statements of one of the Jointly controlled entities, Indian Railway Stations Development Corporation Limited (IRSDC) have been prepared on liquidation basis and that the Company does not perceive any impairment at present in the value of investments held by the Company in IRSDC.

Our opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone 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 respect of Ind AS 115 "Revenue from Contracts with Customers" (revenue accounting standard).** The application of the 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, 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.	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 revenue accounting standard. • Selected a sample of 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.

Sr. No.	Key Audit Matter	Auditor's Response
	Refer Notes 1.2.1 and 51 to the Standalone Financial Statements.	• Selected a sample of 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. ▪ 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.

INFORMATION OTHER THAN THE STANDALONE 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 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 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 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 Standalone 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 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 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 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 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 FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the Standalone 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 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 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 with reference to Standalone Financial Statements 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 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 Financial Statements, including the disclosures, and whether the Standalone 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 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) The Statement include company's share of total assets of ₹ 27.40 crores as at 31st March, 2023 and company's share of total revenue of ₹ 35.34 crores and share of net profit after tax of ₹ 1.73 crores for the year ended March 31, 2023, in respect of ten joint operations, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these joint operations and our report in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (As amended), in so far as it relates to the aforesaid joint operations, are based solely on the reports of such other auditors.

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, 2020 ("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.

   (c) 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.

   (d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

   (e) In view of exemption given vide notification no. G.S.R. 463(E) dated 5th June, 2015, issued by Ministry of Corporate Affairs, provisions of Section 164(2) of the Act regarding disqualifications of Directors, are not applicable to the Company;

(f) With respect to the adequacy of the internal financial controls with reference to the Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure III";

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to 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 Financial Statements – Refer Note 47(b)(i) to the Standalone 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.

iv. (a) The management has represented that, to the best of its knowledge and belief as disclosed in note no 57(m) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented, that, to the best of its knowledge and belief, as disclosed in note no 57(n) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest, in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. As stated in notes no. 21 and 54(b) to the Standalone Financial Statements

(a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.

(b) The interim dividends declared and paid by the Company during the year and until the date of this report are in accordance with Section 123 of the Act, as applicable.

(c) The Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

4. 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 with respect to the managerial remuneration paid/provided during the year ended March 31, 2023.

For Pawan Puri & Associates
Chartered Accountants
Firm's Regn. No. 005950N

(Simranpreet Singh)
Partner
Membership No. 518262
UDIN: 23518262BGTMOV9843

Place: Gurugram
Date : 18th May, 2023

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 Financial Statements of RITES Limited.

(i) (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment;

B. The Company has maintained proper records showing full particulars of intangible assets;

(b) The Company has a program of verification to cover all the items of Property, Plant and Equipment in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its Property, Plant and Equipment. Pursuant to the program, items of Property, Plant and Equipment 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 explanation given to us and on the basis of examination of title deeds / sale deeds / transfer deeds / conveyance deeds / possession letters / allotment letters and other relevant records evidencing title/ possession provided, we report that the title deeds of the immovable properties are held in the name of the Company as at the balance sheet date except for below cases as mentioned in note 57(g) to the Financial Statements:

Lying under the head Property Plant and Equipment (Refer Note 2 of the standalone financial statements)

S. No.	Description of Property	Gross Carrying Value 31.03.2023 (₹ In crore)	Held in the name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in name of company also indicate if in dispute
1.	Plot of land at Gomati Nagar Extension, Lucknow	4.22	Lucknow Development Authority	No	Since 27.06.2019	Registration is pending due to litigation on payment of stamp duty.

Lying under the head Right of Use asset (Refer Note 4 of the standalone financial statements)

S. No.	Description of Property	Gross Carrying Value 31.03.2023 (₹ In crore)	Held in the name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in name of company also indicate if in dispute
1.	Office Building at Central Metro Railway Building 56, C.R. Avenue, Kolkata-12	1.32	Indian Railway	Yes	Since 12.01.2000	This property was on long term lease for 30 years, while depositing the initial amount with Metro Railway, RITES had written for execution of deed but no response was received from other side.
2.	Testing Laboratory at 52A & 52B, C.R. Avenue, Kolkata-12	0.46	Indian Railway	Yes	Since June 2000	This property was on long term lease for 30 years, while depositing the initial amount with Metro Railway, RITES had written for execution of deed but no response was received from other side.
3.	Office Building at DLF Cyber City, Bhubaneswar	5.43	DLF	No	Since 2017	Lease deed execution under process.
4.	House No-Belur Shed No. 14, JL No.15, PS-Bally, Dist Howrah, Plot No. 2206 at Liluah	0.00*	Indian Railway	Yes	03.03.1984 to 02.03.2009	This property was on long term lease for 25 years, while depositing the initial amount with Eastern Railway, RITES had written the execution of deed but no response was received from other side.

*Gross value at ₹ 1/- (Rupees One only).

(d) According to the information and explanations given to us, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year ended March 31, 2023.

(e) According to the information and explanations given to us, no proceedings have been initiated during the year or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii) (a) As per the information and explanations given to us, physical verification of Inventory has been carried out by the Management at reasonable intervals during the year. No material discrepancies were noticed on such physical verification of inventory between the physical stock and the book records. In our opinion and as per information and explanations given to us, coverage and procedure of such verification by the management is appropriate.

(b) As per information and explanation provided to us and based on our examination of the records of the Company, the Company has not been sanctioned working capital from banks or financial institutions on the basis of security of current assets at any point of time during the year.

(iii) (a) According to the information and explanations given to us and based on examination of books of the Company, during the year the Company has provided loans, advances in the nature of loans, guarantee and provided security as follows:

(₹ In crore)

Particulars	Guarantees	Security	Loans	Advances in nature of loans
Aggregate amount granted/ provided during the year				
- Subsidiaries	-	-	-	-
- Joint Ventures	-	-	-	-
- Employee loan	-		8.03	
- Others	-	-	-	-
Balance outstanding as at balance sheet date in respect of above cases				
- Subsidiaries	-	-	-	-
- Joint Ventures	-	-	-	-
- Associates	-	-	-	-
- Employee loan	-	-	17.83	-

(b) During the year the investments made and the terms and conditions of the grant of loans to parties are prima facie not prejudicial to the Company's interest.

(c) In respect of loans granted to employees, the schedule of repayment of principal and payment of interest has been stipulated and the repayment of principal amounts and receipts of interest has been regular as per stipulation except as disclosed in sub clause (d) of clause (iii) as below.

(d) There are no amounts which are overdue for more than ninety days in respect of above-mentioned loans granted except in seven cases for ₹ 0.15 crore overdue for more than 90 days, for which reasonable steps have been taken by the Company for recovery of principal and interest.

(e) There were no loans granted which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.

(f) The Company has not granted any loans either repayable on demand or without specifying any terms or period of repayment to during the year. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

(iv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not granted any loans or provided any guarantees or securities to parties which are covered under section 185 of the Act. The Company has complied with the provisions of section 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposits or deemed deposits from the public within the meaning of sections 73 to 76 of the Companies Act, 2013 and the rules framed there under. Accordingly, the requirement to report on clause 3 (v) of the Order is not applicable to the Company.

(vi) 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.

(vii) (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 Goods and Services Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess 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, 2023 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and the records of the Company examined by us, statutory dues referred to in clause vii(a) above which have not been deposited on account of any dispute are as under:

Name of the statute	Nature of dues	Amount Involved (₹ in crore)	Amount paid under protest (₹ in crore)	Period	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	2.21	-	A.Y. 2009-10	Hon'bl High Court, Delhi
Income Tax Act, 1961	Income Tax	2.31	-	A.Y. 2012-13	Hon'bl High Court, Delhi
Income Tax Act, 1961	Income Tax	2.18	2.18	A.Y. 2016-17	Commissioner of Income Tax (Appeal)
Income Tax Act, 1961	Income Tax	3.03	3.03	A.Y. 2017-18	Commissioner of Income Tax (Appeal)
Income Tax Act, 1961	Income Tax	1.45	Nil	AY 2020-21	CIT (A) Appellate Authority
APVAT	Arrears of Sales Tax	0.71	0.71	01.04.2014 To 30.11.2015	Appellate Tribunal APVAT
West Bengal VAT	Value Added Tax	0.45	0.20	01.04.2015 To 31.03.2016	President, WBST Appellate-Revisional Board
West Bengal VAT	Value Added Tax	0.42	0.06	01.04.2016 To 31.03.2017	President, WBST Appellate-Revisional Board
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
Finance Act, 1994	Service Tax Penalty	1.68 1.68	0.15	01.07.2012 To 31.03.2016	Customs, Excise and service Tax Appellate Tribunal
Finance Act, 1994	Service Tax Penalty	3.64 3.64	0.15	01.10.2012 To 06.07.2016	Under Process to file appeal Customs, Excise and service Tax Appellate Tribunal

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not obtained any loans or other borrowings, hence the requirement to report on clause 3 (ix) (a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not been declared wilful defaulter by any bank or financial institution or other lender.

(c) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not obtained any term loan during the year. Accordingly, the requirement to report on clause 3 (ix) (c) of the Order is not applicable to the Company.

(d) According to the information and explanations given to us, and the procedures performed by us, we report that the company has not raised any funds during the year, hence the requirement to report on clause 3(ix)(d) of the Order is not applicable to the Company.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the company, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or joint venture companies, hence the requirement to report on clause 3 (iii) (e) of the Order is not applicable to the Company.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint venture companies, hence the requirement to report on clause 3 (iii) (f) of the Order is not applicable to the Company.

(x) (a) 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, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the company has not raised funds by way of preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible). Accordingly, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) 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 has been noticed or reported during the year.

(b) In our opinion and according to the information and explanations given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the company during the year.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the requirement to report on clause 3(xii) of the Order is not applicable to the Company.

(xiii) 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 under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under section 133 of the Companies Act, 2013.

(xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business in respect of the company in accordance with the prescribed scope of internal audit laid down by the company.

(b) The internal audit reports of the Company issued during the year and till the date of this report, for the period under audit have been considered by us, in determining the nature, timing and extent of our audit procedures.

(xv) 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, the requirement to report on clause 3 (xv) of the Order is not applicable to the Company.

(xvi) (a) The provision of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable on the Company. Accordingly, the requirement to report on clause 3(xvi)(a), (b) and (c) of the Order is not applicable to the Company.

(b) There is no Core Investment Company as a part of the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016), hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.

(xvii) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not incurred cash losses either in the current financial year or in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly, the requirement to report on Clause 3(xviii) is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios disclosed in Note 57(h) to the standalone financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a Fund specified in Schedule VII to the Companies Act, in compliance with second proviso to sub-section (5) of section 135 of the said Act. Accordingly, the requirement to report on clause 3(xx)(a) of the Order is not applicable to the Company.

(b) In respect of ongoing projects, the company has transferred unspent amount to a special account, within a period of thirty days from the end of the financial year in compliance with section 135(6) of the said Act.

For Pawan Puri & Associates
Chartered Accountants
Firm's Regn. No. 005950N

(Simranpreet Singh)
Partner
Membership No. 518262
UDIN: 23518262BGTMOV9843

Place: Gurugram
Date : 18th May, 2023

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 Financial Statements of RITES Limited

Report under Section 143 (5) of the Companies Act, 2013 in respect of RITES Limited on Standalone Financial Statements for the year ended March 31, 2023.

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 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. Whether such cases are properly accounted for? (In case, lender is a government company, then this direction is also applicable for statutory auditor of lender company).	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 (grants/subsidy etc.) received/receivable for specific schemes from Central/State government or its agencies were properly accounted for/utilized as per its terms 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 government or its agencies for specific schemes during the year.

For Pawan Puri & Associates
Chartered Accountants
Firm's Regn. No. 005950N

(Simranpreet Singh)
Partner
Membership No. 518262
UDIN: 23518262BGTMOV9843

Place: Gurugram
Date : 18th May, 2023

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 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 with reference to the Standalone Financial Statements of RITES Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control with reference to the Standalone Financial Statements 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 with reference to the Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note 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 with reference to the Standalone Financial Statements, 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 with reference to the Standalone Financial Statements 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 with reference to the Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls over financial reporting with reference to the Standalone Financial Statements included obtaining an understanding of such 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 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 systems over financial reporting with reference to the Standalone Financial Statements.

Meaning of Internal Financial Controls over Financial Reporting with reference to the Standalone Financial Statements

A company's internal financial control over financial reporting with reference to the Standalone Financial Statements 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 with reference to the Standalone Financial Statements 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 WITH REFERENCE TO THE STANDALONE FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls over financial reporting with reference to the Standalone Financial Statements, 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 with reference to the Standalone Financial Statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to the Standalone Financial Statements 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 with reference to the Standalone Financial Statements and such internal financial controls were operating effectively as at March 31, 2023, based on the internal control with reference to the Standalone Financial Statements 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 Pawan Puri & Associates
Chartered Accountants
Firm's Regn. No. 005950N

(Simranpreet Singh)
Partner
Membership No. 518262
UDIN: 23518262BGTMOV9843

Place: Gurugram
Date : 18th May, 2023

Standalone Balance Sheet

As at 31st March, 2023

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2023	AS AT 31.03.2022
ASSETS			
NON CURRENT ASSETS			
PROPERTY, PLANT AND EQUIPMENT	2	366.90	370.49
CAPITAL WORK IN PROGRESS	3	94.80	58.01
RIGHT OF USE ASSETS	4	20.67	19.37
INVESTMENT PROPERTY	5	-	0.05
INTANGIBLE ASSETS	6	4.27	2.61
FINANCIAL ASSETS			
INVESTMENTS	7.1	127.75	152.75
LOANS	8	8.71	8.75
OTHER FINANCIAL ASSETS	9	171.30	224.07
DEFERRED TAX ASSETS (NET)	10	61.61	52.25
OTHER NON CURRENT ASSETS	11	176.93	146.48
		1,032.94	**1,034.83**
CURRENT ASSETS			
INVENTORIES	12	30.91	118.75
FINANCIAL ASSETS			
INVESTMENTS	7.2	25.00	75.92
TRADE RECEIVABLES	13	869.26	681.19
CASH AND CASH EQUIVALENTS-OWNED FUND	14.1	83.13	43.29
CASH AND CASH EQUIVALENTS-CLIENTS FUND	15.1	934.99	759.18
OTHER BANK BALANCES-OWNED FUND	14.2	754.70	630.94
OTHER BANK BALANCES-CLIENTS FUND	15.2	1,623.84	1,832.87
LOANS	16	5.38	3.49
OTHER FINANCIAL ASSETS	17	299.23	232.82
CURRENT TAX ASSETS (NET)	18	11.84	28.32
OTHER CURRENT ASSETS	19	81.45	155.87
		4,719.73	**4,562.64**
TOTAL ASSETS		**5,752.67**	**5,597.47**
EQUITY AND LIABILITIES			
EQUITY			
EQUITY SHARE CAPITAL	20.2	240.30	240.30
OTHER EQUITY	21	2,262.74	2,158.96
		2,503.04	**2,399.26**
LIABILITIES			
NON CURRENT LIABILITIES			
FINANCIAL LIABILITIES			
LEASE LIABILITIES	52 (a)	4.52	0.67
OTHER FINANCIAL LIABILITIES	22	274.59	166.83
PROVISIONS	23	19.75	30.23
OTHER NON CURRENT LIABILITIES	24	0.49	-
		299.35	**197.73**
CURRENT LIABILITIES			
FINANCIAL LIABILITIES			
LEASE LIABILITIES	52 (a)	0.90	2.27
TRADE PAYABLES			
- TOTAL OUTSTANDING DUES OF MICRO ENTERPRISES AND SMALL ENTERPRISES	25	45.85	25.57
- TOTAL OUTSTANDING DUES OTHER THAN MICRO ENTERPRISES AND SMALL ENTERPRISES	25	253.86	152.01
OTHER FINANCIAL LIABILITIES	26	2,501.21	2,618.30
OTHER CURRENT LIABILITIES	27	70.49	115.55
PROVISIONS	28	77.97	86.78
		2,950.28	**3,000.48**
TOTAL EQUITY AND LIABILITIES		**5,752.67**	**5,597.47**
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FORM AN INTEGRAL PART OF STANDALONE FINANCIAL STATEMENTS	1-57		

For and on behalf of Board of Directors

Rahul Mithal
Chairman & Managing Director
and Chief Executive Officer
DIN: 07610499

Bibhu Prasad Nayak
Director Finance & Chief Financial Officer
DIN: 08197975

Joshit Ranjan Sikidar
Company Secretary
M.No. ACS 32442

As per our report of even date attached

For **PAWAN PURI & ASSOCIATES**
Chartered Accountants
Firm Registration No. 005950N

(SIMRANPREET SINGH)
Partner
Membership No. 518262

Place : Gurugram
Date : 18th May, 2023

Standalone Statement of Profit & Loss Account

for the year ended 31st March, 2023

(₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2023	YEAR ENDED 31.03.2022
REVENUE FROM OPERATIONS	29	2,519.62	2,575.16
OTHER INCOME	30	119.16	86.00
TOTAL INCOME		**2,638.78**	**2,661.16**
EXPENSES			
EMPLOYEE BENEFITS EXPENSE	31	507.60	516.42
TRAVEL		53.67	42.17
SUPPLIES & SERVICES	32	974.01	589.90
PURCHASES FOR EXPORT		98.66	478.01
CHANGES IN INVENTORIES OF STOCK IN TRADE	33	88.67	150.83
FINANCE COSTS	34	6.62	4.96
DEPRECIATION & AMORTISATION EXPENSE	35	59.38	58.47
OTHER EXPENSES	36	141.63	145.84
TOTAL EXPENSES		**1,930.24**	**1,986.60**
PROFIT BEFORE TAX		708.54	674.56
TAX EXPENSES			
- CURRENT TAX	37	(187.36)	(190.11)
- DEFERRED TAX	38	9.36	12.65
PROFIT AFTER TAX		**530.54**	**497.10**
OTHER COMPREHENSIVE INCOME			
ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO PROFIT & LOSS			
- REMEASUREMENTS OF THE DEFINED BENEFIT LIABILITY/ASSET	40	7.74	1.01
- INCOME TAX		(1.95)	(0.25)
		5.79	**0.76**
TOTAL OTHER COMPREHENSIVE INCOME (NET OF TAX)		**5.79**	**0.76**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**536.33**	**497.86**
EARNING PER SHARE (EQUITY SHARE OF ₹ 10/- EACH) - **BASIC**	45	₹ 22.08	₹ 20.69
EARNING PER SHARE (EQUITY SHARE OF ₹ 10/- EACH) - **DILUTED**	45	₹ 22.08	₹ 20.69
WEIGHTED AVERAGE NUMBER OF EQUITY SHARES USED IN COMPUTING EARNING PER SHARE		240,301,887	240,301,887

For and on behalf of Board of Directors

Rahul Mithal
Chairman & Managing Director
and Chief Executive Officer
DIN: 07610499

Bibhu Prasad Nayak
Director Finance & Chief Financial Officer
DIN: 08197975

Joshit Ranjan Sikidar
Company Secretary
M.No. ACS 32442

As per our report of even date attached

For **PAWAN PURI & ASSOCIATES**
Chartered Accountants
Firm Registration No. 005950N

(SIMRANPREET SINGH)
Partner
Membership No. 518262

Place : Gurugram
Date : 18th May, 2023

Standalone Statement of Changes in Equity

for the year ended 31st March, 2023

A. EQUITY SHARE CAPITAL

(₹ in crore)

BALANCE AS AT 01.04.2022	CHANGES IN EQUITY SHARE CAPITAL DURING THE YEAR		BALANCE AS AT 31.03.2023
	ISSUE OF BONUS SHARES	BUY BACK OF EQUITY SHARES	
240.30	-	-	240.30

(₹ in crore)

BALANCE AS AT 01.04.2021	CHANGES IN EQUITY SHARE CAPITAL DURING THE YEAR		BALANCE AS AT 31.03.2022
	ISSUE OF BONUS SHARES	BUY BACK OF EQUITY SHARES	
240.30	-	-	240.30

B. OTHER EQUITY

(₹ In crore)

PARTICULARS	RESERVE AND SURPLUS			
	GENERAL RESERVE	RETAINED EARNINGS	CAPITAL REDEMPTION RESERVE	TOTAL
BALANCE AS AT 01.04.2022	**1584.02**	**565.24**	**9.70**	**2158.96**
PROFIT FOR THE YEAR	-	530.54	-	530.54
OTHER COMPREHENSIVE INCOME (OCI)	-	5.79	-	5.79
INTERIM DIVIDENDS (2022-23)	-	(348.44)	-	(348.44)
FINAL DIVIDEND (2021-22)	-	(84.11)	-	(84.11)
TRANSFER TO GENERAL RESERVE FROM RETAINED EARNINGS	-	-	-	-
BALANCE AT 31.03.2023	**1,584.02**	**669.02**	**9.70**	**2,262.74**
INTERIM DIVIDEND PER SHARE FOR 2022-23 (₹)	14.50	NUMBER OF SHARES USED IN COMPUTING DIVIDEND PER SHARE		240,301,887
FINAL DIVIDEND PER SHARE FOR 2021-22 (₹)	3.50	NUMBER OF SHARES USED IN COMPUTING DIVIDEND PER SHARE		240,301,887

(₹ In crore)

PARTICULARS	RESERVE AND SURPLUS			
	GENERAL RESERVE	RETAINED EARNINGS	CAPITAL REDEMPTION RESERVE	TOTAL
BALANCE AT 01.04.2021	**1,584.02**	**487.91**	**9.70**	**2,081.63**
PROFIT FOR THE YEAR	-	497.10		497.10
OTHER COMPREHENSIVE INCOME (OCI)	-	0.76	-	0.76
INTERIM DIVIDENDS (2021-22)	-	(324.41)	-	(324.41)
FINAL DIVIDEND (2020-21)	-	(96.12)	-	(96.12)
BALANCE AT 31.03.2022	**1,584.02**	**565.24**	**9.70**	**2,158.96**
INTERIM DIVIDEND PER SHARE FOR 2021-22 (₹)	13.50	NUMBER OF SHARES USED IN COMPUTING DIVIDEND PER SHARE		240,301,887
FINAL DIVIDEND PER SHARE FOR 2020-21 (₹)	4.00	NUMBER OF SHARES USED IN COMPUTING DIVIDEND PER SHARE		240,301,887

For and on behalf of Board of Directors

Rahul Mithal
Chairman & Managing Director
and Chief Executive Officer
DIN: 07610499

Bibhu Prasad Nayak
Director Finance & Chief Financial Officer
DIN: 08197975

Joshit Ranjan Sikidar
Company Secretary
M.No. ACS 32442

As per our report of even date attached

For **PAWAN PURI & ASSOCIATES**
Chartered Accountants
Firm Registration No. 005950N

(SIMRANPREET SINGH)
Partner
Membership No. 518262

Place : Gurugram
Date : 18th May, 2023

Standalone Statement of Cash Flows

for the year ended 31st March, 2023

(₹ in crore)

PARTICULARS	YEAR ENDED 31.03.2023	YEAR ENDED 31.03.2022
CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX	708.54	674.56
ADJUSTMENTS FOR:		
- DEPRECIATION AND AMORTIZATION	59.38	58.47
- LOSS/(PROFIT) ON SALE OF PROPERTY, PLANT AND EQUIPMENT (NET)	0.03	0.01
- INTEREST INCOME	(54.15)	(49.81)
- INCOME FROM INVESTMENTS	(21.32)	(6.81)
- INCOME FROM INVESTMENT PROPERTIES	(0.03)	(0.16)
- LIABILITIES WRITTEN BACK	(5.19)	(0.60)
- PROPERTY, PLANT AND EQUIPMENT WRITTEN OFF	0.06	0.05
- UNREALIZED (GAIN)/LOSSES FROM CHANGES IN FOREIGN EXCHANGE RATE	(7.38)	(2.82)
- PROVISION AND IMPAIRMENT EXPENSES (NET)	32.14	49.72
- FINANCE COST	6.62	4.96
EFFECT OF EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN CURRENCY CASH & CASH EQUIVALENTS	(2.65)	(8.86)
OPERATING PROFIT BEFORE CHANGES IN ASSETS AND LIABILITIES	**716.05**	**718.71**
CHANGE IN ASSETS AND LIABILITIES:		
ADJUSTMENTS FOR (INCREASE)/DECREASE IN OPERATING ASSETS:		
- INVENTORIES	89.58	150.88
- TRADE RECEIVABLES	(208.43)	(118.51)
- LOANS, OTHER FINANCIAL ASSETS AND OTHER ASSETS	9.11	12.76
ADJUSTMENTS FOR INCREASE/(DECREASE) IN OPERATING LIABILITIES:		
- TRADE PAYABLES	122.11	(112.51)
- OTHER FINANCIAL LIABILITIES, OTHER LIABILITIES AND PROVISIONS (NET OF CLIENT FUNDS)	(92.71)	(184.38)
CASH GENERATED FROM OPERATIONS	**635.71**	**466.95**
- INCOME TAX PAID	(164.24)	(175.86)
NET CASH FROM OPERATING ACTIVITIES	**471.47**	**291.09**
CASH FLOWS FROM INVESTING ACTIVITIES		
- PROPERTY, PLANT AND EQUIPMENT/ INTANGIBLE ASSETS/ CWIP/ CAPITAL ADVANCE.	(129.45)	(138.75)
- PROCEEDS FROM SALE OF PROPERTY, PLANT AND EQUIPMENT	0.23	0.25
- INVESTMENT IN LIQUID MUTUAL FUNDS	(110.00)	(455.00)
- REDEMPTION OF LIQUID MUTUAL FUNDS	135.92	514.94
- REDEMPTION OF BONDS	50.00	25.00
- LOAN REPAID BY JOINT VENTURE	-	2.80
- FIXED DEPOSITS PLACED WITH BANK	(949.61)	(921.55)
- REDEMPTION OF FIXED DEPOSITS WITH BANK	933.93	972.82
- INTEREST INCOME	51.74	62.69
- INCOME FROM INVESTMENTS	21.32	6.59
- INCOME FROM INVESTMENT PROPERTIES	0.03	0.16
NET CASH FROM INVESTING ACTIVITIES	**4.11**	**69.95**

Standalone Statement of Cash Flows

for the year ended 31st March, 2023

(₹ in crore)

PARTICULARS	YEAR ENDED 31.03.2023	YEAR ENDED 31.03.2022
CASH FLOW FROM FINANCING ACTIVITIES		
- DIVIDEND PAID	(432.55)	(420.53)
- REPAYMENT OF LEASE LIABILITIES	(2.47)	(2.35)
- FINANCE COST	(3.37)	(2.96)
NET CASH FROM FINANCING ACTIVITIES	**(438.39)**	**(425.84)**
NET CASH FLOW ON ACCOUNT OF CLIENT FUND ACTIVITY	**175.81**	**64.25**
EFFECT OF EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN CURRENCY CASH & CASH EQUIVALENTS	**2.65**	**8.86**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	215.65	8.31
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	802.47	794.16
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**1,018.12**	**802.47**

Reconciliation of cash and cash equivalents

(₹ In crore)

PARTICULARS	YEAR ENDED 31.03.2023	YEAR ENDED 31.03.2022
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	1,018.12	802.47
CASH AND CASH EQUIVALENTS	1,018.12	802.47
COMPONENTS OF CASH AND CASH EQUIVALENTS (REFER NOTE NO. 14.1 & 15.1)	**1,018.12**	**802.47**

NOTE:

1. CASH AND CASH EQUIVALENTS CONSIST OF CASH AND BANK BALANCES INCLUDING FDs HAVING MATURITY WITHIN 3 MONTHS FROM THE DATE OF ACQUISITION.
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 INCLUDING CASH FLOW ON BEHALF OF CLIENT ACTIVITIES. THE OPENING AND CLOSING CASH AND CASH EQUIVALENTS INCLUDES ₹ 934.99 CRORE AND ₹ 759.18 CRORE RESPECTIVELY ON BEHALF OF CLIENTS FUND.

For and on behalf of Board of Directors

Rahul Mithal
Chairman & Managing Director
and Chief Executive Officer
DIN: 07610499

Bibhu Prasad Nayak
Director Finance & Chief Financial Officer
DIN: 08197975

Joshit Ranjan Sikidar
Company Secretary
M.No. ACS 32442

As per our report of even date attached

For **PAWAN PURI & ASSOCIATES**
Chartered Accountants
Firm Registration No. 005950N

(SIMRANPREET SINGH)
Partner
Membership No. 518262

Place : Gurugram
Date : 18th May, 2023

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 Shikhar, Plot no-1, Sector -29, Gurugram, Haryana-122001 (India). President of India through Ministry of Railways is presently holding 72.20% equity share of the company.

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 57(j). 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 18th May, 2023.

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. Accounting policies at 1.28 on Government Grant has been inserted in place of erstwhile accounting policy on export incentive. Such rearrangement/modification is clarificatory and do not have any impact on financial statement.

(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 Judgments

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

Refer Policy no-1.24:- Leases–Company as lessor.

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 Others

Other income is accounted for on accrual basis except claims(including insurance 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.

(c) Expenditure incurred subsequently relating to property, plant & equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably.

(d) The initial estimate of the cost of dismantling, removing the item and restoring the site on which PPE is located, the obligation for which is incurred when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during the period, is capitalized as a component of PPE.

1.3.1 Depreciation

(a) Depreciation on property, plant and equipment are provided on straight line method over their estimated useful life determined by management. Depreciation method, useful lives and residual values are reviewed at the end of each financial year. The useful lives of assets are as prescribed in part C of schedule II of the Companies Act, 2013 except assets indicated in sub paragraphs from (d) to (g) below. In respect of additions to/deductions from the assets during the year, depreciation is charged on pro rata basis.

(b) The estimated useful lives of the various assets, are as under:-

Assets		Useful Life (Years)
i)	Furniture	10
ii)	Fixture	5
iii)	Office Equipment	5
iv)	Mobile Hand Set	3
v)	Coolers & Air Conditioners	7
vi)	Air Conditioning Plant	15
vii)	Computer Hardware	3
viii)	Server & Networks	6
ix)	Survey and Equipments	10
x)	Vehicles	8
xi)	Buildings on Freehold Land	60
xii)	Locomotives-New	15
xiii)	Locomotives-In-Service	10
xiv)	Coaches-New	15
xv)	Coaches-In-Service	10

(c) Any addition or extension, which becomes an integral part of the existing asset and which results in increased economic benefits, is capitalized and depreciated over the remaining useful life of that asset.

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset which is calculated as the difference between the net disposal proceeds and the carrying amount of the asset, is included in the income statement when the asset is de-recognised.

(d) In respect of BOT assets, depreciation is charged over the period of project or the life stated above whichever is lower.

(e) In respect of buildings on lease hold land, depreciation is charged over the period of lease of land or the useful life stated above for buildings on freehold land, whichever is lower.

(f) As per company's technical assessment, Fixtures, Mobile Hand Set, Coolers & Air Conditioners and In-Service Locomotives & Coaches (refurbished) have lower useful lives than prescribed in part C of schedule II of the Companies Act, 2013. Therefore depreciation is charged at higher rate than prescribed under the Companies Act, 2013.

(g) Individual low cost assets of value less than ₹ 5,000/- are fully depreciated in the year of acquisition.

(h) A nominal value of ₹ 1/- is assigned to the fully depreciated assets.

1.3.2 Capital Work in Progress

Assets which are not ready for the intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

1.3.3 Capital Advances

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date are classified as capital advances under other non-current assets.

1.4 INTANGIBLE ASSETS

Intangible assets acquired/ developed are measured on recognition at cost less accumulated amortisation and impairment losses, if any.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is de-recognised.

(a) Software of value less than ₹ 100,000/- is fully amortized in the year of acquisition.

(b) A nominal value of ₹ 1/- is assigned to the fully amortized assets.

1.4.1 Amortization

Estimated useful life of the software is 4 years and amortized on a straight line basis over the period.

1.5 INVESTMENT PROPERTY

Investment properties are measured at cost, including transaction costs less accumulated depreciation and impairment loss, if any.

The Company depreciates building component of investment property over the estimated useful lives of the assets as prescribed in property, plant and equipment.

Investment properties are de-recognised either on disposal or on permanent withdrawal from use. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the Statement of Profit and Loss in the period of de-recognition.

1.6 INVESTMENTS

Equity investments are measured at fair value through profit and loss except investments in subsidiary, participating joint venture with or without joint control and associate.

Investments in subsidiary, participating joint venture with or without joint control and associate are measured at cost.

1.7 JOINT OPERATIONS

(a) In case of participating joint operations with joint control, company recognizes in relation to its interest in a joint operation as under :-

(i) its assets, including its share of any assets held jointly;

(ii) its liabilities, including its share of any liabilities incurred jointly;

(iii) its revenue from the sale of its share of the output arising from the joint operation;

(iv) its share of the revenue from the sale of the output by the joint operation; and

(v) its expenses, including its share of any expenses incurred jointly.

(b) In case of participating joint operations without having joint control, interest in such arrangements is to be recognized as per aforesaid accounting policy if the company has right to the assets and obligations for the liabilities relating to joint operations otherwise interest in the joint operation is recognized in accordance with applicable Ind AS.

1.8 INVENTORIES

(a) Inventories are valued at the lower of cost and Net Realizable Value.

(b) Cost of inventories comprises of costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

(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 and Stores & Spares other than held for the purpose of warranty are charged to the Statement of Profit and Loss in the year of purchase.

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) The Company has set up a separate Gratuity Trust for managing Gratuity Fund.

(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 PREPAID EXPENSES AND PRIOR PERIOD ADJUSTMENTS

1.13.1 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.

1.13.2 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 of the company is Indian Rupees and the financial statements are presented in Indian Rupees.

1.14.2

Transactions in foreign currencies are initially recorded by the Company at functional currency spot rates at the date the transaction first qualifies for recognition. The company also uses average rate where the average rate approximates the actual rate at the date of the transaction.

1.14.3 Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

1.14.4 Exchange differences arising on settlement or translation of monetary items are recognised in the Statement of Profit and Loss

1.15 CASH AND CASH EQUIVALENTS

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short term deposits with an original maturity of three months or less from the date of acquisitions which are readily convertible into known amounts of cash and be subject to an insignificant risk of change in value. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

1.16 STATEMENT OF CASH FLOWS

Statement of Cash Flows is made using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, financing and investing activities of the Company are segregated.

1.17 EARNINGS PER SHARE

In determining basic earnings per share, net profit attributable to equity shareholders is divided by weighted average number of equity shares outstanding during the period.

In determining diluted earnings per share, net profit attributable to equity shareholders is divided by weighted average number of equity shares considered for deriving basic earning per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at the later date. Dilutive potential equity share are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus share issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

1.18 IMPAIRMENT OF ASSETS

1.18.1 Financial Assets

(Other than at Fair Value)

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 LEASES:-COMPANY AS A LESSEE

The Company's leased asset primarily consists of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contact involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over lease term.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability.

The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of- use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

1.24 LEASES:- COMPANY AS A LESSOR

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

For operating leases, rental income is recognized on a straight line basis/systematic basis over the lease term. However, reimbursable under the contract are accounted for on accrual basis. Initial direct cost are added to the carrying amount of the leased assets and recognized as an expense over the lease term.

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.

1.28 GOVERNMENT GRANTS

Grants are recognized when there is a reasonable assurance that the company has complied with the conditions attached to them and the same will be received. Grants which are receivable for the purpose of giving immediate financial support to the company, with no future related costs are recognized in the statement of profit & loss of the period in which they have accrued.

Grants that compensate the Company for the cost of depreciable asset are recognized as income in statement of profit and loss on a systematic basis over the period and in the proportion in which depreciation is charged. Grants that compensate the Company for expenses incurred are recognized over the period in which the related costs are incurred and the same is deducted from the related expenses.

When the Company receives grant as a non-monetary asset, the asset and the grant are recorded at fair value.

The Company is getting Govt grant as export incentive under Foreign Trade Policy (FTP) of the Government of India. The same is recognized/presented as other operating income when there is a reasonable assurance that the incentive will be received, and all the attached conditions have been complied with.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

2. PROPERTY, PLANT AND EQUIPMENT

FOLLOWING ARE THE CHANGES IN THE CARRYING VALUE OF PROPERTY, PLANT AND EQUIPMENT FOR THE YEAR ENDED 31.03.2023

(₹ in crore)

PARTICULARS	GROSS BLOCK					DEPRECIATION/AMORTISATION					NET BLOCK
	AS AT 01/04/2022	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	DELETIONS DURING THE YEAR	AS AT 31/03/2023	AS AT 01/04/2022	FOR THE YEAR	ADJ DURING THE YEAR	DELETIONS DURING THE YEAR	AS AT 31/03/2023	AS AT 31/03/2023
LAND #	35.39	-	0.05	-	35.44	-	-	-	-	-	35.44
BUILDING	66.12	7.60	-	-	73.72	6.25	1.24	-	-	7.49	66.23
RESIDENTIAL QUARTERS	32.50	-	0.10	-	32.60	1.41	0.55	0.10	-	2.06	30.54
LEASEHOLD IMPROVEMENT	1.96	-	-	-	1.96	0.66	0.27	-	-	0.93	1.03
OFFICE EQUIPMENTS											
SURVEY AND OTHER INSTRUMENTS	12.68	0.52	-	0.09	13.11	6.52	1.12	-	0.09	7.55	5.56
COMPUTER AND EQUIPMENTS	18.32	3.23	-	1.46	20.09	12.54	3.63	-	1.31	14.86	5.23
SERVER & NETWORK	6.22	0.07	-	0.03	6.26	5.14	0.34	-	0.02	5.46	0.80
OFFICE AND OTHER EQUIPMENTS	9.90	1.37	-	0.58	10.69	5.65	1.46	-	0.47	6.64	4.05
AIR-CONDITIONER AND EQUIPMENTS	2.35	0.30	-	0.07	2.58	1.42	0.25	-	0.07	1.60	0.98
PLANT & MACHINERY											
AIR CONDITIONER PLANT	6.98	0.22	-	-	7.20	5.35	0.33	-	-	5.68	1.52
LOCOMOTIVES NEW @	237.78	18.04	-	-	255.82	65.36	16.78	-	-	82.14	173.68
LOCOMOTIVES IN SERVICE @	164.58	16.99	-	-	181.57	124.21	25.37	-	-	149.58	31.99
FURNITURE & FIXTURES											
FURNITURES	8.47	1.64	-	0.12	9.99	4.05	0.85	-	0.07	4.83	5.16
FIXTURES	8.43	0.56	-	-	8.99	3.64	1.49	-	-	5.13	3.86
VEHICLE											
VEHICLES	2.96	-	-	-	2.96	1.95	0.18	-	-	2.13	0.83
TOTAL	**614.64**	**50.54**	**0.15**	**2.35**	**662.98**	**244.15**	**53.86**	**0.10**	**2.03**	**296.08**	**366.90**

NOTE :
- Depreciation on Residential Quarters is charged on the total cost of flats in the absence of break-up of land components in the flats value.
- In the case of assets put to use, where final settlement of vendor bills is yet to be effected, capitalization is done on provisional basis subject to necessary adjustment in the year of final settlement.
In respect of Land pending execution of registration (refer note no. 57 (i)).
@ Refer Note No. 52 (b)(i)(I)

FOLLOWING ARE THE CHANGES IN THE CARRYING VALUE OF PROPERTY, PLANT AND EQUIPMENT FOR THE YEAR ENDED 31.03.2022

(₹ in crore)

PARTICULARS	GROSS BLOCK					DEPRECIATION/AMORTISATION					NET BLOCK
	AS AT 01/04/2021	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	DELETIONS DURING THE YEAR	AS AT 31/03/2022	AS AT 01/04/2021	FOR THE YEAR	ADJ DURING THE YEAR	DELETIONS DURING THE YEAR	AS AT 31/03/2022	AS AT 31/03/2022
LAND #	35.39	-	-	-	35.39	-	-	-	-	-	35.39
BUILDING	66.17	-	(0.05)	-	66.12	5.04	1.21	-	-	6.25	59.87
RESIDENTIAL QUARTERS	32.50	-	-	-	32.50	0.86	0.55	-	-	1.41	31.09
LEASEHOLD IMPROVEMENT	1.96	-	-	-	1.96	0.40	0.26	-	-	0.66	1.30
OFFICE EQUIPMENTS											
SURVEY AND OTHER INSTRUMENTS	11.55	1.14	-	0.01	12.68	5.41	1.12	-	0.01	6.52	6.16
COMPUTER AND EQUIPMENTS	14.52	4.77	-	0.97	18.32	10.37	3.03	-	0.86	12.54	5.78
SERVER & NETWORK	6.19	0.04	-	0.01	6.22	4.80	0.35	-	0.01	5.14	1.08
OFFICE AND OTHER EQUIPMENTS	7.95	2.30	-	0.35	9.90	4.62	1.34	-	0.31	5.65	4.25
AIR-CONDITIONER AND EQUIPMENTS	2.26	0.10	-	0.01	2.35	1.15	0.27	-	-	1.42	0.93
PLANT & MACHINERY											
AIR CONDITIONER PLANT	6.98	-	-	-	6.98	4.45	0.90	-	-	5.35	1.63
LOCOMOTIVES NEW @	235.47	2.31	-	-	237.78	49.58	15.78	-	-	65.36	172.42
LOCOMOTIVES IN SERVICE @	141.77	22.81	-	-	164.58	98.22	25.99	-	-	124.21	40.37
FURNITURE & FIXTURES											
FURNITURES	7.44	1.12	-	0.09	8.47	3.35	0.77	-	0.07	4.05	4.42
FIXTURES	6.67	1.76	-	-	8.43	2.45	1.19	-	-	3.64	4.79
VEHICLE											
VEHICLES	2.76	0.34	-	0.14	2.96	1.71	0.25	-	0.01	1.95	1.01
TOTAL	**579.58**	**36.69**	**(0.05)**	**1.58**	**614.64**	**192.41**	**53.01**	**-**	**1.27**	**244.15**	**370.49**

NOTE :
- Depreciation on Residential Quarters is charged on the total cost of flats in the absence of break-up of land components in the flats value.
- In the case of assets put to use, where final settlement of vendor bills is yet to be effected, capitalization is done on provisional basis subject to necessary adjustment in the year of final settlement.
In respect of Land pending execution of registration (refer note no. 57 (i)).
@ Refer Note No. 52 (b)(i)(I)

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

3. CAPITAL WORK IN PROGRESS

(₹ in crore)

PARTICULARS	OPENING	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	DELETIONS DURING THE YEAR	CLOSING
AS AT 31.03.2023	58.01	45.28	(8.49)	-	94.80
AS AT 31.03.2022	15.48	47.88	(5.35)	-	58.01

Refer Note No. 57(f) for Capital Work in progress ageing and completion schedule.

4. RIGHT OF USE ASSETS

FOLLOWING ARE THE CHANGES IN THE CARRYING VALUE OF RIGHT OF USE ASSETS FOR THE YEAR ENDED 31.03.2023

(₹ in crore)

PARTICULARS	GROSS BLOCK					DEPRECIATION/AMORTISATION					NET BLOCK
	AS AT 01/04/2022	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	DELETIONS DURING THE YEAR	AS AT 31/03/2023	AS AT 01/04/2022	FOR THE YEAR	ADJ DURING THE YEAR	DELETIONS DURING THE YEAR	AS AT 31/03/2023	AS AT 31/03/2023
LAND	2.62	-	-	-	2.62	1.21	0.48	-	-	1.69	0.93
BUILDING	19.78	4.95	-	-	24.73	5.40	2.92	-	-	8.32	16.41
RESIDENTIAL QUARTERS	4.33	-	-	-	4.33	0.75	0.25	-	-	1.00	3.33
TOTAL	**26.73**	**4.95**	**-**	**-**	**31.68**	**7.36**	**3.65**	**-**	**-**	**11.01**	**20.67**

- In respect of Lease Agreements pending execution (refer note no. 57 (g)).

FOLLOWING ARE THE CHANGES IN THE CARRYING VALUE OF RIGHT OF USE ASSETS FOR THE YEAR ENDED 31.03.2022

(₹ in crore)

Particulars	GROSS BLOCK					DEPRECIATION/AMORTISATION					NET BLOCK
	AS AT 01/04/2021	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	DELETIONS DURING THE YEAR	AS AT 31/03/2022	AS AT 01/04/2021	FOR THE YEAR	ADJ DURING THE YEAR	DELETIONS DURING THE YEAR	AS AT 31/03/2022	AS AT 31/03/2022
LAND	2.62	0.01	-	0.01	2.62	0.73	0.48	-	-	1.21	1.41
BUILDING	20.54	1.12	-	1.88	19.78	4.54	2.74	-	1.88	5.40	14.38
RESIDENTIAL QUARTERS	4.33	-	-	-	4.33	0.50	0.25	-	-	0.75	3.58
TOTAL	**27.49**	**1.13**	**-**	**1.89**	**26.73**	**5.77**	**3.47**	**-**	**1.88**	**7.36**	**19.37**

- In respect of Lease Agreements pending execution (refer note no. 57 (g)).

5. INVESTMENT PROPERTY

FOLLOWING ARE THE CHANGES IN THE CARRYING VALUE OF INVESTMENT PROPERTY FOR THE YEAR ENDED 31.03.2023

(₹ in crore)

PARTICULARS	GROSS BLOCK					DEPRECIATION/AMORTISATION					NET BLOCK
	AS AT 01/04/2022	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	DELETIONS DURING THE YEAR	AS AT 31/03/2023	AS AT 01/04/2022	FOR THE YEAR	ADJ DURING THE YEAR	DELETIONS DURING THE YEAR	AS AT 31/03/2023	AS AT 31/03/2023
LAND	0.05	-	(0.05)	-	-	-	-	-	-	-	-
RESIDENTIAL QUARTERS	0.10	-	(0.10)	-	-	0.10	-	(0.10)	-	-	-
TOTAL	**0.15**	**-**	**(0.15)**	**-**	**-**	**0.10**	**-**	**(0.10)**	**-**	**-**	**-**

Refer Note no.48 and 52(b)(i)(II)

FOLLOWING ARE THE CHANGES IN THE CARRYING VALUE OF INVESTMENT PROPERTY FOR THE YEAR ENDED 31.03.2022

(₹ in crore)

Particulars	GROSS BLOCK					DEPRECIATION/AMORTISATION					NET BLOCK
	AS AT 01/04/2021	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	DELETIONS DURING THE YEAR	AS AT 31/03/2022	AS AT 01/04/2021	FOR THE YEAR	ADJ DURING THE YEAR	DELETIONS DURING THE YEAR	AS AT 31/03/2022	AS AT 31/03/2022
LAND	0.05	-	-	-	0.05	-	-	-	-	-	0.05
RESIDENTIAL QUARTERS	0.10	-	-	-	0.10	0.10	-	-	-	0.10	-
TOTAL	**0.15**	**-**	**-**	**-**	**0.15**	**0.10**	**-**	**-**	**-**	**0.10**	**0.05**

Refer Note no.48 and 52(b)(i)(II)

6. 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	DELETIONS DURING THE YEAR	TOTAL	
COMPUTER SOFTWARES (ACQUIRED)											
AS AT 31.03.2023	11.21	3.53	-	0.02	14.72	8.60	1.87	-	0.02	10.45	4.27
AS AT 31.03.2022	**10.64**	**0.58**	**-**	**0.01**	**11.21**	**6.62**	**1.99**	**-**	**0.01**	**8.60**	**2.61**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

7. INVESTMENTS

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2023	AS AT 31.03.2022
7.1 NON CURRENT INVESTMENTS			
A) INVESTMENT IN UNQUOTED EQUITY INSTRUMENTS OF (INVESTMENT CARRIED AT COST):			
SUBSIDIARIES			
(i) RITES (Afrika) (Pty) Limited, Botswana		0.01	0.01
10,000 (previous year 10,000) equity shares of face value of Pula 1/- each, fully paid-up.			
(ii) REMC Limited		35.70	35.70
53,550,000 (previous year 53,550,000) equity shares of face value of ₹ 10 each, fully paid-up.			
		35.71	**35.71**
JOINT VENTURES			
(i) SAIL-RITES Bengal Wagon Industry Private Limited		24.00	24.00
24,000,000 (previous year 24,000,000) equity shares of face value of ₹ 10 each, fully paid-up.			
(ii) Indian Railway Stations Development Corporation Limited	57(a)	48.00	48.00
48,000,000 (previous year 48,000,000) equity shares of face value of ₹ 10 each, fully paid-up.			
		72.00	**72.00**
ASSOCIATES			
(i) Elicius Energy Private Limited	57(j)	-	-
1,573 (previous year 1,573) equity shares of face value of ₹ 10 each, fully paid-up.			
COOPERATIVE SOCIETIES			
(i) Moru Mahal Co-operative Society Limited	57(j)	-	-
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	57(j)	-	-
10 (previous year 10) Equity Shares of face value of ₹ 50/- each, fully paid-up acquired for purchase of laboratory.			
(iii) Regent Chambers Premises Co-operative Society Limited	57(j)	-	-
10 (previous year 10) Equity Shares of face value of ₹ 50/- each, fully paid-up acquired for purchase of residential quarter.			
OTHERS		-	-
(i) GPCL Consulting Services Limited (formerly known as Global Procurement Consultants Limited)		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)		**107.75**	**107.75**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2023	AS AT 31.03.2022
B) INVESTMENT IN QUOTED TAX FREE BONDS OF (INVESTMENT CARRIED AT AMORTISED COST):			
(i) 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
(ii) 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**
AGGREGATE OF QUOTED INVESTMENTS (NON CURRENT)		20.00	45.00
TOTAL (NON CURRENT)		**127.75**	**152.75**
A) INVESTMENT IN UNQUOTED MUTUAL FUNDS (INVESTMENT CARRRIED AT FAIR VALUE THROUGH PROFIT OR LOSS):			
(i) BANK OF BARODA LIQUID FUND - DIRECT GROWTH PLAN			
NIL (previous period 105646.438) units		-	25.92
AGGREGATE OF UNQUOTED INVESTMENT (CURRENT)		**-**	**25.92**
B) INVESTMENT IN QUOTED TAX FREE BONDS OF (INVESTMENT CARRIED AT AMORTISED COST):			
(i) 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
(ii) 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
(iii) 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
(iv) 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**	
AGGREGATE OF QUOTED INVESTMENTS (CURRENT)		**25.00**	**50.00**
TOTAL (CURRENT)		**25.00**	**75.92**
GRAND TOTAL		**152.75**	**228.67**
A AGGREGATE AMOUNT OF QUOTED INVESTMENTS		**45.00**	95.00
B MARKET VALUE OF QUOTED INVESTMENTS*		**50.34**	104.61
C AGGREGATE AMOUNT OF UNQUOTED INVESTMENTS		**107.75**	133.67
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.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

8. NON CURRENT LOANS

(₹ in crore)

PARTICULARS	AS AT 31.03.2023	AS AT 31.03.2022
LOANS TO EMPLOYEES CONSIDERED GOOD-SECURED	5.68	6.05
LOANS TO EMPLOYEES CONSIDERED GOOD-UNSECURED	3.03	2.70
LOANS TO EMPLOYEES WHICH HAVE SIGNIFICANT INCREASE IN CREDIT RISK	-	-
LOANS TO EMPLOYEES -CREDIT IMPAIRED	-	-
TOTAL	**8.71**	**8.75**

9. OTHER NON CURRENT FINANCIAL ASSETS

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2023	AS AT 31.03.2022
SECURITY DEPOSITS		3.51	1.90
INTEREST ACCRUED (INCLUDING ACCRUED BUT NOT DUE) ON:			
- CLIENT FUND FDR		0.63	0.52
RETENTION MONEY		82.36	89.35
BANK DEPOSITS HAVING MATURITY OVER 12 MONTHS FROM REPORTING DATE:			
- OWNED FUND	14.3	-	108.00
- CLIENTS FUND	15.3	84.80	24.30
TOTAL		**171.30**	**224.07**

10. DEFERRED TAX ASSETS/ (LIABILITY) (NET)

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2023	AS AT 31.03.2022
DEFERRED INCOME TAX ASSETS:			
ACCRUED COMPENSATION TO EMPLOYEES		23.36	23.87
PROVISION FOR DOUBTFUL DEBTS, SECUTITY DEPOSITS/ EMD, ADVANCES ETC.		38.03	31.80
PROVISION FOR WARRANTY		11.36	11.33
LEASE LIABILITY FOR ROU ASSETS		1.36	0.74
TOTAL DEFERRED INCOME TAX ASSETS - I		**74.11**	**67.74**
DEFERRED INCOME TAX LIABILITIES:			
PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS		12.50	13.92
INTEREST ACCRUED BUT NOT RECEIVED ON INCOME TAX REFUND		-	1.51
UNREALIZED SHORT TERM GAIN/(LOSS) ON MUTUAL FUNDS		-	0.06
TOTAL DEFERRED INCOME TAX LIABILITIES - II		**12.50**	**15.49**
DEFERRED INCOME TAX ASSETS (NET)	53	**61.61**	**52.25**

11. OTHER NON CURRENT ASSETS

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2023		AS AT 31.03.2022	
CAPITAL ADVANCE		159.75		120.37	
LESS: PROVISION FOR DOUBTFUL		(0.79)	158.96	-	**120.37**
ADVANCES OTHER THAN CAPITAL ADVANCE					
PREPAID EXPENSES			0.95		1.23
DEFERRED COST TOWARDS STAFF LOAN			3.86		1.17
ADVANCE INCOME TAX (NET OF PROVISION)	53		13.16		21.75
WORKS CONTRACT TAX RECEIVABLE		1.96		1.96	
LESS: PROVISION FOR DOUBTFUL RECIEVABLE		(1.96)	-	-	1.96
TOTAL			**176.93**		**146.48**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

12. INVENTORIES

(AT THE LOWER OF COST AND NET REALISABLE VALUE)

(₹ in crore)

PARTICULARS	AS AT 31.03.2023		AS AT 31.03.2022	
(AS CERTIFIED BY MANAGEMENT)				
STOCK IN TRADE*	48.09		136.76	
LESS: PROVISION FOR INVENTORIES	(18.23)	29.86	(19.97)	116.79
STORES & SPARES		1.05		1.96
TOTAL		**30.91**		**118.75**

*Includes inventory lying with third parties of ₹ 23.53 crore (previous year ₹ 133.45 crore) & stock in transit ₹ 22.98 (previous year ₹ Nil 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.

13. CURRENT TRADE RECEIVABLES

(₹ in crore)

PARTICULARS	AS AT 31.03.2023	AS AT 31.03.2022
TRADE RECEIVABLE CONSIDERED GOOD -SECURED	-	-
TRADE RECEIVABLE CONSIDERED GOOD -UNSECURED*	869.26	681.19
TRADE RECEIVABLE WHICH HAVE SIGNIFICANT INCREASE IN CREDIT RISK	-	-
TRADE RECEIVABLE -CREDIT IMPAIRED	124.39	102.00
	993.65	**783.19**
LESS: ALLOWANCE FOR EXPECTED CREDIT LOSSES	(124.39)	(102.00)
TOTAL	**869.26**	**681.19**
*Includes dues from subsidiaries(Note no.43(f) (i))	1.77	0.90

13.1 Trade receivables ageing schedule for the year ending 31.03.2023

(₹ in crore)

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months -1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) Undisputed Trade receivables – considered good	-	643.53	132.30	54.21	39.22	-	869.26
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	2.35	-	1.36	1.39	71.67	76.77
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	47.62	47.62
Total	**-**	**645.88**	**132.30**	**55.57**	**40.61**	**119.29**	**993.65**
Add: Unbilled Revenue Asset (Refer Note.17)							99.35
Total							**1,093.00**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

13.2 Trade receivables ageing schedule for the year ending 31.03.2022

(₹ in crore)

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months -1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) Undisputed Trade receivables – considered good	-	529.40	55.21	65.17	31.26	0.15	681.19
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	0.02	-	0.33	0.73	52.21	53.29
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	0.01	16.19	32.51	48.71
Total	**-**	**529.42**	**55.21**	**65.51**	**48.18**	**84.87**	**783.19**
Add: Unbilled Revenue Asset (Refer Note.17)							50.75
Total							**833.94**

14. CASH AND BANK BALANCES-OWNED FUND

(₹ in crore)

PARTICULARS	AS AT 31.03.2023		AS AT 31.03.2022	
14.1 CASH AND CASH EQUIVALENTS				
BANK BALANCES IN :				
CURRENT ACCOUNTS	27.90		38.49	
DEPOSITS #	51.25	79.15	4.80	43.29
CHEQUES IN HAND		3.98		-
TOTAL		**83.13**		**43.29**
14.2 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS				
EARMARKED BALANCE WITH BANKS*		2.35		0.43
DEPOSITS ## @		752.35		630.51
TOTAL		**754.70**		**630.94**
14.3 BANK BALANCE MORE THAN 12 MONTHS MATURITY-OWNED FUND (NOTE NO. 9)				
DEPOSITS ###		-		108.00
TOTAL		**-**		**108.00**
TOTAL CASH & BANK BALANCE-OWNED FUND		**837.83**		**782.23**

Includes flexi deposits and deposits having maturity within 3 months from the date of acquisition.
Having maturity over 3 months from the date of acquisition and upto 12 months from reporting date.
Having maturity over 12 months from reporting date.
@ Includes restricted cash and bank balances of ₹ 0.13 crore (previous year ₹ 0.13 crore) on account of bank balance held as margin money deposits against guarantees issued by banks.
* Earmarked bank balance is for unpaid dividend and unspent CSR

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

15. CASH AND BANK BALANCES-CLIENTS FUND

(₹ in crore)

PARTICULARS	AS AT 31.03.2023	AS AT 31.03.2022
15.1 CASH AND CASH EQUIVALENTS		
BANK BALANCES IN :		
CURRENT ACCOUNTS	596.15	120.74
DEPOSITS #	338.84	638.44
TOTAL	**934.99**	**759.18**
15.2 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS		
DEPOSITS ##	1,623.84	1,832.87
TOTAL	**1,623.84**	**1,832.87**
15.3 BANK BALANCE MORE THAN 12 MONTHS MATURITY-CLIENT FUND (NOTE NO. 9)		
DEPOSITS ###	84.80	24.30
TOTAL	**84.80**	**24.30**
TOTAL CASH & BANK BALANCE-CLIENTS FUND*	**2,643.63**	**2,616.35**

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.
* Equivalent amount appears in client liabilities

16. CURRENT LOANS

(₹ in crore)

PARTICULARS	AS AT 31.03.2023	AS AT 31.03.2022
LOANS TO EMPLOYEES CONSIDERED GOOD-SECURED	2.07	1.34
LOANS TO EMPLOYEES CONSIDERED GOOD-UNSECURED	3.31	2.15
LOANS TO EMPLOYEES WHICH HAVE SIGNIFICANT INCREASE IN CREDIT RISK	-	-
LOANS TO EMPLOYEES -CREDIT IMPAIRED	-	-
TOTAL	**5.38**	**3.49**

17. OTHER CURRENT FINANCIAL ASSETS

(₹ in crore)

PARTICULARS	AS AT 31.03.2023		AS AT 31.03.2022	
SECURITY DEPOSITS	20.80		18.23	
LESS: ALLOWANCES FOR EXPECTED CREDIT LOSSES	(0.31)	20.49	(0.31)	17.92
AMOUNT RECOVERABLES CONSIDERED GOOD-UNSECURED	56.56		12.63	
AMOUNT RECOVERABLES CONSIDERED DOUBTFUL-UNSECURED	22.76		22.35	
	79.32		**34.98**	
LESS: ALLOWANCES FOR EXPECTED CREDIT LOSSES	(22.76)	56.56	(22.35)	12.63
INTEREST ACCRUED (INCLUDING ACCRUED BUT NOT DUE) ON:				
- OWN FUND FDR	16.23		12.17	
- BONDS	3.38		5.03	
- CLIENT FUND FDR	20.97	40.58	25.97	43.17
RETENTION MONEY		82.58		108.66
RECOVERABLES FROM RELATED PARTIES		0.01		0.03
UNBILLED REVENUE	99.35	-	50.75	-
LESS: ALLOWANCES FOR EXPECTED CREDIT LOSSES	(0.34)	99.01	(0.34)	50.41
TOTAL		**299.23**		**232.82**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

18. CURRENT TAX ASSETS (NET)

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2023	AS AT 31.03.2022
INCOME TAX RECEIVABLES	53	11.84	28.32
TOTAL		**11.84**	**28.32**

19. OTHER CURRENT ASSETS

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2023		AS AT 31.03.2022	
PREPAID EXPENSES		-	5.98	-	6.01
ADVANCES TO SUPPLIERS		16.17	-	42.21	-
LESS: PROVISION FOR DOUBTFUL ADVANCES		(1.34)	14.83	(1.02)	41.19
OTHER ADVANCES		2.76	-	1.31	-
LESS: PROVISION FOR DOUBTFUL ADVANCES		(0.03)	2.73	(0.35)	0.96
EXPORT INCENTIVE RECEIVABLE	41	0.50	-	10.52	-
LESS: PROVISION FOR DOUBTFUL EXPORT INCENTIVE		(0.31)	0.19	(0.31)	10.21
DEFERRED COST TOWARDS STAFF LOAN		-	0.21	-	0.21
GOODS & SERVICE TAX INPUT RECEIVABLE		-	57.51	-	97.29
TOTAL		**-**	**81.45**	**-**	**155.87**

20. EQUITY SHARE CAPITAL

(₹ in crore)

	PARTICULARS	AS AT 31.03.2023	AS AT 31.03.2022
20.1	**AUTHORISED**		
	300,000,000 (PREVIOUS YEAR 300,000,000) EQUITY SHARES OF ₹ 10/- EACH	300.00	300.00
20.2	**ISSUED, SUBSCRIBED AND FULLY PAID-UP**		
	240,301,887 (PREVIOUS YEAR 240,301,887) EQUITY SHARES OF ₹ 10/- EACH	240.30	240.30
		240.30	240.30

		NO. OF SHARES	(₹ in crore)	NO. OF SHARES	(₹ in crore)
20.3	**RECONCILIATION OF NUMBER OF EQUITY SHARES**				
	OPENING BALANCE	240,301,887	240.30	240,301,887	240.30
	CLOSING BALANCE	240,301,887	240.30	240,301,887	240.30

20.4 RIGHTS, PREFERENCES AND RESTRICTIONS ATTACHED TO EQUITY SHARES

The company has one class of equity shares having a par value of ₹ 10 each. Each shareholder is eligible for one vote per share held in case poll is demanded by the members in accordance with the provisions of the companies act, 2013. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

(₹ in crore)

	PARTICULARS	AS AT 31.03.2023		AS AT 31.03.2022	
20.5	**EQUITY SHARES HELD BY EACH SHAREHOLDER MORE THAN 5% OF SHARES**	NO. OF SHARES	SHAREHOLDING (%)	NO. OF SHARES	SHAREHOLDING (%)
	PRESIDENT OF INDIA ACTING THROUGH MINISTRY OF RAILWAYS	173,504,773	72.20%	173,504,773	72.20%
	LIFE INSURANCE CORPORATION OF INDIA	19,584,120	8.15%	19,584,120	8.15%
	NIPPON LIFE INDIA TRUSTEE LTD-A/C NIPPON INDIA SMALL CAP FUND	14,480,007	6.03%		

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

(₹ in crore)

	PARTICULARS	AS AT 31.03.2023			AS AT 31.03.2022	
		NO. OF SHARES	SHAREHOLDING (%)	% CHANGE DURING THE YEAR	NO. OF SHARES	SHAREHOLDING (%)
20.6	**EQUITY SHARES HELD BY PROMOTER SHAREHOLDER**					
	PRESIDENT OF INDIA ACTING THROUGH MINISTRY OF RAILWAYS	173,504,773	72.20%	-	173,504,773	72.20%

(₹ in crore)

PARTICULARS	AS AT 31.03.2022			AS AT 31.03.2021	
	NO. OF SHARES	SHAREHOLDING (%)	% CHANGE DURING THE YEAR	NO. OF SHARES	SHAREHOLDING (%)
EQUITY SHARES HELD BY PROMOTER SHAREHOLDER					
PRESIDENT OF INDIA ACTING THROUGH MINISTRY OF RAILWAYS	173,504,773	72.20%	-	173,504,773	72.20%

20.7 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 5 crore bonus shares of ₹ 10 each during 2019-20 amounting to ₹ 50 crore.

20.8 FULLY PAID-UP AGGREGATE NUMBER OF EQUITY SHARES BUY-BACK DURING THE YEAR OF FIVE YEARS IMMEDIATELY PRECEEDING BALANCE SHEET DATE

The company has bought back 96,98,113 fully paid-up equity shares of ₹ 10 each from the shareholders on 18th November, 2020, on proportionate basis by way of tender offer at a price of ₹ 265 per equity share for an aggregate amount of ₹ 257 crore. Consequent to the said buy-back, the equity share capital of the company has been reduced by ₹ 9.70 crore and capital redemption reserve of an equivalent amount has therefore been created as per the extant provision of the companies act, 2013.

21. OTHER EQUITY (REFER STATEMENT OF CHANGES IN EQUITY)

(₹ in crore)

	PARTICULARS	NOTE NO.	AS AT 31.03.2023	AS AT 31.03.2022
21.1	**RESERVE & SURPLUS**			
	GENERAL RESERVE*	21.1.1	1,584.02	1,584.02
	CAPITAL REDEMPTION RESERVE**	21.1.2	9.70	9.70
21.2	**RETAINED EARNING**	21.2.1	669.02	565.24
	TOTAL * **		**2,262.74**	**2,158.96**

*General Reserve represents amount kept by the company out of its profit for future purposes. It is not earmarked for any specific purpose.

**Capital Redemption Reserve shall be utilised in accordance with the provisions of Companies Act, 2013.

*** Includes OCI of ₹ 1.73 crore & previous period (₹ 4.06 crore).

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

(₹ in crore)

	PARTICULARS	AS AT 31.03.2023	AS AT 31.03.2022
21.1.1	**GENERAL RESERVE**		
	OPENING BALANCE	1,584.02	1,584.02
	CLOSING BALANCE	**1,584.02**	**1,584.02**
21.1.2	**CAPITAL REDEMPTION RESRVE**		
	OPENING BALANCE	9.70	9.70
	CLOSING BALANCE	**9.70**	**9.70**
21.2.1	**RETAINED EARNIGS**		
	OPENING BALANCE	565.24	487.91
	PROFIT FOR THE YEAR	530.54	497.10
	OTHER COMPREHENSIVE INCOME (OCI)	5.79	0.76
	INTERIM DIVIDENDS(2021-22)	-	(324.41)
	INTERIM DIVIDENDS(2022-23)	(348.44)	-
	FINAL DIVIDEND(2020-21)		(96.12)
	FINAL DIVIDEND(2021-22)	(84.11)	-
	CLOSING BALANCE	**669.02**	**565.24**

22. OTHER NON CURRENT FINANCIAL LIABILITIES

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2023	AS AT 31.03.2022
CLIENTS DEPOSITS	15	85.43	24.82
SECURITY DEPOSITS - CLIENTS	15	174.56	122.59
SECURITY DEPOSITS		12.22	17.15
SALARY PAYABLE		2.38	2.27
TOTAL		**274.59**	**166.83**

23. NON CURRENT PROVISIONS

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2023	AS AT 31.03.2022
EMPLOYEE BENEFITS	40	3.08	2.80
WARRANTIES	47(a)	16.67	27.43
TOTAL		**19.75**	**30.23**

24. OTHER NON CURRENT LIABILITIES

(₹ in crore)

PARTICULARS	AS AT 31.03.2023	AS AT 31.03.2022
CLIENTS ADVANCES	0.49	-
TOTAL	**0.49**	**-**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

25. TRADE PAYABLES

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2023	AS AT 31.03.2022
TOTAL OUTSTANDING DUES OF MICRO ENTERPRISES AND SMALL ENTERPRISES	57(e)	45.85	25.57
TOTAL OUTSTANDING DUES OTHER THAN MICRO ENTERPRISES AND SMALL ENTERPRISES		253.86	152.01
TOTAL		**299.71**	**177.58**

25.1 TRADE PAYABLES AGEING SCHEDULE FOR THE YEAR ENDING 31.03.2023

(₹ in crore)

PARTICULARS	OUTSTANDING FOR FOLLOWING PERIODS FROM DUE DATE OF PAYMENT						
	UNBILLED	NOT DUE	LESS THAN 1 YEAR	1-2 YEARS	2-3 YEARS	MORE THAN 3 YEARS	TOTAL
(I) MSME	30.54	0.15	15.16	-	-	-	45.85
(II) OTHERS	101.92	6.35	140.46	1.65	0.53	1.78	252.69
(III) DISPUTED DUES-MSME	-	-	-	-	-	-	-
(III) DISPUTED DUES-OTHERS	-	0.08	-	-	-	1.09	1.17
TOTAL	**132.46**	**6.58**	**155.62**	**1.65**	**0.53**	**2.87**	**299.71**

25.2 TRADE PAYABLES AGEING SCHEDULE FOR THE YEAR ENDING 31.03.2022

(₹ in crore)

PARTICULARS	OUTSTANDING FOR FOLLOWING PERIODS FROM DUE DATE OF PAYMENT						
	UNBILLED	NOT DUE	LESS THAN 1 YEAR	1-2 YEARS	2-3 YEARS	MORE THAN 3 YEARS	TOTAL
(I) MSME	6.19	2.49	16.89	-	-	-	25.57
(II) OTHERS	37.56	39.46	68.60	1.28	1.92	1.25	150.07
(III) DISPUTED DUES-MSME	-	-	-	-	-	-	-
(IV) DISPUTED DUES-OTHERS	-	-	-	0.02	-	1.92	1.94
TOTAL	**43.75**	**41.95**	**85.49**	**1.30**	**1.92**	**3.17**	**177.58**

26. OTHER CURRENT FINANCIAL LIABILITIES

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2023	AS AT 31.03.2022
CLIENTS DEPOSITS	15	2,306.81	2,397.29
SECURITY DEPOSITS - CLIENTS	15	98.43	98.14
SECURITY DEPOSITS		65.79	96.90
FOREIGN SERVICE CONTRIBUTION	40 (c)	2.78	3.47
SALARY PAYABLES		7.86	6.61
STAFF & OTHER CLAIMS		11.44	7.99
OTHER PAYABLE OF MSME	57(e)	3.05	0.78
OTHER PAYABLE OF OTHER THAN MSME		4.54	6.69
UNPAID DIVIDEND*		0.51	0.43
TOTAL		**2,501.21**	**2,618.30**

* No amount is due for payment to Investor Education & Protection Fund

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

27. OTHER CURRENT LIABILITIES

(₹ in crore)

PARTICULARS	AS AT 31.03.2023	AS AT 31.03.2022
ADVANCE FROM CUSTOMERS	18.68	75.55
STATUTORY LIABILITIES	51.81	40.00
TOTAL	**70.49**	**115.55**

28. CURRENT PROVISIONS

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2023	AS AT 31.03.2022
EMPLOYEE BENEFITS	40	47.67	64.92
CORPORATE SOCIAL RESPONSIBILITY	57(c)(iii)	1.84	4.27
WARRANTIES	47(a)	28.46	17.59
TOTAL		**77.97**	**86.78**

29. REVENUE FROM OPERATIONS

(₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2023	YEAR ENDED 31.03.2022
SALE OF SERVICES			
CONSULTANCY FEE		791.10	687.73
INSPECTION FEE		392.93	324.43
LEASE SERVICES	52(b)(i)	137.71	130.85
		1,321.74	**1,143.01**
SALE OF PRODUCTS			
EXPORT SALES		283.49	944.59
OTHERS			
TURNKEY CONSTRUCTION PROJECTS		884.53	459.39
TOTAL*		**2,489.76**	**2,546.99**
OTHER OPERATING REVENUE			
PROVISION NO LONGER REQUIRED		1.10	0.71
REVERSAL OF IMPAIRMENT OF FINANCIAL ASSETS		-	5.74
LIABILITIES WRITTEN BACK		5.19	0.60
EXPORT INCENTIVES		23.57	21.12
TOTAL		**29.86**	**28.17**
REVENUE FROM OPERATIONS		**2,519.62**	**2,575.16**

Note * - 1- Revenue from operation does not include GST of ₹ 358.19 crore (previous year ₹ 245.97 crore)

- 2- Revenue from operation include unbilled income recognized of ₹ 94.44 crore (previous year ₹ 46.56 crore)

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

30. OTHER INCOME

(₹ in crore)

PARTICULARS	YEAR ENDED 31.03.2023		YEAR ENDED 31.03.2022	
INTEREST INCOME ON:				
- DEPOSITS WITH BANK	48.08		41.40	
- TAX FREE BONDS	6.07		8.28	
- STAFF ADVANCES	1.90		1.32	
- LOAN TO RELATED PARTIES	-		0.13	
- DELAYED PAYMENTS	-		0.48	
- INCOME TAX REFUND	-	56.05	6.00	57.61
DIVIDEND FROM:				
- RITES (AFRIKA) (PTY) LIMITED (RELATED PARTY)	-		0.03	
- REMC LIMITED (RELATED PARTY)	20.35		4.59	
- CURRENT INVESTMENTS	0.01	20.36	-	4.62
REALIZED GAIN ON CURRENT INVESTMENT (MUTUAL FUNDS)		0.96		1.97
UNREALIZED GAIN ON CURRENT INVESTMENT (MUTUAL FUNDS)		-		0.22
RENT FROM INVESTMENT PROPERTIES		0.03		0.16
EXCHANGE VARIATION		40.64		17.19
MISCELLANEOUS INCOME		1.12		4.23
TOTAL		**119.16**		**86.00**

31. EMPLOYEE BENEFITS EXPENSE

(₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2023	YEAR ENDED 31.03.2022
SALARIES		373.60	363.08
FOREIGN SERVICE CONTRIBUTION	40(c)	0.81	3.22
CONTRIBUTION TO PROVIDENT & OTHER FUNDS	40	62.45	61.04
STAFF WELFARE EXPENSES		24.01	25.84
PERFORMANCE RELATED PAYMENT		35.89	38.98
LEAVE ENCASHMENT	40	10.84	24.26
TOTAL		**507.60**	**516.42**

32. SUPPLIES & SERVICES

(₹ in crore)

PARTICULARS	YEAR ENDED 31.03.2023	YEAR ENDED 31.03.2022
TURNKEY CONSTRUCTION PROJECTS	806.62	415.76
OTHERS	167.39	174.14
TOTAL	**974.01**	**589.90**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

33. CHANGES IN INVENTORIES OF STOCK IN TRADE

(₹ in crore)

PARTICULARS	YEAR ENDED 31.03.2023	YEAR ENDED 31.03.2022
OPENING BALANCE	136.76	287.59
CLOSING BALANCE	48.09	136.76
NET (INCREASE)/ DECREASE IN INVENTORIES	**88.67**	**150.83**

34. FINANCE COSTS

(₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2023	YEAR ENDED 31.03.2022
UNWINDING WARRANTY	47(a)	3.25	2.00
UNWINDING LEASE LIABILITY	52(a)	0.46	0.30
BG/LC CHARGES		2.08	2.62
INTEREST- OTHERS*		0.83	0.04
TOTAL		**6.62**	**4.96**

*Includes Interest on Income tax of ₹ 0.49 crore (previous year ₹ NIL crore)

35. DEPRECIATION & AMORTISATION EXPENSE

(₹ in crore)

PARTICULARS	YEAR ENDED 31.03.2023	YEAR ENDED 31.03.2022
PROPERTY, PLANT AND EQUIPMENT	53.86	53.01
RIGHT OF USE ASSETS	3.65	3.47
INTANGIBLE ASSETS	1.87	1.99
TOTAL	**59.38**	**58.47**

36. OTHER EXPENSES

(₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2023	YEAR ENDED 31.03.2022
PRINTING, STATIONERY AND DOCUMENTATION		3.29	3.79
ADVERTISEMENT & BUSINESS PROMOTION		4.26	3.70
AUDITORS' REMUNERATION (INCLUDING OUT OF POCKET EXPENSES)	36.1	0.47	0.37
RATES & TAXES		2.24	2.46
OFFICE RENT		9.77	6.73
POSTAGE & TELECOMMUNICATION		4.89	5.56
OFFICE MAINTENANCE		12.17	10.89
REPAIRS TO MACHINERY/EQUIPMENTS		1.52	2.96
FREIGHT & FORWARDING (OUTWARD)		23.48	19.55
POWER AND FUEL CHARGES		4.34	4.02
STORES AND SPARES CONSUMED		14.20	5.49
INTERNAL AUDIT FEE		0.09	0.09
LEGAL AND PROFESSIONAL FEE		2.48	1.29
INSURANCE CHARGES		1.89	1.29
PROPERTY, PLANT AND EQUIPMENT WRITTEN OFF		0.06	0.05
MANPOWER DEVELOPMENT		1.25	0.54
LOSS ON SALE OF PROPERTY, PLANT AND EQUIPMENT		0.03	0.01

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

(₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2023	YEAR ENDED 31.03.2022
PROVISION FOR IMPAIRMENT			
- ON FINANCIAL ASSETS		22.80	1.56
- ON ADVANCES		2.77	
- EXPORT INCENTIVE		-	0.31
- INVENTORIES		-	16.52
BAD DEBTS WRITTEN OFF		1.72	10.89
PROVISION FOR WARRANTIES		5.95	26.85
DIRECTORS' SITTING FEE		0.27	0.12
CORPORATE SOCIAL RESPONSIBILITY	57(c)	14.10	13.90
RESEARCH AND DEVELOPMENT		0.40	-
ADVANCES/RECOVERABLE WRITTEN OFF		-	0.04
MISCELLANEOUS EXPENSES		7.19	6.86
TOTAL		**141.63**	**145.84**

36.1 AUDITORS' REMUNERATION

(₹ in crore)

PARTICULARS	YEAR ENDED 31.03.2023	YEAR ENDED 31.03.2022
(A) STATUTORY AUDITORS		
STATUTORY AUDIT FEE	0.14	0.08
TAX AUDIT FEE	0.04	0.03
LIMITED REVIEW	0.08	0.07
OTHER SERVICES, i.e. CERTIFICATION ETC.	0.18	0.08
SUB TOTAL (A)	**0.44**	**0.26**
(B) BRANCH AUDITORS		
STATUTORY AUDIT FEE	-	0.03
TAX AUDIT FEE	-	0.01
LIMITED REVIEW FEE	0.01	0.03
SUB TOTAL (B)	**0.01**	**0.07**
AUDITORS' REMUNERATION (A+B)	**0.45**	**0.33**
AUDITORS' OUT OF POCKET EXPENSES (C)	**0.02**	**0.04**
AUDITORS' REMUNERATION (INCLUDING OUT OF POCKET EXPENSES) (A+B+C)	**0.47**	**0.37**

37. CURRENT TAX

(₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2023	YEAR ENDED 31.03.2022
- CURRENT YEAR		(187.20)	(178.57)
- EARLIER YEAR		(0.16)	(11.54)
TOTAL	53	**(187.36)**	**(190.11)**

38. DEFERRED TAX

(₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2023	YEAR ENDED 31.03.2022
CREDIT/(CHANGE) RELATING TO TEMPORARY DIFFERENCES			
-CURRENT YEAR		9.36	6.18
-EARLIER YEAR		-	6.47
TOTAL	53	**9.36**	**12.65**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

DISCLOSURES AS PER INDIAN ACCOUNTING STANDARDS (IND AS):

39. INDIAN ACCOUNTING STANDARD (IND AS) 2, DISCLOSURE ON INVENTORIES IS AS FOLLOWS:

Inventories are carried at lower of cost and net realizable value. Cost of stock in trade, procured or purchased, by the Company comprises of costs of purchase and other costs incurred in bringing the inventories to its present location and condition.

Amount of inventories consumed and recognized as expenses during the year is as under:

(₹ in crore)

Particulars	Year ended	
	31.03.2023	31.03.2022
Stock in Trade	187.33	628.84
Stores and spares	14.20	5.49
Total	**201.53**	**634.33**
Provision for inventories	-	16.52
Reversal of Provision of inventory	1.10	-

40. INDIAN ACCOUNTING STANDARD (IND AS) 19, DISCLOSURES ON EMPLOYEE BENEFITS ARE AS FOLLOWS:

a) Defined Benefit Plan

i) Gratuity (Funded)-Regular Employees.

I) Changes in Present Value of the Benefit Obligation are as follows

(₹ in crore)

Particulars	31.03.2023	31.03.2022
Present Value of obligation as at beginning of year	148.31	146.33
Interest Cost	10.38	9.74
Current Service Cost	8.04	8.67
Benefits paid	(21.83)	(16.88)
Actuarial (Gain)/Loss on obligation	(6.98)	0.45
Present Value of Obligation as at end of year	137.92	148.31

Bifurcation of Present Benefit Obligation at the end of year in current and non-current.

(₹ in crore)

Particulars	31.03.2023	31.03.2022
Current liability (Amount due within one year)	16.63	21.13
Non-Current liability (Amount due over one year)	121.29	127.18
Present Value of Obligation as at end of year	137.92	148.31

II) Changes in the Fair Value of Plan Assets are as follows:

(₹ in crore)

Particulars	31.03.2023	31.03.2022
Fair Value of Plan Assets at beginning of year	147.54	143.27
Actual Interest Income	11.94	10.94
Contributions	0.77	3.06
Benefits Paid	-	(5.58)
Benefit Paid (But not received from Fund)	(21.83)	(4.15)
Fair value of Plan Assets at the end of year	138.42	147.54

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

Major categories of plan assets (as percentage of total plan assets):

Particulars	31.03.2023	31.03.2022
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 %

III) The amount recognized in the Balance Sheet is as follows:

(₹ in crore)

Particulars	31.03.2023	31.03.2022
Defined Benefit Obligation at end of year	137.92	148.31
Fair value of Plan Assets at the end of year	138.42	147.54
Funded Status – (Surplus)/ Deficit	(0.50)	0.77
Net (Liability)/ Asset recognized in Balance Sheet	0.50	(0.77)

IV) Amount recognized in the Statement of Profit & Loss is as follows:

(₹ in crore)

Particulars	31.03.2023	31.03.2022
Current Service Cost	8.04	8.67
Net Interest on Net Defined Benefit Liability	0.05	0.20
Expenses recognized in the statement of Profit & Loss	8.09	8.87

Bifurcation of Actuarial Gain/Loss on Obligation

(₹ in crore)

Particulars	31.03.2023	31.03.2022
Actuarial (Gain)/Loss on arising from Change in Demographic Assumption	-	-
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	(3.59)	(1.52)
Actuarial (Gain)/Loss on arising from Experience Adjustment	(3.39)	1.97

V) Amount recognized in Other Comprehensive Income is as follows:

(₹ in crore)

Particulars	31.03.2023	31.03.2022
Actuarial (Gains)/Losses on Liability	(6.98)	0.45
Actuarial (Gains)/Losses on Assets	(1.62)	(1.40)
Other Comprehensive (Income)/Expense	(8.60)	(0.95)

VI) The principal actuarial assumptions are as follows:

Particulars	31.03.2023	31.03.2022
Discounting rate (%)	7.38%	7.00%
Future salary increase (%)	8.70%	8.70%
Retirement Age (Years)	60	60
Mortality rates inclusive of provision for disability	100% of IALM (2012 - 14)	100% of IALM (2012 - 14)

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

Particulars	31.03.2023	31.03.2022
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

VII) The significant actuarial assumptions for the determination of the defined obligations are discount rate and expected salary increase. The sensitivity for actuarial assumptions has 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 ₹ 8.90 crore / increase by ₹ 9.54 crore as on 31st March, 2023 and if the expected salary growth increases /decreases by 1%, the defined benefit obligations would increase by ₹ 3.40 crore/ decrease by ₹ 3.59 crore as on 31st March, 2023.

However, the actual change in assumptions would not necessarily behave in isolation to each other. The defined benefit obligations would change accordingly.

Remeasurement (gain)/loss of defined employee benefit plans in Other Comprehensive Income (OCI) for the year ended 31.03.2023 and 31.03.2022 are ₹ (8.60) crore and ₹ (0.95) crore respectively.

The defined benefit obligation shall mature as follows:

(₹ in crore)

Year ending March, 31	Defined benefit obligations
2024	16.63
2025	18.25
2026	15.91
2027	12.72
2028	08.97
2029	09.83
2029 onward	55.61

ii) Gratuity (Funded)-Contract Employees.

I) Changes in Present Value of the Benefit Obligation are as follows:

(₹ in crore)

Particulars	31.03.2023	31.03.2022
Present Value of obligation as at beginning of year	3.84	3.57
Interest Cost	0.27	0.23
Current Service Cost	0.48	0.36
Benefits paid	(0.34)	(0.31)
Actuarial (Gain)/Loss on obligation	0.85	(0.01)
Present Value of Obligation as at end of year	5.10	3.84

Bifurcation of Present Value of the Benefit Obligation at the end of year in current and non-current.

(₹ in crore)

Particulars	31.03.2023	31.03.2022
Current liability (Amount due within one year)	0.19	0.14
Non-Current liability (Amount due over one year)	4.91	3.70
Total Present Value of Obligation as at end of year	5.10	3.84

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

II) Changes in the Fair Value of Plan Assets are as follows:

(₹ in crore)

Particulars	31.03.2023	31.03.2022
Fair Value of Plan Assets at beginning of year	3.79	3.37
Actual Interest Income	0.27	0.27
Contributions	0.05	0.20
Benefit claimed from trust but not credited till date	(0.34)	0.00
Benefits Paid	0.00	(0.05)
Fair value of Plan Assets at the end of year	3.77	3.79

Major categories of plan assets (as percentage of total plan assets) :

(₹ in crore)

Particulars	31.03.2023	31.03.2022
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 %

III) The amount recognized in the Balance Sheet is as follows:

(₹ in crore)

Particulars	31.03.2023	31.03.2022
Defined Benefit Obligation at end of year	5.10	3.84
Fair value of Plan Assets at the end of year	3.77	3.79
Funded Status – (Surplus)/ Deficit	1.33	0.05
Net (Liability)/ Asset recognized in Balance Sheet	(1.33)	(0.05)

IV) Amount recognized in the Statement of Profit & Loss is as follows:

(₹ in crore)

Particulars	31.03.2023	31.03.2022
Current Service Cost	0.48	0.36
Net Interest on Net Defined Benefit Liability	0.00	0.01
Expenses recognized in the statement of Profit & Loss	0.48	0.37

Bifurcation of Actuarial Gain/Loss on Obligation:

(₹ in crore)

Particulars	31.03.2023	31.03.2022
Actuarial (Gain)/Loss on arising from Change in Demographic Assumption	-	-
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	(0.25)	(0.05)
Actuarial (Gain)/Loss on arising from Experience Adjustment	1.11	0.04

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

V) Amount recognized in Other Comprehensive Income is as follows:

(₹ in crore)

Particulars	31.03.2023	31.03.2022
Actuarial (Gains)/Losses on Liability	0.85	(0.01)
Actuarial (Gains)/Losses on Assets	0.00	(0.05)
Other Comprehensive (Income)/Expense	0.85	(0.06)

VI) The principal actuarial assumptions are as follows:

(₹ in crore)

Particulars	31.03.2023	31.03.2022
Discounting rate (%)	7.38%	7.00%
Future salary increase (%)	4.35%	4.35%
Retirement Age (Years)	60	60
Mortality rates inclusive of provision for disability	100% of IALM (2012-14)	100% of IALM (2012-14)
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

VII) The significant actuarial assumptions for the determination of the defined obligations are discount rate and expected salary increase. The sensitivity for actuarial assumptions has 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 ₹ 0.62 crore /increase by ₹ 0.68 crore as on 31st March, 2023 and if the expected salary growth increases /decreases by 1%, the defined benefit obligations would increase by ₹ 0.69 crore/ decrease by ₹ 0.64 crore as on 31st March, 2023.

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 ₹ 1.33 crore to defined benefit plan obligations towards gratuity during the year 2023-24. Remeasurement (gain)/loss of defined employee benefit plans in Other Comprehensive Income (OCI) for the year ended 31.03.2023 and 31.03.2022 are ₹ 0.85 crore and ₹ (0.06) crore respectively.

The defined benefit obligations shall mature as follows:

(₹ in crore)

Year ending March, 31	Defined benefit obligations
2024	0.19
2025	0.09
2026	0.16
2027	0.23
2028	0.13
2029	0.18
2029 onwards	4.11

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

iii) Provident Fund (Funded)

The Company pays fixed contribution to provident fund at predetermined rates to a separate trust, which invests the funds in permitted securities. The Company has an obligation to ensure minimum rate of return to the members as specified by GOI. Accordingly, the Company has obtained report of the actuary, based on which overall interest earnings and cumulative surplus is more than the statutory interest payment requirement for all the periods presented. Further, contribution to employees pension scheme is paid to the appropriate authorities.

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 ₹ 6.76 crore (previous year ₹ 1.05 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 ₹ 24.54 crore and ₹ 23.61 crore to the provident fund during the year ended 31st March, 2023 and 31st March, 2022 respectively.

I) Changes in Present Value of the Benefit Obligation are as follows:

(₹ in crore)

Particulars	31.03.2023	31.03.2022
Present value of obligation as at the beginning of the year	676.06	646.41
Interest Cost	53.05	53.58
Current Service Cost	24.54	23.61
Contributions by plan participants / employees	43.51	45.97
Benefits Paid	(115.13)	(98.54)
Total Actuarial (Gain)/Loss on Obligation	(1.10)	0.91
Settlements/Transfer In	5.13	4.12
Present value of obligation as at the End of the year	686.06	676.06

II) Changes in the Fair Value of Plan Assets are as follows:

(₹ in crore)

Particulars	31.03.2023	31.03.2022
Fair value of plan assets at the beginning of the period	677.11	646.44
Actual return on plan assets	57.66	55.51
Employer contribution	24.54	23.61
Plan Participants / Employee Contribution	43.51	45.97
Benefits paid	(115.13)	(98.54)
Settlements / Transfer In	5.13	4.12
Fair value of plan assets at the end of the period	692.82	677.11

III) Net defined benefit Surplus (Deficit) is as follows:

(₹ in crore)

Particulars	31.03.2023	31.03.2022
Defined Benefit Obligation at end of year	686.06	676.06
Fair value of Plan Assets at the end of year	692.82	677.11
Net defined benefit Surplus(Deficit)	6.76	1.05

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

iv) Other Benefits

I) Other Benefits (Funded):- Earned Leave and Medical Leave- Regular Employees

A) Changes in Present Value of the Benefit Obligation are as follows:

(₹ in crore)

Particulars	Earned Leave (Regular Employee)		Medical Leave (Regular Employee)	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
Present Value of obligation as at beginning of year	93.15	83.74	67.74	64.54
Interest Cost	6.52	5.58	4.74	4.30
Current Service Cost	7.62	8.26	4.35	4.48
Benefits paid	(22.69)	(16.80)	(5.10)	(3.75)
Actuarial (Gain)/Loss on obligation	4.12	12.37	(6.79)	(1.83)
Present Value of Obligation as at end of year	88.72	93.15	64.94	67.74

B) Changes in the Fair Value of Plan Assets are as follows:

(₹ in crore)

Particulars	Earned Leave (Regular Employee)		Medical Leave (Regular Employee)	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
Fair Value of Plan Assets at the beginning of the year	78.56	73.42	67.66	63.24
Actual Interest Income	5.81	5.14	5.01	4.42
Contributions	7.60	-	6.55	-
Benefits Paid	-	-	-	-
Fair value of Plan Assets at the end of year	91.97	78.56	79.22	67.66

C) The amount recognized in the Balance Sheet is as follows:

(₹ in crore)

Particulars	Earned Leave (Regular Employee)		Medical Leave (Regular Employee)	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
Defined Benefit Obligation at end of year	88.72	93.15	64.94	67.74
Fair value of Plan Assets at the end of year	91.97	78.56	79.22	67.66
Funded Status – (Surplus)/ Deficit	(3.25)	14.59	(14.28)	0.08
Net (Liability)/ Asset recognized in Balance Sheet	3.25	(14.59)	14.28	(0.08)

D) Amount recognized in the Statement of Profit & Loss is as follows:

(₹ in crore)

Particulars	Earned Leave (Regular Employee)		Medical Leave (Regular Employee)	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
Current Service Cost	7.62	8.26	4.35	4.48
Net Interest on Net Defined Benefit Liability	1.02	0.69	0.00	0.09
Net Actuarial (gain)/loss recognized in the year	3.81	12.12	(7.06)	(2.04)
Expenses recognized in the statement of Profit & Loss	12.45	21.07	(2.71)	2.53

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

E) The principal actuarial assumptions are as follows:

Particulars	Earned Leave (Regular Employee)		Medical Leave (Regular Employee)	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
Discounting rate (%)	7.38%	7.00%	7.38%	7.00%
Future salary increase (%)	8.70%	8.70%	8.70%	8.70%

F) Sensitivity Analysis of the defined benefit obligation:

(₹ in crore)

Particulars	Increase (Decrease) in present value of obligation as on 31.03.2023	
	Earned Leave (Regular Employee)	Medical Leave (Regular Employee)
Impact due to Increase of 1 % discount rate	(8.21)	(4.78)
Impact due to Decrease of 1 % discount rate	8.93	5.14
Impact due to Increase of 1 % in Salary.	8.77	5.05
Impact due to Decrease of 1 % in Salary.	(8.23)	(4.73)

II) Other Benefits (unfunded):- Earned Leave (Contract employee), Leave Travel Concession and Long Service Award (Regular employee).

A) Present value of the defined benefits plan obligations:

(₹ in crore)

Particulars	Earned Leave (Contract Employee)		Leave Travel Concession (Regular employee)		Long Service Award (Regular employee)	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022
Opening Balance	1.39	1.64	0.01	0.01	1.55	1.51
Interest Cost	0.10	0.11	0.00	0.00	0.11	0.10
Current Service Cost	0.33	0.32	0.00	0.00	0.19	0.13
Benefit paid	(0.68)	(0.91)	(0.01)	(0.00)	(0.24)	(0.00)
Actuarial (Gain)/Loss on obligation	0.67	0.23	0.00	(0.00)	(0.07)	(0.19)
Closing Balance	1.81	1.39	0.00	0.01	1.54	1.55

B) Total expenses recognized in the Statement of Profit & Loss are as follows:

(₹ in crore)

Particulars	Earned Leave (Contract Employee)		Leave Travel Concession (Regular employee)		Long Service Award (Regular employee)	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022
Current Service Cost	0.33	0.32	0.00	0.00	0.19	0.13
Interest Cost	0.10	0.11	0.00	0.00	0.11	0.10
Actuarial (Gain)/Loss	0.67	0.23	0.00	(0.00)	(0.07)	(0.19)
Expenses recognized in the statement of Profit & Loss	1.10	0.66	0.00	(0.00)	0.23	0.04

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

C) The principal actuarial assumptions used at the Balance Sheet date are as follows:

Particulars	Earned Leave (Contract Employee)		Leave Travel Concession (Regular employee)		Long Service Award (Regular employee)	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022
Discount rate (%)	7.38%	7.00%	7.38%	7.00%	7.38%	7.00%
Future salary increase (%)	4.35%	4.35%	8.70%	8.70%	-	-

D) Sensitivity Analysis of the defined benefit obligation:

(₹ in crore)

Particulars	Increase (Decrease) in present value of obligation as on 31.03.2023	
	Earned Leave (Contract Employee)	Leave Travel Concession (Regular Employee)
Impact due to Increase of 1 % discount rate	(0.25)	-
Impact due to Decrease of 1 % discount rate	0.27	-
Impact due to Increase of 1 % in Salary.	0.28	-
Impact due to Decrease of 1 % in Salary.	(0.25)	-

b) Defined Contribution Plans

i) 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 ₹ 20.07 crore (previous year ₹ 18.89 crore) towards post retirement pension fund, ₹ 3.27 crore (previous year ₹ 3.52 crore) towards pension under EPFO and ₹ 5.62 crore (previous year ₹ 5.45 crore) towards medical schemes.

ii) Performance Related Pay:

Eligible employees are entitled to benefit of performance related pay. The provision for performance related pay is of short-term nature and has been recognized as per the procedure laid by management based on the guidelines of the Department of Public Enterprises.

c) Foreign Service Contribution

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.

41. INDIAN ACCOUNTING STANDARD (IND AS-20), DISCLOSURES ON ACCOUNTING FOR GOVERNMENT GRANTS AND DISCLOSURE OF GOVERNMENT ASSISTANCE ARE AS FOLLOWS:

The Company is receiving government grant in the form of export incentive on export of Rolling Stock and Spare parts. There are two types of export incentive i.e duty drawback and RoDTEP (Remission of Duties & Taxes on Exported Products). The Company has recognized/presented ₹ 23.57 crore (previous year ₹ 21.12 crore) as export incentive. The export incentive receivable at the end of the year is ₹ 0.50 crore (previous year ₹ 10.52 crore).

42. INDIAN ACCOUNTING STANDARD (IND AS) 21, DISCLOSURES ON THE EFFECTS OF CHANGES IN FOREIGN EXCHANGE RATES ARE AS FOLLOWS:

The amount of exchange differences (net) credited to the statement of profit and loss account during the Financial Year is ₹ 40.64 crore (Previous Year ₹ 17.19 crore).

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

43. INDIAN ACCOUNTING STANDARD (IND AS) 24 –RELATED PARTY DISCLOSURES ARE AS FOLLOWS:

a) Subsidiary Companies

Name of Subsidiaries	Country	Holding as on	
		31.03.2023	31.03.2022
M/s RITES (Afrika) (Pty) Limited	Botswana	100%	100%
M/s REMC Limited	India	51%	51%

b) Joint Ventures

Name of Joint Ventures	Country	Holding as on	
		31.03.2023	31.03.2022
M/s SAIL-RITES Bengal Wagon Industry Private Limited	India	50%	50%
M/s Indian Railway Stations Development Corporation Limited	India	24%	24%

c) Associates

Name of Associates	Country	Holding as on	
		31.03.2023	31.03.2022
M/s Elicius Energy Private Limited	India	13%	13%

During the year "investment" in M/s Elicius Energy Private Limited has been classified as "investment in associate."

d) Other Related Parties:

Name of other Related Parties	Country	Nature of Relationship
RITES Contributory Provident Fund	India	Post- Employment Benefit Plan of RITES Limited
RITES Limited Superannuation Pension Trust	India	Post- Employment Benefit Plan of RITES Limited
RITES Limited Retired Employees Medical Trust	India	Post- Employment Benefit Plan of RITES Limited
RITES Employee Gratuity Fund	India	Post- Employment Benefit Plan of RITES Limited

e) Key Management Personnel

Chairman & Managing Director (Chief Executive Officer)
Shri. Rahul Mithal

Whole Time Directors
Shri. Arun Kumar Singh - Director Projects (w.e.f 26.09.2022)
Dr. Deepak Tripathi - Director Technical (w.e.f 27.03.2023)
Shri. Bibhu Prasad Nayak - Director Finance
Shri. Gopi Suresh Kumar Varadarajan - Director Projects (Upto 31-07-2022)
Shri. Anil Vij - Director Technical (Upto 28.02.2023)

Government Nominee Directors
Shri. Sandeep Jain
Shri. Raj Kumar Mangla

Non-Executive (Independent) Directors
Shri. Laxman Tammanna Tapashi
Dr. Godawari Mishra
Dr. Dineshananda Goswami
Shri. Likha Togu

Chief Financial Officer
Shri. Bibhu Prasad Nayak

Company Secretary
Shri. Joshit Ranjan Sikidar

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

f) Transactions and Balances 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 realized within reasonable time.

i) Subsidiary Companies

Transactions with Subsidiary Companies:

(₹ in crore)

Particulars	RITES (Afrika) (Pty) Limited		REMC Limited	
	Year ended		Year ended	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
Reimbursement /Recoverable	0.23	-	0.07	3.09
Consultancy Fee/ Income from Construction Turnkey Projects	1.96	0.13	11.41	8.88
Dividend Received	-	0.03	20.35	4.59
Deposit received for renovation of Office Building	-	-	-	2.16

Balances with Subsidiary Companies:

(₹ in crore)

Particulars	RITES (Afrika) (Pty) Limited		REMC Limited	
	As on		As on	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
Investments	0.01	0.01	35.70	35.70
Recoverable	0.10	-	0.01	0.03
Receivables	0.37	0.04	1.40	0.86
Deposit received for renovation of Office Building	-	-	0.20	0.32

ii) Joint Ventures

Transactions with Joint Ventures:

(₹ in crore)

Particulars	SAIL-RITES Bengal Wagon Industry Private Limited		Indian Railway Stations Development Corporation Limited	
	Year ended		Year ended	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
Interest on Loan given	-	0.13	-	-
Foreign service Contribution / remittance received	-	-	-	0.09
Unbilled revenue	-	-	0.89	-
Transfer of leave encashment & gratuity	-	-	0.20	-

Balances with Joint Ventures:

(₹ in crore)

Particulars	SAIL-RITES Bengal Wagon Industry Private Limited		Indian Railway Stations Development Corporation Limited	
	As on		As on	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
Investments(equity)	24.00	24.00	48.00	48.00
Receivables	-	0.05	-	-
Unbilled assets	-	-	0.89	-

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

iii) Associates

Balances with Associates:

(₹ in crore)

Particulars	Elicius Energy Private Limited	
	As on	
	31.03.2023	31.03.2022
Investments(equity)	0.00*	0.00*

*Refer note no 57(j)(iv)

iv) Transactions with other related parties (Post-Retirement Benefits Trusts/Plans):

Refer note no 40 & 43(d)

v) Transactions with Key Managerial Personnel:

(₹ in crore)

Particulars	Year ended	
	31.03.2023	31.03.2022
Compensation to CMD, Whole Time Directors, CFO & Company Secretary:		
• Short Term Employee Benefits	3.81	3.65
• Post-employment Benefits	0.45	0.44
• Other Long-Term Benefits	0.80	0.87
Sub-Total	**5.06**	**4.96**
Sitting fee to Non-Executive (Independent) Directors	0.27	0.12
Total	**5.33**	**5.08**

g) Entities under the control of same Government

Government of India (GOI) as on 31stMarch 2023 is holding 72.20% equity shares of the Company, which are held by President of India through Ministry of Railways. GOI controls the Company through Ministry of Railways.

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	
	31.03.2023	31.03.2022
Revenue	1018.10	660.98
Procurements	69.41	201.78
Fee for services& supplies obtained	7.94	10.19
Consumables	0.74	0.66
Training expenses	0.01	0.01
Provision for bad debts including written offs	10.43	20.68
Dividend paid	312.30	303.63
Interest on tax free bonds	6.07	8.28

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

Significant balances with Government related entities:

(₹ in crore)

Particulars	As on	
	31.03.2023	31.03.2022
Capital Advances	6.60	5.22
Other Advances	12.82	36.36
Recoverable	0.53	2.36
Payables	17.54	15.21
Advance Received	0.07	2.19
Clients Funds Received	171.30	251.13
Receivables	235.20	151.73
Tax Free Bonds	45.00	95.00
Interest on tax free bonds	3.38	5.03

44. INDIAN ACCOUNTING STANDARD (IND AS) 27-DISCLOSURES ON SEPARATE FINANCIAL STATEMENTS ARE AS FOLLOWS:

a) Investment in subsidiary companies:-

Name of Company	Principal Place of Business	Proportion of ownership interest	
		As at 31.03.2023	As at 31.03.2022
M/s RITES (Afrika) (Pty) Limited	Botswana	100%	100%
M/s REMC Limited	India	51%	51%

b) Investment in joint venture companies: -

Name of Company	Principal Place of Business	Proportion of ownership interest	
		As at 31.03.2023	As at 31.03.2022
SAIL-RITES Bengal Wagon Industry Private Limited	India	50%	50%
Indian Railway Stations Development Corporation Limited	India	24%	24%

c) Investment in associate companies: -

Name of Company	Principal Place of Business	Proportion of ownership interest	
		As at 31.03.2023	As at 31.03.2022
Elicius Energy Private Limited	India	13%	13%

Equity investments in subsidiary, joint venture and associate companies are measured at cost as per the provisions of Ind AS 27 on 'Separate Financial Statements'.

45. INDIAN ACCOUNTING STANDARD (IND AS) 33-DISCLOSURES ON EARNINGS PER SHARE (EPS) ARE AS FOLLOWS:

Particulars		Year ended	
		31.03.2023	31.03.2022
A	Net Profit available for Equity Shareholder (₹ in crore)	530.54	497.10
B	Weighted average number of Equity Shares	240301887	240301887
C	Earnings Per Share (Basic & Diluted) (A)/(B)	₹ 22.08	₹ 20.69
D	Face value per equity share	₹ 10/-	₹ 10/-

46. INDIAN ACCOUNTING STANDARD (IND AS) 36, DISCLOSURES ON IMPAIRMENT OF ASSETS ARE AS FOLLOWS:

The Company has carried out the assessment on impairment of assets in terms of Indian Accounting standard (Ind AS) 36, Impairment of Assets and management does not perceive any impairment in the value of the carrying amount of assets.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

47. INDIAN ACCOUNTING STANDARD (IND AS) 37, DISCLOSURES ON PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS ARE AS FOLLOWS:

a) 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 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 01.04.22	Provision made during the year	Provisions used during the year	Unused amount reversed during the year	Unwinding Cost	Carrying amount as on 31.03.23
Warranties	45.02	5.95	9.09	-	3.25	45.13

(₹ in crore)

Items	Carrying amount 01.04.21	Provision made during the year	Provisions used during the year	Unused amount reversed during the year	Unwinding Cost	Carrying amount as on 31.03.22
Warranties	25.14	35.83	8.97	8.98	2.00	45.02
Commitments	0.58	-	-	0.58	-	-

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.

Effect of change in the discount rates

3 years SBI MCLR rate as on 31.03.2023 ie. 8.70% is used as discount rate during the reporting period. The effect of change in discount rate ie. 8.70% for FY 2022-23 vice 7.30% for FY- 2021-22, is ₹ 0.32 crore.

For movement of provision for unspent amount of Corporate Social Responsibility-refer 57(c)(iii)

b) Contingent liabilities and Commitments to the extent not provided for include:

i) Contingent Liabilities

I) Claims (excluding interest) against the Company not acknowledged as debts are ₹ 27.06 crore (previous year ₹ 27.15 crore).

II) The Company is subject to legal/arbitration proceeding and claims, which have arisen in the ordinary course of business. Management does not 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) Disputed taxes and duty:

A) Demand on account of income tax includes of ₹ 6.66 crore (excluding interest) (previous year ₹ 5.21 crore) which are being contested by the Company. This excludes ₹ 4.51 crore (previous Year ₹ 2.31 crore) relating to cases where Company has already won 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) Demand on account of service tax, VAT etc. amounting to ₹ 8.87 crore (previous year ₹ 2.85 crore) is being contested by the Company at different forums.

IV) The company has entered into a contract with the Ministry of Housing & Urban Affairs for purchase of commercial built up in the complex at Nauroji Nagar New Delhi through NBCC. The company has paid GST under reverse charge from third demand onward along with the GST on earlier demand excluding interest of ₹ 1.40 crore on delay payment of GST under reverse charge prior to third demand. Company is of the view that liability to pay GST is with NBCC under Sec 9(1) of CGST Act. AAR (Authority for Advance Ruling) under Sec 37 (1) and Delhi Appellate Authority also held the same view. As such, the company does not foresee any liability of interest as on 31.03.2023. However, as an abundant precaution, the same is being disclosed as Contingent Liability.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

V) A number of cases are lying for adjudication at various forums or under arbitration, which Company is contesting on behalf of Clients. The Company is not subject to any liability that may result pursuant to adjudication / arbitral award.

VI) The above contingent liabilities do not include contingent liabilities on account of pending cases in respect of service matters & others where amount cannot be quantified.

ii) Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for amounting to ₹ 104.19 crore (previous year ₹ 199.97 crore).

c) Contingent Assets

i) In a pre-closed contract in the year 2005–06, Company invokes arbitration for a claim of ₹ 233.93 crore (previous year ₹ 233.93 crore) against a client. Client also submits counter claims of ₹ 469.10 crore (previous year ₹ 469.10 crore) before arbitrator. The sole arbitrator awarded ₹ 88.31 crore in favour of the Company against the claim of ₹ 233.93 crore, while rejecting the counter claims of the client. Since the awarded amount is less than the claimed amount, Company appealed against the aforesaid award. Appellate authority awarded ₹ 231.68 crore with applicable interest in favour of the Company. Client filed a petition in the Civil Court for setting aside the aforesaid award, which was dismissed by the court on 22.11.2017and preliminary objections of Company are 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. Hearing in the matter is yet to be scheduled.

ii) In the above contract, executing agency also raised claims (excluding interest) of ₹ 184.41crore (previous year ₹ 184.41 crore) against the Company before the arbitration tribunal. The Company also submitted a counter claim of ₹ 644.53 crore (previous year ₹ 644.53 crore) againstthe executing agency. 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., 18thOctober 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 courton 11.03.2019. The commercial revocation has also been dismissed on 29.06.2019. Now RITES limited filed the commercial execution case no. 03 of 2020 on 16.01.2020 before commercial court Ranchi to execute the award amount. Same is pending and next date of hearing is fixed on 16.06.2023. In view of above, the Company has not recognized the award amount in the books of account.

48. INDIAN ACCOUNTING STANDARD (IND AS) 40, DISCLOSURES ON INVESTMENT PROPERTY ARE AS FOLLOWS:

a) Amounts recognized in the Statement of Profit and Loss are as follows:

(₹ in crore)

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Rental income	0.03	0.16
Direct proportionate operating expenses relating to rental income (including repair & maintenance)	0.00	0.00
Profit before depreciation	0.03	0.16
Depreciation for the period	0.00	0.00
Profit from investment property	**0.03**	**0.16**

One flat (super area of 177.37sq.m.) at Asian Games Village Complex, New Delhi which was leased out to Land Port Authority of India has been vacated w.e.f. 01.06.2022 and consequently same has been reclassified as Property Plant and Equipment.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

49. INDIAN ACCOUNTING STANDARD (IND AS) 107, DISCLOSURES ON FINANCIAL INSTRUMENTS ARE AS FOLLOWS

a) Financial Instruments by category

The carrying value and fair value of financial instruments categories-wise as on 31st March, 2023 are as under:

(₹ in crore)

Particulars	Total carrying Value	Amortized 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 – Owned Fund	837.83	837.83	-	-	-	-
Cash and Bank Balance- Client Fund	2643.63	2643.63	-	-	-	-
Investments:						
Equity	0.04	-	-	0.04	-	-
Tax Free Bonds	45.00	45.00	-	-	-	-
Trade Receivables	869.26	869.26	-	-	-	-
Loans	14.09	14.09	-	-	-	-
Other Financial Assets	385.73	385.73	-	-	-	-
Total	**4795.58**	**4795.54**	**-**	**0.04**	**-**	**-**
Financial Liabilities:						
Trade Payables	299.71	299.71	-	-	-	-
Lease Liability	5.42	5.42	-	-	-	-
Other Financial Liabilities	2775.80	2775.80	-	-	-	-
Total	**3080.93**	**3080.93**	**-**	**-**	**-**	**-**

The carrying value and fair value of financial instruments categories-wise as on 31st March, 2022 are as under:

(₹ in crore)

Particulars	Total carrying Value	Amortized 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 – Owned Fund	782.23	782.23	-	-	-	-
Cash and Bank Balance- Client Fund	2616.35	2616.35	-	-	-	-
Investments:						
Equity	0.04	-	-	0.04	-	-
Tax Free Bonds	95.00	95.00	-	-	-	-
Liquid Plan of Mutual Fund	25.92	-	-	25.92	-	-
Trade Receivables	681.19	681.19	-	-	-	-
Loans	12.24	12.24	-	-	-	-
Other Financial Assets	324.59	324.59	-	-	-	-
Total	**4537.56**	**4511.60**	**-**	**25.96**	**-**	**-**
Financial Liabilities:						
Trade Payables	177.58	177.58	-	-	-	-
Lease Liability	2.94	2.94	-	-	-	-
Other Financial Liabilities	2785.13	2785.13	-	-	-	-
Total	**2965.65**	**2965.65**	**-**	**-**	**-**	**-**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

b) 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 market 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, 2023 are as follows:

(₹ in crore)

Particulars	Carrying Value As on 31.03.2023	Fair Value As on 31.03.2023	Level
Financial Assets:			
Investments:			
Equity*	0.04	0.04	III
Tax Free Bonds	45.00	50.34	II
Trade Receivables**	869.26	869.26	III
Loans**	14.09	14.09	III
Other Financial Assets**	385.73	385.73	III
Financial Liabilities:			
Trade Payables**	299.71	299.71	III
Lease Liability**	5.42	5.42	III
Other Financial Liabilities**	2775.80	2775.80	III

* Equity shares of ₹ 0.04 crore of GPCL Consulting Services Limited which are not tradable and amount of investment in the entity is immaterial, hence investment is recognized at cost and same is considered as its fair value.

** The carrying amounts of trade receivables, trade payables, short term loans, other financial assets and liabilities are considered to be same as their fair value due to their short-term nature.

Fair value hierarchies of assets and liabilities as on 31st March, 2022 are as follows:

(₹ in crore)

Particulars	Carrying Value As on 31.03.2022	Fair Value As on 31.03.2022	Level
Financial Assets:			
Investments:			
Equity*	0.04	0.04	III
Tax Free Bonds	95.00	104.61	II
Liquid Plan of Mutual Fund	25.92	25.92	I
Trade Receivables**	681.19	681.19	III
Loans**	12.24	12.24	III
Other Financial Assets**	324.59	324.59	III
Financial Liabilities:			
Trade Payables**	177.58	177.58	III
Lease Liability**	2.94	2.94	III
Other Financial Liabilities**	2785.13	2785.13	III

* Equity shares of ₹ 0.04 crore of GPCL Consulting Services Limited which are not tradable and amount of investment in the entity is immaterial, hence investment is recognized at cost and same is considered as its fair value.

** The carrying amounts of trade receivables, trade payables, short term loans, other financial assets and liabilities are considered to be same as their fair value due to their short-term nature.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

c) 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.

i) Market Risk

The Company operates internationally and a considerable 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, Africa 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	Currency	31.03.2023	31.03.2022	31.03.2023	31.03.2022
		(Figure in Millions)		(₹ in crore)	
Cash & Cash equivalents	US Dollar	5.95	2.96	48.61	22.30
	MUR	5.18	2.22	0.90	0.37
Trade Receivables	US Dollar	20.24	26.60	165.41	200.35
	MUR	-	-	-	-
Other financial assets	US Dollar	15.35	21.23	125.47	159.94
	MUR	0.60	0.60	0.11	0.10
Trade Payable	US Dollar	(1.82)	(4.20)	(14.88)	(31.61)
	MUR	-	-	-	-
Other financial liabilities	US Dollar	(0.35)	(0.20)	(2.86)	(1.52)
	MUR	-	(0.16)	-	(0.03)
Net assets/(liabilities)	US Dollar	39.37	46.39	321.75	349.46
	MUR	5.78	2.66	1.01	0.44

For the year ended 31st March, 2023 and 31st March, 2022, every percentage increase/decrease in the exchange rate between the INR & US Dollar has affected the Company's incremental margins by approximately 0.45% (previous year 0.52%) each. For the year ended 31stMarch, 2023 and 31st March, 2022, every percentage increase/decrease in the exchange rate between the INR & MUR has an insignificant affect on the Company's incremental margins.

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.

ii) 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 ₹ 993.65 crore (previous year ₹ 783.19 crore) and unbilled revenue amounting to ₹ 99.35 crore (previous year ₹ 50.75 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 and Company also does not foresee any impact on credit risk of the Company. Company has impaired, as a prudent measure, the trade receivables and unbilled revenue towards expected credit loss as per Company accounting policy to the extent of ₹ 124.73 crore (previous year ₹ 102.34 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.

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Movement of Impairment of Financial Assets

(₹ in crore)

Sl. No.	Particulars	Balance at the beginning of the year	Provision during the year	Reversal during the year	Balance at the end of the year
1	Trade & Other Receivable	125.00	36.96	14.16	147.80

No significant credit risk on cash and bank balances including clients' funds amounting to ₹ 3481.46 crore (previous year ₹ 3398.58 crore) is expected as Company parks surplus funds with Schedule Banks having good capital adequacy ratio and least NPA as determined by RBI and guidelines of the Company. Company has parked its owned funds in fixed deposits of ₹ 803.60 crore (previous year ₹ 743.31 crore) with Schedule banks with negligible credit risks.

Non-Strategic Investments primarily include investments in tax-free bonds of ₹ 45 crore (previous year ₹ 95 crore) and liquid mutual fund units of ₹ NIL (previous year ₹ 25.92 crore) issued by Public Sector Undertaking where risk is minimal.

The Company has given House building, multi-purpose loans etc. to the employees which are insured and house properties/ other assets are mortgaged / hypothecated against these loans in line with the policies of the Company. The risk of default in respect of these loans is considered negligible.

iii) 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 borrowings. The Company has a working capital of ₹ 1769.45 crore (previous year ₹ 1562.16 crore) including cash and bank balance (owned funds) of ₹ 837.83 crore (previous year ₹ 674.23 crore) and current investment ₹ 25 crore (previous year ₹ 75.92 crore). Company believes that the working capital is sufficient to meet its requirements, accordingly no liquidity risk is perceived by the Company.

Maturities of financial liabilities

The tables below analyze the Company's financial liabilities into relevant maturity groupings based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows.

(₹ in crore)

Contractual maturities of financial Liabilities	Within a year	Between 1-5 Years	Beyond 5 Years	Total
31st March, 2023				
Trade Payables	299.71	-	-	299.71
Lease Liabilities	1.25	3.42	2.69	7.36
Other Financial Liabilities	2501.21	274.59	-	2775.80
Total	**2802.17**	**278.01**	**2.69**	**3082.87**
31st March, 2022				
Trade Payables	177.58	-	-	177.58
Lease Liabilities	2.40	0.68	-	3.08
Other Financial Liabilities	2618.30	166.83	-	2785.13
Total	**2798.28**	**167.51**	**-**	**2965.79**

50. INDIAN ACCOUNTING STANDARD (IND AS) 108, DISCLOSURES ON OPERATING SEGMENTS 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.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

a) 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

b) Geographical wise revenue segment is disclosed as under:-

i) Revenue within India from consultancy includes quality assurance & project management services, turnkey construction projects and domestic lease rental services to clients located inside India.

ii) Revenue from outside India includes services rendered and export sales of rolling stock & spare parts to the clients located outside India.

c) 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.

d) 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.

e) Assets and liabilities used in the Company's business are not identified to the reportable segments as these are used interchangeably between segments. Depreciation, amortization& 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, amortization& impairment since a meaningful segregation of the available data could be onerous.

f) Operational Segments:

Year ended 31.03.2023

(₹ in crore)

Description	Consultancy Services		Leasing - Domestic	Export Sale	Turnkey Construction Projects-Domestic	Total
	Domestic	Abroad				
Revenue	1,030.29	159.23	137.73	307.83	884.54	2,519.62
Identifiable operating expenses	562.69	75.65	89.88	238.23	849.93	1,816.38
Segmental profit from operations	467.60	83.58	47.85	69.60	34.61	703.24
Add: Interest Income*						56.05
Add: Other Income **						63.11
Less: Finance Cost						6.62
Less: Un allocable Expenses						107.24
Net Profit Before Tax						708.54
Less: Income Tax (including Deferred Tax)						178.00
Net Profit After Tax						530.54
Additional Information:						
Depreciation and amortization						59.38
Non-cash expenses/(income) other than depreciation and amortization						22.16
Reversal of Provisions						1.10
Loss on sale of PPE						0.03

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for the year ended 31st March, 2023

Year ended 31.03.2022

(₹ in crore)

Description	Consultancy Services		Leasing - Domestic	Export Sale	Turnkey Construction Projects-Domestic	Total
	Domestic	Abroad				
Revenue	915.12	103.92	130.96	965.77	459.39	2575.16
Identifiable operating expenses	543.78	45.37	85.59	749.99	447.02	1871.75
Segmental profit from operations	371.34	58.55	45.37	215.78	12.37	703.41
Add: Interest Income*						57.61
Add: Other Income **						28.39
Less: Finance Cost						4.96
Less: Un allocable Expenses						109.89
Net Profit Before Tax						674.56
Less: Income Tax (including Deferred Tax)						177.46
Net Profit After Tax						497.10
Additional Information:						
Depreciation and amortization						58.47
Non-cash expenses/(income) other than depreciation and amortization						28.77
Reversal of Provisions						6.45
Loss on sale of PPE						0.01

g) Geographical Segment

(₹ in crore)

Description	Year ended 31.03.2023					Year ended 31.03.2022			
	India	Abroad			Total	India	Abroad		Total
		Asia	Africa	Others			Asia	Africa	
Revenue	2,052.56	66.75	385.47	14.84	2,519.62	1505.45	788.57	281.14	2575.16
Identifiable operating expenses	1,502.50	31.32	275.79	6.77	1,816.38	1076.41	585.81	209.53	1871.75
Segmental profit from operations	550.06	35.43	109.68	8.07	703.24	429.04	202.76	71.61	703.41
Add: Interest Income*					56.05				57.61
Add: Other Income **					63.11				28.39
Less: Finance Cost					6.62				4.96
Less: Un-allocable Expenses					107.24				109.89
Net Profit before Tax					708.54				674.56
Less: Income Tax (including Deferred Tax)					178.00				177.46
Net Profit after Tax					530.54				497.10
Additional Information:									
Depreciation and amortization					59.38				58.47
Non-cash expenses/ (income) other than depreciation and amortization					22.16				28.77
Reversal of Provisions					1.10				6.45
Loss on sale of PPE					0.03				0.01

* Interest income includes interest on bank deposits, bonds, staff advances, loans, income tax refunds etc.

**Other income includes profit on sale of assets, rental income from investment properties, dividend on current & non-current investments, exchange gain etc.

Note: - No Impairment and its reversal have been recognized in Other Comprehensive Income (OCI) during the year ended 31.03.2023 and 31.03.2022.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

h) Revenue of ₹ 1045.19 crore (previous year ₹ 1107.25 crore) from major customers is given below:

(₹ in crore)

Description	Year ended 31.03.2023					Year ended 31.03.2022				
	Consultancy	Lease Services	Export Sales	Turnkey Construction Projects-Domestic	Total	Consultancy	Lease Services	Export Sales	Turnkey Construction Projects-Domestic	Total
Customer 1	1.64	-	-	535.45	537.09	-	-	736.20	-	736.20
Customer 2	287.16	-	-	220.94	508.10	225.06	-	-	145.99	371.05
Total	**288.80**	**-**	**-**	**736.39**	**1045.19**	**225.06**	**-**	**736.20**	**145.99**	**1107.25**

Note: - PSUs under the same ministry have not been considered as one customer.

51. INDIAN ACCOUNTING STANDARD (IND AS) 115, DISCLOSURES ON REVENUE FROM CONTRACTS WITH CUSTOMERS ARE AS FOLLOWS:

a) 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.

b) 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 Indian Accounting Standard (Ind AS) 116, Leases

c) 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.

d) Disaggregation Revenue information:

The below presents Disaggregated Revenues from contract with customer for the year ended 31st March 2023 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			
2022-23	640.55	150.55	384.26	8.67	283.49	884.53	2352.05
2021-22	585.85	101.88	322.39	2.04	944.59	459.39	2416.14

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

e) Company is rendering many project management consultancy services for and on behalf of clients where fee is due to Company for professional services.

f) 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.

g) Company provides warranty in the nature of assurance for which provisions are made as per the Indian Accounting Standard (Ind AS) 37, Provisions, Contingent Liabilities and Contingent Assets.

h) During the year, impairment of amount receivable from client for services rendered/goods supplied charged to Statement of Profit and Loss amounting to ₹ 24.11 crore (previous year ₹ 10.89 crore), which includes impairment for lease services amounting to ₹ 0.22 crore (previous year ₹ 0.05 crore).

i) Balances of Receivables/Contract assets/Contract liabilities are as under:

(₹ in crore)

Particulars	As on 31.03.2023	As on 31.03.2022
Receivables includes lease receivables of ₹ 50.36 crore (Previous year ₹ 42.36 crore)	993.65	783.19
Contract assets	264.29	248.76
Contract liabilities includes lease liabilities NIL (Previous year ₹ NIL crore)	19.17	75.55

j) During the year ended March 31st, 2023, ₹ 45.84 crore and March 31st 2022, ₹ 74.96 crore of unbilled revenue as of April 1st, 2022 and April 1st 2021 respectively has been reclassified to Trade receivables upon billing to customers on completion of milestones.

k) During the year ended March 31, 2023 ₹ 59.45 crore and March 31, 2022 ₹ 195.81 crore of contract liabilities as of April 1, 2022 and April 1,2021 has been recognized as revenue after completion of milestones.

l) The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31, 2023 is ₹ 5543 crore which pertains to various segment of the Company. Company is likely to recognize this revenue over a period ranging from one year to three years. The aggregate value of performance obligations that was completely or partially unsatisfied as at March 31, 2022 was ₹ 4621 crore which pertains to various segment of the Company.

m) 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.

n) Company has recognized unamortized contract assets of ₹ Nil crore (previous year ₹ Nil crore) on account of costs incurred in fulfilling the contract.

52. INDIAN ACCOUNTING STANDARD (IND AS-116): DISCLOSURES ON LEASES ARE AS FOLLOWS:

a) Company as Lessee:

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability. The right-of-use assets are depreciated using the straight-line method from the commencement date over the term of useful life of right-of-use asset.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. Company has no borrowing, as such 3 year SBI MCLR rate 8.70% and 7.30% has been considered as weighted average incremental borrowing rate for calculation of present value of lease liability for the FY- 2022-23 and 2021-22 respectively.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

i) **The following is the summary of practical expedients applied:**

I) The Company has used a single discount rate to a portfolio of leases with similar characteristics.

II) Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application

III) Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

ii) **Following are the changes in the carrying value of right of use assets for the year ended March 31, 2023:**

(₹ in crore)

Particulars	Category of ROU Assets			Total
	Land	Building	Residential Quarters	
Balance as at April 1, 2022	1.41	14.38	3.58	19.37
Additions	-	4.95	-	4.95
Depreciation	(0.48)	(2.92)	(0.25)	(3.65)
Balance as at March 31, 2023	0.93	16.41	3.33	20.67

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2022:

(₹ in crore)

Particulars	Category of ROU Assets			Total
	Land	Building	Residential Quarters	
Balance as at April 1, 2021	1.89	16.00	3.83	21.72
Additions	0.01	1.12	-	1.13
Deletion	(0.01)	-	-	(0.01)
Depreciation	(0.48)	(2.74)	(0.25)	(3.47)
Balance as at March 31, 2022	1.41	14.38	3.58	19.37

Depreciation on right-of-use assets is as follows:

(₹ in crore)

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Land	0.48	0.48
Building	2.92	2.74
Residential qtrs.	0.25	0.25
Total	3.65	3.47

iii) **The following is the break-up of current and non-current lease liabilities:**

(₹ in crore)

Particulars	As on 31.03.2023	As on 31.03.2022
Current lease liabilities	0.90	2.27
Non-current lease liabilities	4.52	0.67
Total	5.42	2.94

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

iv) The following is the movement in lease liabilities:

(₹ in crore)

Particulars	As on 31.03.2023	As on 31.03.2022
Opening Balance	2.94	4.17
Additions	4.95	1.13
Finance cost accrued during the period	0.46	0.30
Payment of lease liabilities	(2.93)	(2.65)
Adjustment	-	(0.01)
Closing Balance	5.42	2.94

v) The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

(₹ in crore)

Particulars	As on 31.03.2023	As on 31.03.2022
Less than one year	1.25	2.40
One to five years	3.42	0.68
More than five years	2.69	-
Total	7.36	3.08

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

vi) During the year ended 31 March 2023, the Company incurred expenses amounting to ₹ 14.78 crore (Previous year ₹ 12.73 crore) on accounts of short-term leases and leases of low-value assets. For the year ended 31 March 2023, the total cash outflows for leases, including short-term leases and low-value assets amounted to ₹ 17.71 crore (Previous year ₹ 15.37 crore).

vii) ROU Assets includes staff quarters at Liluah Howrah, Kolkata from Indian Railways, for which lease has been expired in the month of March, 2009. The extension has been sought from Indian Railways.

viii) The Company does not have any lease restrictions and commitment towards variable lease rent as per the contract.

ix) The Company has no commitments towards Leases yet to be commenced as on 31.03.2023.

x) The Company has not sub-leased any of the assets taken on lease.

b) Company as a lessor:

i) Operating Lease: As Lessor

I) The Company has leasing arrangement of locomotives in domestic market 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.

New & In-Service Locomotives (refer note no.2)

(₹ in crore)

Particulars	Year ended	
	31.03.2023	31.03.2022
Gross carrying amount	437.39	402.36
Accumulated depreciation	(231.72)	(189.57)
Net carrying amount	205.67	212.79
Depreciation provided for the year	42.15	41.77

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

II) One flat (super area of 177.37sq.m.) at Asian Games Village Complex, New Delhi which was leased out to Land Port Authority of India has been vacated w.e.f 01.06.2022 and consequently same has been reclassified as Property Plant and Equipment.

(₹ in crore)

Particulars	Year ended	
	31.03.2023	31.03.2022
Gross carrying amount	-	0.15
Accumulated depreciation	-	(0.10)
Net carrying amount	-	0.05
Depreciation provided for the year	-	0.00

c) The Company does not envisage any contraction in demand which could result in significant down-sizing of its business operations.

53. INDIAN ACCOUNTING STANDARD (IND AS) 12, DISCLOSURES ON INCOME TAXES ARE AS FOLLOWS:

The Company opted to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as promulgated by the GOI vide the Taxation Laws (Amendment) Ordinance, 2019 and accordingly Corporate tax rate of 25.168% (Income tax 22%+Surcharge10%+Higher Education Cess 4%) has been considered for the purpose of provision for taxes and measuring the deferred tax assets / liabilities in the books of accounts.

a) Income tax expense in the Statement of Profit & Loss comprises:

(₹ in crore)

Particulars	Year ended	
	31.03.2023	31.03.2022
Income Tax Expenses:		
- Current Taxes	187.20	178.57
- Earlier Years (Net)	0.16	11.54
Sub Total - A	**187.36**	**190.11**
Tax on Other Comprehensive Income (OCI)- B	1.95	0.25
Tax on Buy Back Expenses-C	-	-
Sub Total -D= (A+B+C)	**189.31**	**190.36**
Deferred Tax (Net) – Prior Periods	(0.00)	(6.47)
Deferred Tax (Net) – Current Years	(9.36)	(6.18)
Sub Total -E	**(9.36)**	**(12.65)**
Total - F=D+E	**179.95**	**177.71**

Entire deferred income tax for the year ended 31stMarch, 2023 and 31st March, 2022 relates to origination and reversals of temporary differences.

b) The reconciliation of the Income Tax Expenses to the computed expected tax expenses for the year by applying the statutory income tax rate to the profit Before Taxes is summarized below:

(₹ in crore)

Particulars	Year ended	
	31.03.2023	31.03.2022
Profit before Tax	**708.54**	**674.56**
Enacted Tax Rates in India on Normal Income	25.17%	25.17%
Enacted Tax Rates in India on LTCG	22.88%	22.88%
Special Enacted Tax Rates in India on Dividend from foreign Company	17.47%	17.47%
Computed Expected Tax Expense	**178.33**	**169.77**
Tax effect of Income Exempted from Taxation	(6.65)	(3.25)
Tax effect due to deductible temporary differences	(0.11)	0.08

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

(₹ in crore)

Particulars	Year ended	
	31.03.2023	31.03.2022
Tax effect due to earlier period taxes	0.16	5.08
Tax Effect due to claim of Expenditure not charged to Statement of Profit and Loss	-	-
Additional Tax Effect due to Income from House Property and other sources	(1.52)	(0.01)
Tax effect of Non-Deductible Expenditures for determining taxable Profit	3.78	3.61
Tax effect due to income from joint operations	4.01	2.18
Income tax expenses (including tax effect on OCI) for the year	**178.00**	**177.46**
Tax effect due to OCI	1.95	0.25
Current Tax Expense for the year	**179.95**	**177.71**

c) Details of income tax assets and liabilities as of 31st March, 2023 and 31st March, 2022 are as follows:

(₹ in crore)

Particulars	As on	
	31.03.2023	31.03.2022
Income Tax Assets	214.15	228.90
Less: Current income tax liabilities	189.15	178.83
Net Current Income Tax Assets/(Liability) at the end	25.00	50.07

d) The gross movement in the current income tax asset/(liability) for the year ended 31st March, 2023 and 31st March, 2022 is as follows:

(₹ in crore)

Particulars	Year ended	
	31.03.2023	31.03.2022
Net current income tax Asset/(Liability) at the beginning of the year	50.07	64.57
Current Income Tax on OCI	(1.95)	(0.25)
Current Income Tax on Buy Back expenses	-	-
Income Tax paid	164.24	175.86
Current income tax expense	(187.36)	(190.11)
Net Current Income Tax Asset/(Liability) at the end of the year	25.00	50.07

e) Tax effects of significant temporary differences that resulted in deferred income tax asset and liabilities are as follows:

(₹ in crore)

Particulars	As on	
	31.03.2023	31.03.2022
Deferred Income Tax Assets:		
Accrued Compensation to Employees	23.36	23.87
Provisions for Doubtful Debts, Security Deposits/EMD, Advances etc.	38.03	31.80
Provision for warranty	11.36	11.33
Lease Liability for ROU Assets	1.36	0.74
Total Deferred Income Tax Assets – I	**74.11**	**67.74**
Deferred Income Tax Liabilities:		
Depreciation on Property Plant & Equipment and Intangible Assets	12.50	13.92
Interest Accrued on Income Tax Refund	-	1.51
Unrealised Short-term Gain (Loss) on Mutual Funds	-	0.06

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

(₹ in crore)

Particulars	As on	
	31.03.2023	31.03.2022
Total Deferred Income Tax Liabilities – II	**12.50**	**15.49**
Deferred Income Tax Assets after set off	**61.61**	52.25
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 periods in which the deferred income tax assets are deductible, management believes that the group 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.

f) The gross movement in the deferred income tax account for the year ended 31st March, 2023 and 31st March, 2022 are as follows:

(₹ in crore)

Movement during the year ended 31.03.2023		As on 31.03.2022	Recognised in Profit and Loss	Recognised in OCI	As on 31.03.2023
Tax Effect of items constituting deferred Tax Liabilities					
(i)	Property, Plant & Equipments	13.92	(1.42)	-	12.50
(ii)	Interest on Income Tax Refund Accrued but not received	1.51	(1.51)	-	-
(iii)	Unrealised Short term Gain (Loss) on Mutual Funds	0.06	(0.06)	-	-
TOTAL-A		**15.49**	**(2.99)**	**-**	**12.50**
Tax Effects of Items Constituting deferred Tax Assets					
(i)	Provisions for Leave Encashment of Employees	23.55	(0.94)		22.61
(ii)	Provision for superannuation Medical	0.19	0.48		0.67
(iii)	Other Employee Benefits	0.13	(0.05)		0.08
(iv)	Prov. For Doubtful Debts & Advances	31.80	6.23		38.03
(v)	Provision for warranty	11.33	0.03		11.36
(vi)	Lease Liability for ROU Assets	0.74	0.62		1.36
TOTAL-B		**67.74**	**6.37**		**74.11**
Deferred Tax (Assets)/ Liabilities (A-B)		**(52.25)**	**(9.36)**		**(61.61)**

The composition of deferred assets relating to temporary difference during the year ended March 31,2023 are primarily on account of property and equipment, Trade receivable and compensation to employees and provision for warranty.

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for the year ended 31st March, 2023

The gross movement in the deferred income tax account for the year ended 31st March, 2022 and 31st March, 2021 are as follows:

(₹ in crore)

Movement during the year ended 31.03.2022	As on 31.03.2021	Recognised in Profit and Loss	Recognised in OCI	As on 31.03.2022
Tax Effect of items constituting deferred Tax Liabilities				
(iv) Property, Plant & Equipments	16.08	(2.16)	-	13.92
(v) Interest on Income Tax Refund Accrued but not received		1.51	-	1.51
(vi) Unrealised Short term Gain (Loss) on Mutual Funds	0.05	0.01	-	0.06
TOTAL-A	**16.13**	**(0.64)**	**-**	**15.49**
Tax Effects of Items Constituting deferred Tax Assets				
(vii) Provisions for Leave Encashment of Employees	21.30	2.25	-	23.55
(viii) Provision for superannuation Medical	0.32	(0.13)	-	0.19
(ix) Other Employee Benefits	0.17	(0.04)	-	0.13
(x) Prov. For Doubtful Debts & Advances	32.89	(1.09)	-	31.80
(xi) Provision for warranty	-	11.33	-	11.33
(xii) Lease Liability for ROU Assets	1.05	(0.31)	-	0.74
TOTAL-B	**55.73**	**12.01**	**-**	**67.74**
Deferred Tax (Assets)/ Liabilities (A-B)	**(39.60)**	**(12.65)**	**-**	**(52.25)**

The composition of deferred assets relating to temporary difference during the year ended March 31,2022 are primarily on account of property and equipment, Trade receivable and compensation to employees and provision for warranty.

54. INDIAN ACCOUNTING STANDARD (IND AS)1, DISCLOSURES ON PRESENTATION OF FINANCIAL STATEMENTS ARE AS FOLLOWS:

a) Reclassifications and comparative figures

Certain reclassifications have been made to the comparative period's financial statements to enhance the comparability with the current year's financial statements.

i. Items of statement of Cash Flow before and after reclassification for the year ended 31.03.2022

Particulars	Before Reclassification	Reclassification	After Reclassification
Net Increase/(Decrease) In Cash and Cash Equivalents	(55.94)	64.25	8.31
Net Cash flow on account of client fund activity	-	64.25	64.25
Cash & Cash Equivalent at the Beginning of the year	99.23	694.93	794.16
Cash & Cash Equivalent at the end of the year	43.29	759.18	802.47

The above reclassification has been made to disclose net cash flow on account of client fund activities.

b) Subsequent Event-Dividend

Company has proposed a sum of ₹ 144.18 crore (₹ 6 per share to 24.03 crore equity shares) as final dividend for FY 2022-23 subject to approval of shareholders in Annual General Meeting. If approved, the dividend would result in a cash outflow of ₹ 144.18 crore.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

55. DISCLOSURE AS PER REGULATION 34(3) OF LISTING AGREEMENTS WITH THE STOCK EXCHANGE

(₹ in crore)

Particulars	Financial Year	Outstanding balance	Maximum amount due during the year
Investment in Subsidiaries			
(i) REMC Limited	31.03.2023	35.70	35.70
	31.03.2022	35.70	35.70
(ii) RITES (Afrika) (Pty) Limited., Botswana	31.03.2023	0.01	0.01
	31.03.2022	0.01	0.01
Investment in Joint Ventures			
(i) SAIL-RITES Bengal Wagon Industry Private Limited	31.03.2023	24.00	24.00
	31.03.2022	24.00	24.00
(ii) Indian Railway Stations Development Corporation Limited	31.03.2023	48.00	48.00
	31.03.2022	48.00	48.00
Investment in Associates			
(i) Elicius Energy Private Limited	31.03.2023	0.00*	0.00*
	31.03.2022	0.00*	0.00*
Loans & advances to Subsidiaries			
(i) REMC Limited.	31.03.2023	-	-
	31.03.2022	-	-
(ii) RITES (Afrika) (Pty) Limited., Botswana	31.03.2023	-	-
	31.03.2022	-	-
Loans & advances to Joint Ventures			
(i) SAIL-RITES Bengal Wagon Industry Private Limited	31.03.2023	-	-
	31.03.2022	-	3.45
(ii) Indian Railway Stations Development Corporation Limited	31.03.2023	-	-
	31.03.2022	-	-
Loans & advances to Associates			
(i) Elicius Energy Private Limited	31.03.2023	-	-
	31.03.2022	-	-

*Refer note no 57 (j)(iv)

56. 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.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

57. OTHER DISCLOSURES:

a) Ministry of Railway (MoR) vide letter dated 18.10.2021 has decided in principle for closure of Indian Railway Station Development Corporation Limited (IRSDC), in which Company has an investment of ₹ 48 crore. Closure activities are underway and Board of IRSDC has decided to transfer the assets & liabilities of IRSDC to Rail Land Development Authority on slump sale basis (excluding investment in Subsidiary & Associate of IRSDC) for consideration not less than book value. Financial statement of IRSDC has been prepared on liquidation basis. As at 31.03.2023, IRSDC has reported a net worth of ₹ 225 crore, out of which 24% share i.e. ₹ 54 crore belongs to RITES, therefore management does not perceive any impairment in the value of investment in IRSDC.

b) Assets and liabilities are classified between current and non-current considering 12 months period as operating cycle.

c) Information on CSR expenditure:

i) Gross amount required to be spent including advances given during the year 2022-23 ₹ 14.10 crore (previous year 2021-22 ₹ 13.87 crore).

ii) Expenditure incurred including advance on CSR during the year on:

(₹ in crore)

Particulars		Amount Paid		Unspent Amount		Total	
		2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
(i)	Construction/acquisition of any asset		-	-	-		-
(ii)	On purposes other than (i) above*	14.10	9.63	-	4.27	14.10	13.90
	Total	**14.10**	**9.63**		**4.27**	**14.10**	**13.90**

* Includes following expenditure on account of admin overhead and capacity building

(a) Salary Expenses ₹ 0.62 crore (previous year ₹ 0.45 crore)

(b) Other Expense ₹ 0.05 crore (previous year ₹ 0.01 crore)

(iii) Details of unspent CSR amount of ongoing project in compliance with the provision of Section 135(6) of the Act

(₹ in crore)

Unspent CSR	Opening carrying amount	Addition during the year	Used during the year	Closing Carrying amount
As at 31.03.2023	4.27	-	2.43	1.84
As at 31.03.2022	-	4.27	-	4.27

iv) Short fall other than ongoing projects of CSR –Nil (Previous Year- Nil)

(i) Reasons for short fall other than ongoing projects of CSR – Not Applicable.

(ii) Nature of CSR Activities: The primary focus of CSR activity is on creation of necessary infrastructure, and avenues for employment and income generation, and empowering the people by inclusion in economic mainstream and facilitating sustainable development of marginalized and under privileged sections of the society in and around areas of Company's operations and in backward regions or such other areas as may be defined by the Board. These infrastructure assets then can be taken over by local community/ NGOs/ SHGs for day-to-day operations and maintenance.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

d) Salary expenses and Travel expenses included in expenditure on Capital work in progress/Property, Plant & Equipment, and expenditure incurred during warranty period are as follows:

(₹ in crore)

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Salary Expenses	7.75	5.10
Travel Expenses	1.03	0.25

e) 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)

Sl. No.	Particulars	As on 31.03.2023	As on 31.03.2022
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	48.90	26.35
	- 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 the time of issue of tender. Information has been collated only to the extent of information received.

f) Disclosure of Capital Work in Progress

(i) Ageing as on 31.03.2023

(₹ in crore)

CWIP Project	Less than 1 year	1 year-2 year	2 Years-3 years	More than 3 years	Total*
Projects in progress	45.49	37.97	10.50	0.84	94.80

*Refer Note no.3 for Capital Work in progress schedule.

(ii) Capital Work in Progress Completion Schedule as on 31.03.2023 in case completion is overdue or has exceeded its cost.

(₹ in crore)

Particulars	Capital Work-in-progress to be completed in				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in Progress					
Residential cum Guest House at Plot No.V-37/13 in DLF City,Phase-III, Gurugram	0.54	-	-	-	0.54
RITES Office Building at Kolkata	90.17	-	-	-	90.17
Total	**90.71**	**-**	**-**	**-**	**90.71**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

(iii) Ageing as on 31.03.2022

(₹ in crore)

CWIP Project	Less than 1 year	1 year-2 year	2 Years-3 years	More than 3 years	Total*
Projects in progress	45.45	11.29	1.04	0.23	58.01

(iv) Capital Work in Progress Completion Schedule as on 31.03.2022 in case completion is overdue or has exceeded its cost.

(₹ in crore)

Particulars	Capital Work-in-progress to be completed in				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in Progress					
Renovation of flats & Guest House at Nestle Apartments, P.B. Marg, Near Bombay Dyeing, Lower Parel, Mumbai	0.58	-	-	-	0.58
Residential cum Guest House at Plot No. V-37/13 in DLF City, Phase-III, Gurugram	3.92	-	-	-	3.92
Total	**4.50**	**-**	**-**	**-**	**4.50**

*Refer Note no. 3 for Capital Work in progress schedule.

g) Title deeds of Immovable property not held in the name of the company:

(i) Lease deeds of Right-of Use Assets not held in the name of the Company as on 31.03.2023

(₹ in crore)

S. No.	Relevant line item in Balance sheet	Description of item of Property	Gross carrying value	Held in name of	Whether promoter director or their relative or employee	Period held- indicate range	Reason for not being held in name of Company
1	Right-of Use Assets	Office Building at central Metro Railway Building, 2nd & 3rd floor, Kolkata-700012	1.32	Indian Railway	Yes	From 12.01.2000	This property was on long term lease for 30 years, while depositing the initial amount with Metro Railway, RITES had written for execution of deed but no response was received from other side.
2	Right-of Use Assets	Testing Laboratory at 52A & 52B,C.R.Avenue, Kolkata-700012	0.46	Indian Railway	Yes	Since June, 2000	This property was on long term lease for 30 years, while depositing the initial amount with Metro Railway, RITES had written for execution of deed but no response was received from other side..
3*	Right-of Use Assets	House no- Belur shed No 14,JL No 15,PS-Bally,Dist Howrah,Plot No-2206 at Liluah	0.00	Indian Railway	Yes	From 03.03.1984	This property was on long term lease for 25 years, while depositing the initial amount with Eastern Railway, RITES had written for execution of deed but no response was received from other side.
4	Right-of Use Assets	Office Building at DLF Cyber City,Bhubaneswar	5.43	DLF	No	Since 29.03.2017	Lease deed being pursued.

*Property at Liluah Howarh,Kolkata is carrying at a gross carrying value of ₹ 1 in the books of accounts.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

ii) Lease deeds of Right-of Use Assets not held in the name of the Company as on 31.03.2022

(₹ in crore)

S. No.	Relevant line item in Balance sheet	Description of item of Property	Gross carrying value	Held in name of	Whether promoter director or their relative or employee	Period held-indicate range	Reason for not being held in name of Company
1	Right-of Use Assets	Office Building at central Metro Railway Building, 2nd & 3rd floor, Kolkata-700012	1.32	Indian Railway	Yes	From 12.01.2000	This property was on long term lease for 30 years, while depositing the initial amount with Metro Railway, RITES had written for execution of deed but no response was received from other side.
2	Right-of Use Assets	Testing Laboratory at 52A & 52B,C.R.Avenue, Kolkata-700012	0.46	Indian Railway	Yes	Since June, 2000	This property was on long term lease for 30 years, while depositing the initial amount with Metro Railway, RITES had written for execution of deed but no response was received from other side..
3*	Right-of Use Assets	House no- Belur shed No 14,JL No 15,PS-Bally,Dist Howrah,Plot No-2206 at Liluah	0.00	Indian Railway	Yes	From 03.03.1984	This property was on long term lease for 25 years, while depositing the initial amount with Eastern Railway, RITES had written for execution of deed but no response was received from other side.
4	Right-of Use Assets	Office Building at DLF Cyber City,Bhubaneswar	5.43	DLF	No	Since 29.03.2017	Lease deed being pursued.

*Property at Liluah Howarh,Kolkata is carrying at a gross carrying value of ₹ 1 in the books of accounts.

iii) Title deeds of Property, Plant & Equipment not held in the name of the Company as on 31.03.2023

(₹ in crore)

S. No.	Relevant line item in Balance sheet	Description of item of Property	Gross carrying value	Held in name of	Whether promoter director or their relative or employee	Period held-indicate range	Reason for not being held in name of Company
1	Property, Plant & Equipment	Land at Plot No.5, Gomti Nagar Extension, Lucknow	4.22	Lucknow Development Authority	No	Since 27.06.2019	Registration is pending due to litigation on payment of stamp duty.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

iv) Title deeds of Property, Plant & Equipment not held in the name of the Company as on 31.03.2022

(₹ in crore)

S. No.	Relevant line item in Balance sheet	Description of item of Property	Gross carrying value	Held in name of	Whether promoter director or their relative or employee	Period held-indicate range	Reason for not being held in name of Company
1	Property, Plant & Equipment	Land at Plot No.5,Gomti Nagar Extension, Lucknow	4.22	Lucknow Development Authority	No	Since 27.06.2019	Registration is pending due to litigation on payment of stamp duty.

h) **Disclosure on financial ratios:**

Particulars	Numerator	Denominator	31st March 2023	31st March 2022	Variance
Current Ratio	Current Assets (excluding client funds)	Current Liabilities (excluding client deposits)	3.93	3.85	2%
Debt-Equity Ratio #	Total Debt	Shareholder's Equity	NA	NA	NA
Debt Service Coverage Ratio #	Earnings available for Debt Service	Debt Service	NA	NA	NA
Return on Equity	Net Profit after Taxes	Average Shareholder's Equity (excluding Other Comprehensive Income)	21.63%	21.02%	3%
Inventory Turnover Ratio	Cost of Goods Sold	Average Inventory (Net of provisions)	2.50	3.11	-19%
Trade Receivable Turnover Ratio	Revenue from operations (excluding unbilled and other operating revenue)	Average Trade Receivable (Net of provisions)	3.09	4.00	-23%
Trade Payables Turnover Ratios	Purchases and other expenses	Average Trade Payables	4.89	4.89	0%
Net Capital Turnover Ratio	Total income	Working Capital (excluding client funds and client deposits)	1.65	1.85	-10%
Net Profit Ratio	Net Profit	Total Income	20.11%	18.68%	8%
Return on Capital Employed	Earnings before interest and taxes	Capital Employed (excluding Other Comprehensive Income)	29.31%	28.90%	1%
Return on Investment##	Income generated from Investments	Time weighted average investments			
- Liquid Funds			5.70%	3.51%	62%*
- Fixed Deposits			6.08%	5.62%	8%
- Bonds			7.57%	7.51%	1%

#The Company is Debt Free. Lease Liability recognized as per IND AS 116 has not been considered as debt.

##Return on investment is not calculated on strategic investments in subsidiaries, joint ventures and other long term equity instruments.

*During the year company investment in Canara Robeco Liquid Fund earned higher retuens in comparison to retuen from Previous year investment in Liquid Funds.

i) Land for office building at Gomati Nagar Extension, Lucknow allotted by Lucknow Development Authority (LDA) having a total cost of ₹ 4.22 crore is yet to be registered in the name of the Company due to dispute of stamp duty. However, physical possession of the land has been with the Company w.e.f. 27th June 2019.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

j) 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 ₹)

Particulars	Note No.	As on 31.03.2023	As at 31.03.2022
Non-current investment	7		
(i) Moru Mahal Co-operative Society Limited		250.00	250.00
(ii) Amit Industrial Premises Co-operative Society Limited		500.00	500.00
(iii) Regent Chambers Premises Co-operative SocietyLimited		500.00	500.00
(iv) Elicius Energy Private Limited		15,730.00	15,730.00

k) Balances shown under trade receivable, advances and trade payables including Indian Railway 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.

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.

l) Information as regard to loans, investments made as required under section 186(4) of the Companies Act, 2013 have been given vide note no.7,8, & 16.

m) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

n) No funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

o) The Code on Social Security, 2020 ("the Code") relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020.The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the code becomes effective.

p) During the year company has created a joint venture namely MMG-Metro Management Group Ltd. in Israel with 24.50% share. The other two joint venture partners are Poran Shrem Engineering and Appraisal Ltd (Israel company) with 51% share and DMRC Limited with 24.50% share. During the year the company has not made any capital contribution. However, group company has committed to subscribe 2450 number of ordinary shares of NIS (New Israel Shekel) 1/- each.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

q) Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of Financial Statements- This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company does not expect the amendments to have any significant impact in its financial statement.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors- This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company does not expect the amendments to have any significant impact in its financial statement.

Ind AS 12 - Income Taxes- This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company does not expect the amendments to have any significant impact in its financial statement.

For and on behalf of Board of Directors

Rahul Mithal
Chairman & Managing Director
and Chief Executive Officer
DIN: 07610499

Bibhu Prasad Nayak
Director Finance & Chief Financial Officer
DIN: 08197975

Joshit Ranjan Sikidar
Company Secretary
M.No. ACS 32442

As per our report of even date attached

For **PAWAN PURI & ASSOCIATES**
Chartered Accountants
Firm Registration No. 005950N

(SIMRANPREET SINGH)
Partner
Membership No. 518262

Place : Gurugram
Date : 18th May, 2023

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 2023.

The preparation of financial statements of RITES Limited for the year ended 31st March 2023 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 139 (5) of the Act is 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 18 May 2023.

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 2023 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 Auditor and is limited primarily to inquiries of the Statutory Auditor 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 Auditor's report under Section 143(6) (b) of the Act.

For and on the behalf of the
Comptroller & Auditor General of India

Dr. Nilotpal Goswami
Director General of Audit
Railway Commercial, New Delhi

Place: New Delhi
Dated: 21.07.2023

Independent Auditor's Report

To the Members of RITES Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying Consolidated 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 associates and jointly controlled entities, which comprise the Consolidated Balance Sheet as at March 31, 2023, 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 financial statements, including a summary of significant accounting policies and other explanatory statement (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated 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, its associates and jointly controlled entities as at March 31, 2023, 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 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 Consolidated Financial Statements section of our report. We are independent of the Group, its associates and 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 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 Financial Statements.

Emphasis of Matter

(i) We draw attention to note no. 62(a) to the Consolidated Financial Results wherein it is mentioned that the Financials Statements of one of the Jointly controlled entities, Indian Railway Stations Development Corporation Limited (IRSDC) have been prepared on liquidation basis and that the group does not perceive any impairment at present in the value of investments held by the group in IRSDC.

Our opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated 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 respect of Ind AS 115 "Revenue from Contracts with Customers" (revenue accounting standard).** The application of the 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, 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.	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 revenue accounting standard. • Selected a sample of 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.

Sr. No.	Key Audit Matter	Auditor's Response
	Refer Notes 1.2.1 and 56 to the Consolidated Financial Statements.	• Selected a sample of 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. ▪ 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.

INFORMATION OTHER THAN THE CONSOLIDATED 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 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 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 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 FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in terms 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 associates and 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 associates and 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 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 Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for assessing the ability of the Group and of its associates and 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. In the case of one of the jointly controlled entities IRSDC, its Board of Directors have decided to close its business and transfer/hand over the business to the promotors of IRSDC.

The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for overseeing the financial reporting process of the Group and of its associates and jointly controlled entities.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the Consolidated 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 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 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 with reference to the Consolidated Financial Statements 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. The financial statements of one of the jointly controlled entities IRSDC, have not been prepared on going concern basis but on an alternate basis i.e. liquidation basis refer note no. 62(a) to the consolidated financial statement and para (i) given under the heading "Emphasis of Matter" paragraph of our report on the statement. 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 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 Financial Statements, including the disclosures, and whether the Consolidated 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 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 Financial Statements of which we are the Independent auditors. For the other entities included in the Consolidated 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 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) The Statement includes the audited financial results of two subsidiaries whose financial statements reflect total assets of ₹ 275.21 crores as at March 31, 2023, total revenue of ₹ 124.93 crores, net profit after tax of ₹ 59.81 crores, for the year ended on that date and net cash flows of ₹ 23.86 crores for the year ended March 31, 2023, as considered in the Statement, which have been audited by their respective independent auditors. The independent auditors reports on financial statements of these entities have been furnished to us and our opinion on the statement, in so far as it relates to the amount and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us as stated in the paragraph above.

The Statement includes the unaudited financial results of one associate and two jointly controlled entities whose financial statements reflect Group's share of net profit (including other comprehensive income) of ₹ 0.95 crore for the year

ended on that date. These financial statements are unaudited and have been furnished to us by the management and our opinion on the Statement, in so far as it relates to the amount and disclosures in respect of these associates and jointly controlled entities are based only on such unaudited financial statements. In our opinion and according to information and explanations given to us by the Management these financial statements are not material to the Group.

(ii) Further, out of these subsidiaries and jointly controlled entities, one subsidiary is 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

Our opinion on the consolidated 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. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 ("the Order"/"CARO"), issued by the Central Government in terms of section 143(11) of the Companies Act, 2013, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO report issued by us and other auditors of Companies included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in the CARO reports.

2. 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.

3. 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 financial statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated 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 financial statements.

(d) In our opinion, the aforesaid Consolidated 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, 2023 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 with reference to the Consolidated Financial Statements of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure II;

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us 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 Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group and jointly controlled companies – Refer Note 51(b)(i) to the consolidated 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.

iv. a. The respective Managements of the Holding Company, its subsidiary Company and jointly controlled Companies which are Companies incorporated in India whose financial statements have been audited under the act have represented to us and the other auditors of such subsidiary Company and jointly controlled Companies respectively that, to the best of their knowledge and belief, as disclosed in note 62(l) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its subsidiary Company and jointly controlled Companies to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or its subsidiary Company and jointly controlled Companies ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

b. The respective Managements of the Holding Company, its subsidiary Company and jointly controlled Companies which are Companies incorporated in India whose financial statements have been audited under the act have represented to us and the other auditors of such subsidiary Company and jointly controlled Companies respectively that, to the best of their knowledge and belief, as disclosed in note 62(m) to the consolidated financial statements, no funds have been received by the holding company or its subsidiary Company and jointly controlled Companies from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the holding company or its subsidiary Company and jointly controlled Companies shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances and based on audit reports of other auditors, nothing has come to our notice that caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. As stated in notes no. 22 and 59 (b) to the Consolidated Financial Statements and based on review of the reports of other auditors:

i. The final dividend proposed in the previous year, declared and paid by the Holding Company and its subsidiary company during the year is in accordance with Section 123 of the Act, as applicable.

ii. The interim dividends declared and paid by the Holding Company during the year and until the date of this report are in compliance with Section 123 of the Act.

iii. The Board of Directors of the Holding Company, and its subsidiary company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable. The jointly controlled entities have neither declared dividend nor paid any dividend during the year.

4. 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, 2023.

For Pawan Puri & Associates
Chartered Accountants
Firm's Regn. No. 005950N

(Simranpreet Singh)
Partner
Membership No. 518262
UDIN: 23518262BGTMOW6335

Place: Gurugram
Date : 18th May, 2023

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 Financial Statements of RITES Limited.

Report under Section 143 (5) of the Companies Act, 2013 in respect of RITES Limited on the Consolidated Financial Statements for the year ended March 31, 2023.

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 Prime Edit Log (EL) 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 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. Whether such cases are properly accounted for? (In case, lender is a government company, then this direction is also applicable for statutory auditor of lender company).	According to the information and explanations given to us the Holding Company has not taken any loan. However, one of subsidiary Company has squared off the loan amount outstanding during the year. There are no cases of waiver/write-off of debts/ loans/ interest etc.
3.	Whether funds (grants/subsidy etc.) received/receivable for specific schemes from Central/State government or its agencies were properly accounted for/utilized as per its terms 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 government or its agencies for specific schemes during the year.

For Pawan Puri & Associates
Chartered Accountants
Firm's Regn. No. 005950N

(Simranpreet Singh)
Partner
Membership No. 518262
UDIN: 23518262BGTMOW6335

Place: Gurugram
Date : 18th May, 2023

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 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 Financial Statements of the Company as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to the Consolidated Financial Statements 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 respective Companies 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 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 with reference to the Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note 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 with reference to the Consolidated Financial Statements, and, both issued by Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to the Consolidated Financial Statements 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 with reference to the Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls over financial reporting with reference to the Consolidated Financial Statements included obtaining an understanding of such 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 Consolidated 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 with reference to the Consolidated Financial Statements.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING WITH REFERENCE TO THE CONSOLIDATED FINANCIAL STATEMENTS

A company's internal financial control over Financial Reporting with reference to the Consolidated Financial Statements 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 with reference to the Consolidated Financial Statements 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 WITH REFERENCE TO THE CONSOLIDATED FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls over financial reporting with reference to the Consolidated Financial Statements, 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 with reference to the Consolidated Financial Statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to the Consolidated Financial Statements 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 with reference to the Consolidated Financial Statements and such internal financial controls were operating effectively as at March 31, 2023, 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 report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to the Consolidated Financial Statements in so far as it relates to the one subsidiary company and two jointly controlled companies, which are the 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 Pawan Puri & Associates
Chartered Accountants
Firm's Regn. No. 005950N

(Simranpreet Singh)
Partner
Membership No. 518262
UDIN: 23518262BGTMOW6335

Place: Gurugram
Date : 18th May, 2023

Consolidated Balance Sheet

As at 31st March, 2023

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2023	AS AT 31.03.2022
ASSETS			
NON CURRENT ASSETS			
PROPERTY, PLANT AND EQUIPMENT	2	526.79	537.08
CAPITAL WORK IN PROGRESS	3	100.54	58.11
RIGHT OF USE ASSETS	4	21.41	20.15
INVESTMENT PROPERTY	5	-	0.05
INTANGIBLE ASSETS	6	4.27	2.61
INVESTMENT IN JOINT VENTURES APPLYING EQUITY METHOD	7	84.81	83.84
FINANCIAL ASSETS			
INVESTMENTS	8.1	20.04	45.04
LOANS	9	8.71	8.75
OTHER FINANCIAL ASSETS	10	172.53	225.29
DEFERRED TAX ASSETS (NET)	11	31.19	31.91
OTHER NON CURRENT ASSETS	12	170.02	148.06
		1,140.31	**1,160.89**
CURRENT ASSETS			
INVENTORIES	13	30.91	118.75
FINANCIAL ASSETS			
INVESTMENTS	8.2	25.00	75.92
TRADE RECEIVABLES	14	906.98	740.03
CASH AND CASH EQUIVALENTS-OWNED FUND	15.1	114.01	49.71
CASH AND CASH EQUIVALENTS-CLIENTS FUND	16.1	934.16	759.01
OTHER BANK BALANCES-OWNED FUND	15.2	775.87	657.94
OTHER BANK BALANCES-CLIENTS FUND	16.2	1,624.47	1,832.67
LOANS	17	5.38	3.49
OTHER FINANCIAL ASSETS	18	312.08	241.90
CURRENT TAX ASSETS (NET)	19	21.49	26.08
OTHER CURRENT ASSETS	20	81.67	156.08
		4,832.02	**4,661.58**
TOTAL ASSETS		**5,972.33**	**5,822.47**
EQUITY AND LIABILITIES			
EQUITY			
EQUITY SHARE CAPITAL	21.2	240.30	240.30
OTHER EQUITY	22	2,363.48	2,248.34
EQUITY ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY		2,603.78	2,488.64
NON-CONTROLLING INTERESTS	22.4	115.34	105.96
		2,719.12	**2,594.60**
LIABILITIES			
NON CURRENT LIABILITIES			
FINANCIAL LIABILITIES			
BORROWINGS	23	-	16.98
LEASE LIABILITIES	57(a)	4.52	0.67
OTHER FINANCIAL LIABILITIES	24	274.59	166.83
PROVISIONS	25	19.75	30.23
OTHER NON CURRENT LIABILITIES	26	0.49	-
		299.35	**214.71**
CURRENT LIABILITIES			
FINANCIAL LIABILITIES			
BORROWINGS	27	-	7.67
LEASE LIABILITIES	57(a)	0.90	2.27
TRADE PAYABLES			
- TOTAL OUTSTANDING DUES OF MICRO ENTERPRISES AND SMALL ENTERPRISES	28	45.94	25.62
- TOTAL OUTSTANDING DUES OTHER THAN MICRO ENTERPRISES AND SMALL ENTERPRISES"	28	256.17	155.47
OTHER FINANCIAL LIABILITIES	29	2,501.48	2,618.32
OTHER CURRENT LIABILITIES	30	71.32	116.65
PROVISIONS	31	78.05	87.16
		2,953.86	**3,013.16**
TOTAL EQUITY AND LIABILITIES		**5,972.33**	**5,822.47**
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FORM AN INTEGRAL PART OF CONSOLIDATED FINANCIAL STATEMENTS	1-65	-	-

For and on behalf of Board of Directors

Rahul Mithal
Chairman & Managing Director
and Chief Executive Officer
DIN: 07610499

Bibhu Prasad Nayak
Director Finance & Chief Financial Officer
DIN: 08197975

Joshit Ranjan Sikidar
Company Secretary
M.No. ACS 32442

As per our report of even date attached

For **PAWAN PURI & ASSOCIATES**
Chartered Accountants
Firm Registration No. 005950N

(SIMRANPREET SINGH)
Partner
Membership No. 518262

Place : Gurugram
Date : 18th May, 2023

Consolidated Statement of Profit & Loss Account

for the year ended 31st March, 2023

(₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2023	YEAR ENDED 31.03.2022
REVENUE FROM OPERATIONS	32	2,628.27	2,661.83
OTHER INCOME	33	101.75	83.45
TOTAL INCOME		**2,730.02**	**2,745.28**
EXPENSES			
EMPLOYEE BENEFITS EXPENSE	34	508.50	517.25
TRAVEL		54.21	42.53
SUPPLIES & SERVICES	35	978.68	592.71
PURCHASES FOR EXPORT		98.66	478.01
CHANGES IN INVENTORIES OF STOCK IN TRADE	36	88.67	150.83
GENERATION EXPENSES	37	8.93	7.89
FINANCE COSTS	38	7.04	7.25
DEPRECIATION & AMORTISATION EXPENSE	39	66.69	65.61
OTHER EXPENSES	40	145.69	148.82
TOTAL EXPENSES		**1,957.07**	**2,010.90**
PROFIT BEFORE SHARE OF NET PROFIT/(LOSS) OF JOINT VENTURES		772.95	734.38
SHARE OF NET PROFIT/(LOSS) OF JOINT VENTURES	41	0.97	0.72
PROFIT BEFORE TAX		**773.92**	**735.10**
TAX EXPENSES			
- CURRENT TAX	42.1	(202.24)	(201.42)
- DEFERRED TAX	42.2	(0.71)	4.90
PROFIT AFTER TAX		**570.97**	**538.58**
ITEMS THAT WILL BE RECLASSIFIED SUBSEQUENTLY TO PROFIT & LOSS			
- FOREIGN CURRENCY TRANSLATION RESERVE		(0.14)	0.01
- INCOME TAX EFFECT		-	-
		(0.14)	0.01
ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO PROFIT & LOSS			
- REMEASUREMENTS OF THE DEFINED BENEFIT LIABILITY/ASSET	45	7.74	1.01
- REMEASUREMENTS OF THE DEFINED BENEFIT LIABILITY/ASSET OF JOINT VENTURES		-	0.06
- INCOME TAX EFFECT		(1.95)	(0.25)
		5.79	**0.82**
TOTAL OTHER COMPREHENSIVE INCOME (NET OF TAX)		**5.65**	**0.83**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**576.62**	**539.41**
PROFIT FOR THE YEAR ATTRIBUTABLE TO:			
EQUITY SHAREHOLDERS OF THE COMPANY		542.04	516.37
NON-CONTROLLING INTERESTS		28.93	22.21
		570.97	**538.58**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO:			
EQUITY SHAREHOLDERS OF THE COMPANY		547.69	517.20
NON-CONTROLLING INTERESTS		28.93	22.21
		576.62	**539.41**
EARNING PER SHARE (EQUITY SHARE OF ₹ 10/- EACH) - **BASIC**	49	₹ 22.56	₹ 21.49
EARNING PER SHARE (EQUITY SHARE OF ₹ 10/- EACH) - **DILUTED**	49	₹ 22.56	₹ 21.49
WEIGHTED AVERAGE NUMBER OF EQUITY SHARES USED IN COMPUTING EARNING PER SHARE		240,301,887	240,301,887

For and on behalf of Board of Directors

Rahul Mithal
Chairman & Managing Director
and Chief Executive Officer
DIN: 07610499

Bibhu Prasad Nayak
Director Finance & Chief Financial Officer
DIN: 08197975

Joshit Ranjan Sikidar
Company Secretary
M.No. ACS 32442

As per our report of even date attached

For **PAWAN PURI & ASSOCIATES**
Chartered Accountants
Firm Registration No. 005950N

(SIMRANPREET SINGH)
Partner
Membership No. 518262

Place : Gurugram
Date : 18th May, 2023

Consolidated Statement of Changes in Equity

for the year ended 31st March, 2023

A. EQUITY SHARE CAPITAL

(₹ in crore)

BALANCE AS AT 01.04.2022	CHANGES IN EQUITY SHARE CAPITAL DURING THE YEAR		BALANCE AS AT 31.03.2023
	ISSUE OF BONUS SHARES	BUY BACK OF EQUITY SHARES	
240.30	-	-	240.30

(₹ in crore)

BALANCE AS AT 01.04.2021	CHANGES IN EQUITY SHARE CAPITAL DURING THE YEAR		BALANCE AS AT 31.03.2022
	ISSUE OF BONUS SHARES	BUY BACK OF EQUITY SHARES	
240.30	-	-	240.30

B. OTHER EQUITY

(₹ In crore)

PARTICULARS	OTHER EQUITY ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY						NON-CONTROLLING INTERESTS	TOTAL
	RESERVE AND SURPLUS				OTHER COMPREHENSIVE INCOME	TOTAL		
	GENERAL RESERVE	RETAINED EARNINGS	CAPITAL RESERVE	CAPITAL REDEMPTION RESERVE	FOREIGN CURRENCY TRANSLATION RESERVE			
BALANCE AS AT 01.04.2022	**1608.40**	**624.17**	**5.22**	**9.70**	**0.85**	**2,248.34**	**105.96**	**2,354.30**
PROFIT FOR THE YEAR		542.04				542.04	28.93	570.97
OTHER COMPREHENSIVE INCOME (OCI)		5.79			(0.14)	5.65		5.65
INTERIM DIVIDENDS (2022-23)		(348.44)				(348.44)	(12.86)	(361.30)
FINAL DIVIDEND (2021-22)		(84.11)				(84.11)	(6.69)	(90.80)
BALANCE AT 31.03.2023	**1,608.40**	**739.45**	**5.22**	**9.70**	**0.71**	**2,363.48**	**115.34**	**2,478.82**
INTERIM DIVIDEND PER SHARE FOR 2022-23 (₹)	14.50	NUMBER OF SHARES USED IN COMPUTING DIVIDEND PER SHARE						240,301,887
FINAL DIVIDEND PER SHARE FOR 2021-22 (₹)	3.50	NUMBER OF SHARES USED IN COMPUTING DIVIDEND PER SHARE						240,301,887

Consolidated Statement of Changes in Equity

for the year ended 31st March, 2023

(₹ In crore)

PARTICULARS	OTHER EQUITY ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY						NON-CONTROLLING INTERESTS	TOTAL
	RESERVE AND SURPLUS				OTHER COMPREHENSIVE INCOME	TOTAL		
	GENERAL RESERVE	RETAINED EARNINGS	CAPITAL RESERVE	CAPITAL REDEMPTION RESERVE	FOREIGN CURRENCY TRANSLATION RESERVE			
BALANCE AS AT 01.04.2021	**1608.40**	**527.51**	**5.22**	**9.70**	**0.84**	**2,151.67**	**88.16**	**2,239.83**
CAPITALISATION OF GENERAL RESERVE (ISSUE OF BONUS SHARES)						-		-
PROFIT FOR THE YEAR		516.37				516.37	22.21	538.58
OTHER COMPREHENSIVE INCOME (OCI)		0.82			0.01	0.83		0.83
INTERIM DIVIDENDS (2021-22)		(324.41)				(324.41)		(324.41)
FINAL DIVIDEND (2020-21)		(96.12)				(96.12)	(4.41)	(100.53)
BALANCE AT 31.03.2022	**1,608.40**	**624.17**	**5.22**	**9.70**	**0.85**	**2,248.34**	**105.96**	**2,354.30**
INTERIM DIVIDEND PER SHARE FOR 2021-22 (₹)	13.50	NUMBER OF SHARES USED IN COMPUTING DIVIDEND PER SHARE						240,301,887
FINAL DIVIDEND PER SHARE FOR 2020-21 (₹)	4.00	NUMBER OF SHARES USED IN COMPUTING DIVIDEND PER SHARE						240,301,887

For and on behalf of Board of Directors

Rahul Mithal
Chairman & Managing Director
and Chief Executive Officer
DIN: 07610499

Bibhu Prasad Nayak
Director Finance & Chief Financial Officer
DIN: 08197975

Joshit Ranjan Sikidar
Company Secretary
M.No. ACS 32442

As per our report of even date attached

For **PAWAN PURI & ASSOCIATES**
Chartered Accountants
Firm Registration No. 005950N

(SIMRANPREET SINGH)
Partner
Membership No. 518262

Place : Gurugram
Date : 18th May, 2023

Consolidated Statement of Cash Flows

for the year ended 31st March, 2023

(₹ in crore)

PARTICULARS	YEAR ENDED 31.03.2023	YEAR ENDED 31.03.2022
CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX	773.92	735.10
ADJUSTMENTS FOR:		
- DEPRECIATION AND AMORTIZATION	66.69	65.61
- LOSS/(PROFIT) ON SALE OF PROPERTY, PLANT AND EQUIPMENT (NET)	0.03	0.02
- SHARE OF PROFIT/(LOSS) OF JOINT VENTURES	(0.97)	(0.72)
- INTEREST INCOME	(55.59)	(51.42)
- INCOME FROM INVESTMENTS	(0.97)	(2.19)
- FINANCE COST	7.04	7.25
- INCOME FROM INVESTMENT PROPERTIES	(0.03)	(0.16)
- LIABILITIES WRITTEN BACK	(5.19)	(0.60)
- PROPERTY, PLANT AND EQUIPMENT WRITTEN OFF	0.06	0.05
- UNREALIZED (GAIN)/LOSSES FROM CHANGES IN FOREIGN EXCHANGE RATE	(7.52)	(2.81)
- PROVISION AND IMPAIRMENT EXPENSES (NET)	32.64	49.77
EFFECT OF EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN CURRENCY CASH & CASH EQUIVALENTS	(2.65)	(8.86)
OPERATING PROFIT BEFORE CHANGES IN ASSETS AND LIABILITIES	**807.46**	**791.04**
CHANGE IN ASSETS AND LIABILITIES:		
ADJUSTMENTS FOR (INCREASE)/DECREASE IN OPERATING ASSETS:		
- INVENTORIES	89.58	150.88
- TRADE RECEIVABLES	(187.81)	(161.03)
- LOANS, OTHER FINANCIAL ASSETS AND OTHER ASSETS	5.14	13.99
ADJUSTMENTS FOR INCREASE/(DECREASE) IN OPERATING LIABILITIES:		
- TRADE PAYABLES	121.00	(115.52)
- OTHER FINANCIAL LIABILITIES, OTHER LIABILITIES AND PROVISIONS (NET OF CLIENT FUNDS)	(93.04)	(184.79)
CASH GENERATED FROM OPERATIONS	**742.33**	**494.57**
- INCOME TAX PAID	(182.51)	(184.94)
NET CASH FROM OPERATING ACTIVITIES	**559.82**	**309.63**
CASH FLOWS FROM INVESTING ACTIVITIES		
- PROPERTY, PLANT AND EQUIPMENT/ INTANGIBLE ASSETS/ CWIP/ CAPITAL ADVANCE	(135.66)	(141.84)
- PROCEEDS FROM SALE OF PROPERTY, PLANT AND EQUIPMENT	0.23	0.26
- INVESTMENT IN LIQUID MUTUAL FUNDS	(110.00)	(455.00)
- REDEMPTION OF LIQUID MUTUAL FUNDS	135.92	514.94
- REDEMPTION OF BONDS	50.00	25.00
- LOAN REPAID BY JOINT VENTURE	-	2.80
- FIXED DEPOSITS PLACED WITH BANK	(949.99)	(939.17)
- REDEMPTION OF FIXED DEPOSITS WITH BANK	940.13	979.58
- INTEREST INCOME	53.37	64.26
- INCOME FROM INVESTMENTS	0.97	1.97
- INCOME FROM INVESTMENT PROPERTIES	0.03	0.16
NET CASH FROM INVESTING ACTIVITIES	**(15.00)**	**52.96**
CASH FLOW FROM FINANCING ACTIVITIES		
- INCREASE/(DECREASE) IN SECURED LOAN FROM BANK	(24.65)	(7.66)
- FINANCE COST OTHER THAN INTEREST ON BORROWINGS	(3.55)	(3.13)
- INTEREST PAID ON BORROWINGS	(0.40)	(2.16)
- DIVIDEND PAID	(432.55)	(420.53)
- REPAYMENT OF LEASE LIABILITIES	(2.47)	(2.35)
- DIVIDEND PAID TO NON-CONTROLLING INTEREST	(19.55)	(4.41)
NET CASH FROM FINANCING ACTIVITIES	**(483.17)**	**(440.24)**
NET CASH FLOW FROM CLIENT FUND ACTIVITIES	**175.15**	**64.07**
EFFECT OF EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN CURRENCY CASH & CASH EQUIVALENTS	**2.65**	**8.86**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**239.45**	**(4.72)**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	**808.72**	**813.44**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**1,048.17**	**808.72**

Consolidated Statement of Cash Flows

for the year ended 31st March, 2023

RECONCILIATION OF CASH AND CASH EQUIVALENTS

(₹ In crore)

PARTICULARS	YEAR ENDED 31.03.2023	YEAR ENDED 31.03.2022
CASH AND CASH EQUIVALENTS	1,048.17	808.72
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	1,048.17	808.72
COMPONENTS OF CASH AND CASH EQUIVALENTS	**1,048.17**	**808.72**

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

(₹ In crore)

PARTICULARS	YEAR ENDED 31.03.2023	YEAR ENDED 31.03.2022
LONG TERM BORROWING AT THE BEGINNING OF THE YEAR	24.65	32.31
- CASH FLOWS (REPAYMENT)	(24.65)	(7.66)
LONG TERM BORROWING AT THE END OF THE YEAR	-	24.65
INTEREST PAYABLE ON BORROWING AT THE BEGINNING OF THE YEAR	0.16	0.20
- CASH FLOWS (REPAYMENT)	(0.40)	(2.16)
- NON CASH CHANGES	0.24	2.12
INTEREST PAYABLE ON BORROWING AT THE END OF THE YEAR	-	**0.16**

Note:

1. CASH AND CASH EQUIVALENTS CONSIST OF CASH AND BANK BALANCES INCLUDING FDs HAVING MATURITY WITHIN 3 MONTHS FROM THE DATE OF ACQUISITION.
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 INCLUDING CASH FLOW ON BEHALF OF CLIENT ACTIVITIES. THE OPENING AND CLOSING CASH AND CASH EQUIVALENTS INCLUDES ₹ 934.16 CRORE AND ₹ 759.01 CRORE RESPECTIVELY ON BEHALF OF CLIENTS FUND ACTIVITIES.

For and on behalf of Board of Directors

Rahul Mithal
Chairman & Managing Director
and Chief Executive Officer
DIN: 07610499

Bibhu Prasad Nayak
Director Finance & Chief Financial Officer
DIN: 08197975

Joshit Ranjan Sikidar
Company Secretary
M.No. ACS 32442

As per our report of even date attached

For **PAWAN PURI & ASSOCIATES**
Chartered Accountants
Firm Registration No. 005950N

(SIMRANPREET SINGH)
Partner
Membership No. 518262

Place : Gurugram
Date : 18th May, 2023

Group Overview and Significant Accounting Policies on Consolidated Financial Statements

GROUP OVERVIEW

RITES Limited 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 Shikhar, Plot no-1, Sector -29, Gurugram, Haryana-122001 (India). President of India through Ministry of Railways is presently holding 72.20% equity share of the company.

Besides the above activities, RITES Limited (The "Holding Company/Company") along with its subsidiaries, joint venture and associate 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 energy business.

The financial statements of the Group, comprises of RITES Limited, the holding company, RITES (Afrika) (Pty) Ltd.(RAPL), Botswana, a wholly owned subsidiary, REMC Limited., India, a subsidiary with 51% stake, joint venture entities viz. SAIL-RITES Bengal Wagon Industry Pvt. Ltd. (SRBWIPL) (50%) & Indian Railway Stations Development Corporation Limited (24%) and associates M/s Elicius Energy Private Limited(13%).

The reporting and functional currency of the Group 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- 62(i). Previous periods figures have been regrouped/recasted/rearranged, wherever necessary.

The consolidated financial statements are approved for issue by the holding company's Board of Directors in their meeting held on 18th May, 2023.

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. Accounting policies at 1.28 on Government Grant has been inserted in place of erstwhile accounting policy on export incentive. Such rearrangement/modification is clarificatory and do not have any impact on financial statement.

(b) Basis of Preparation

These consolidated 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 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 intra group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group. Intra group 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 & Associates

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 & associates are accounted for using the equity method. Under the equity method, the investment in a joint venture & associates 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

1.1.1 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 Group 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 Group 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 Group 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 Group transfers control of the promised goods to the customer, and to establish when and to what extent revenue can be recognised, the Group 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

Refer Policy no-1.24.2- Leases-Group as lessor

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 Others

Other income is accounted for on accrual basis except claims(including insurance claims)/supplementary claims / counter claims/ interest on delayed payments / awards in favour of the Group/ 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.

(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 Group 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 Limited, 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 REMC Limited, Windmill plants have higher useful life of 25 years than prescribed in part C of schedule II of the Companies Act, 2013 or 22 years. Therefore, depreciation is charged at lower rate than prescribed under the Companies Act, 2013.

(g) In case of holding & its subsidiary companies in India, Individual low cost assets of value less than ₹ 5,000/- is fully depreciated in the year of acquisition.

(h) In case of holding company & its subsidiary companies in India, a nominal value of ₹ 1/- is assigned to the fully depreciated assets.

1.3.2 Capital Work in Progress

Assets which are not ready for the intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

1.3.3 Capital Advances

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date are classified as capital advances under other non-current assets.

1.4 INTANGIBLE ASSETS

Intangible assets acquired/ developed are measured on recognition at cost less accumulated amortisation and impairment losses, if any.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is de-recognised.

(a) Software of value less than ₹ 100,000/- is fully amortized in the year of acquisition.

(b) A nominal value of ₹ 1/- is assigned to the fully amortized assets.

1.4.1 Amortization

Estimated useful life of the software is 4 years and amortized on a straight line basis over the period.

1.5 INVESTMENT PROPERTY

Investment properties are measured at cost, including transaction costs less accumulated depreciation and impairment loss, if any.

The Group 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, Group 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 Group 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 the lower of cost and net realizable value.

(b) Cost of inventories comprises of costs of purchase and other costs incurred in bringing the inventories to their present location and condition.Cost is determined on weighted average basis.

(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 and Stores & Spares other than held for the purpose of warranty are charged to the Statement of Profit and Loss in the year of purchase.

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) The Company has set up a separate Gratuity Trust for managing Gratuity Fund.

(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 Group are charged to the Statement of Profit and Loss.

1.13 PREPAID EXPENSES AND PRIOR PERIOD ADJUSTMENTS

1.13.1 Prepaid Expenses

Prepaid expenses upto ₹ 5,00,000/- in each case are treated as expenditure/income of the year and accounted for to the natural head of accounts.

1.13.2 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 of the Group is Indian Rupees and the financial statements are presented in Indian Rupees.

1.14.2 Transactions in foreign currencies are initially recorded by the Group at functional currency spot rates at the date the transaction first qualifies for recognition. The Group also uses average rate where the average rate 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 The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- 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 the average rate (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions).
- All resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign operations are recognized in OCI and the same is reclassified to Statement of Profit and Loss, as part of the gain or loss on disposal of the net investment.

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 Group are segregated.

1.17 EARNINGS PER SHARE

In determining basic earnings per share, net profit attributable to equity shareholders is divided by weighted average number of equity shares outstanding during the period.

In determining diluted earnings per share, net profit attributable to equity shareholders is divided by weighted average number of equity shares considered for deriving basic earning per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at the later date. Dilutive potential equity share are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus share issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

1.18 IMPAIRMENT OF ASSETS

1.18.1 Financial Assets

(Other than at Fair Value)

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 Group provides post-contract services /warranty support to some of its customers. The Group 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 LEASES

1.24. Group as a lessee

The Group leased asset primarily consists of leases for land and buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over lease term.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability.

The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of- use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

1.24.2 Group as a lessor

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

For operating leases, rental income is recognized on a straight line basis/systematic basis over the lease term. However, reimbursable under the contract are accounted for on accrual basis. Initial direct cost are added to the carrying amount of the leased assets and recognized as an expense over the lease term.

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 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 Group has transferred substantially all the risks and rewards of the asset, or the Group 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.

1.28 Government Grants

Grants are recognized when there is a reasonable assurance that the company has complied with the conditions attached to them and the same will be received. Grants which are receivable for the purpose of giving immediate financial support to the company, with no future related costs are recognized in the statement of profit & loss of the period in which they have accrued.

Grants that compensate the Company for the cost of depreciable asset are recognized as income in statement of profit and loss on a systematic basis over the period and in the proportion in which depreciation is charged. Grants that compensate the Company for expenses incurred are recognized over the period in which the related costs are incurred and the same is deducted from the related expenses.

When the Company receives grant as a non-monetary asset, the asset and the grant are recorded at fair value.

The Company is getting Govt grant as export incentive under Foreign Trade Policy (FTP) of the Government of India. The same is recognized/presented as other operating income when there is a reasonable assurance that the incentive will be received, and all the attached conditions have been complied with.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

2. PROPERTY, PLANT AND EQUIPMENT

FOLLOWING ARE THE CHANGES IN THE CARRYING VALUE OF PROPERTY, PLANT AND EQUIPMENT FOR THE YEAR ENDED 31.03.2023

(₹ in crore)

PARTICULARS	GROSS BLOCK						DEPRECIATION/AMORTISATION						NET BLOCK
	AS AT 01/04/2022	ADDITIONS DURING THE PERIOD	ADJ DURING THE PERIOD	ADJ OF EXCHANGE RATE	DELETIONS DURING THE PERIOD	AS AT 31/03/2023	AS AT 01/04/2022	FOR THE PERIOD	ADJ DURING THE PERIOD	ADJ OF EXCHANGE RATE	DELETIONS DURING THE PERIOD	AS AT 31/03/2023	AS AT 31/03/2023
LAND #	35.39	-	0.05	-	-	35.44	-			-	-	-	35.44
BUILDING	114.56	7.94	(0.30)	-	-	122.20	7.87	2.15	-	-	-	10.02	112.18
RESIDENTIAL QUARTERS	38.73	-	0.10	-	-	38.83	1.77	0.55	0.10	-	-	2.42	36.41
LEASEHOLD IMPROVEMENT	1.96	-	-	-	-	1.96	0.66	0.27	-	-	-	0.93	1.03
OFFICE EQUIPMENTS													
SURVEY AND OTHER INSTRUMENTS	12.68	0.52	-	-	0.09	13.11	6.52	1.12	-	-	0.09	7.55	5.56
COMPUTER AND EQUIPMENTS	18.55	3.34	-	-	1.46	20.43	12.67	3.69	-	-	1.31	15.05	5.38
SERVER & NETWORK	6.22	0.07	-	-	0.03	6.26	5.14	0.34	-	-	0.02	5.46	0.80
OFFICE AND OTHER EQUIPMENTS	10.11	1.49	0.03		0.58	11.05	5.67	1.52	-	-	0.47	6.72	4.33
AIR-CONDITIONER AND EQUIPMENTS	2.37	0.30	-	-	0.07	2.60	1.42	0.25	-	-	0.07	1.60	1.00
PLANT & MACHINERY													
AIR CONDITIONER PLANT	6.98	0.31	-	-	-	7.29	5.35	0.34	-	-	-	5.69	1.60
LOCOMOTIVES NEW @	237.78	18.04	-	-	-	255.82	65.36	16.78	-	-	-	82.14	173.68
LOCOMOTIVES IN SERVICE @	164.58	16.99	-	-	-	181.57	124.21	25.37	-	-	-	149.58	31.99
WIND MILL PLANT	152.22	-	-	-	-	152.22	39.33	6.09	-	-	-	45.42	106.80
FURNITURE & FIXTURES													
FURNITURES	9.21	1.76	0.06	-	0.12	10.91	4.09	0.99	-	-	0.07	5.01	5.90
FIXTURES	8.43	0.56	-	-	-	8.99	3.64	1.49	-	-	-	5.13	3.86
VEHICLE													
VEHICLES	2.96	-	-	-	-	2.96	1.95	0.18	-	-	-	2.13	0.83
VEHICLES ABROAD	0.03	-	-	-	-	0.03	0.03	-	-	-	-	0.03	-
TOTAL	**822.76**	**51.32**	**(0.06)**	**-**	**2.35**	**871.67**	**285.68**	**61.13**	**0.10**	**-**	**2.03**	**344.88**	**526.79**

NOTE :

- Depreciation on Residential Quarters is charged on the total cost of flats in the absence of break-up of land components in the flats value.
- In the case of assets put to use, where final settlement of vendor bills is yet to be effected, capitalization is done on provisional basis subject to necessary adjustment in the year of final settlement.

In respect of Land pending execution of registration (refer note no. 62 (h)).

@ Refer Note no. 57 (b) (i) (I)

FOLLOWING ARE THE CHANGES IN THE CARRYING VALUE OF PROPERTY, PLANT AND EQUIPMENT FOR THE YEAR ENDED 31.03.2022

(₹ in crore)

PARTICULARS	GROSS BLOCK						DEPRECIATION/AMORTISATION						NET BLOCK
	AS AT 01/04/2021	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	ADJ OF EXCHANGE RATE	DELETIONS DURING THE YEAR	AS AT 31/03/2022	AS AT 01/04/2021	FOR THE YEAR	ADJ DURING THE YEAR	ADJ OF EXCHANGE RATE	DELETIONS DURING THE YEAR	AS AT 31/03/2022	AS AT 31/03/2022
LAND #	35.39	-	-	-	-	35.39	-	-	-	-	-	-	35.39
BUILDING	112.65	1.96	(0.05)	-	-	114.56	5.88	1.99	-	-	-	7.87	106.69
RESIDENTIAL QUARTERS	38.73	-	-	-	-	38.73	1.12	0.65	-	-	-	1.77	36.96
LEASEHOLD IMPROVEMENT	1.96	-	-	-	-	1.96	0.40	0.26	-	-	-	0.66	1.30
OFFICE EQUIPMENTS													
SURVEY AND OTHER INSTRUMENTS	11.55	1.14	-	-	0.01	12.68	5.41	1.12	-	-	0.01	6.52	6.16
COMPUTER AND EQUIPMENTS	14.72	4.88	-	-	1.05	18.55	10.49	3.10	-	-	0.92	12.67	5.88
SERVER & NETWORK	6.19	0.04	-	-	0.01	6.22	4.80	0.35	-	-	0.01	5.14	1.08
OFFICE AND OTHER EQUIPMENTS	7.98	2.48	-	-	0.35	10.11	4.62	1.36	-	-	0.31	5.67	4.44
AIR-CONDITIONER AND EQUIPMENTS	2.26	0.12	-	-	0.01	2.37	1.15	0.27	-	-	-	1.42	0.95
PLANT & MACHINERY													
AIR CONDITIONER PLANT	6.98	-	-	-	-	6.98	4.45	0.90	-	-	-	5.35	1.63
LOCOMOTIVES NEW @	235.47	2.31	-	-	-	237.78	49.58	15.78	-	-	-	65.36	172.42
LOCOMOTIVES IN SERVICE @	141.77	22.81	-	-	-	164.58	98.22	25.99	-	-	-	124.21	40.37
WIND MILL PLANT ^	152.22	-	-	-	-	152.22	33.24	6.09	-	-	-	39.33	112.89
FURNITURE & FIXTURES													
FURNITURES	7.45	1.85	-	-	0.09	9.21	3.35	0.81	-	-	0.07	4.09	5.12
FIXTURES	6.67	1.76	-	-	-	8.43	2.45	1.19	-	-	-	3.64	4.79
VEHICLE													
VEHICLES	2.76	0.34	-	-	0.14	2.96	1.71	0.25	-	-	0.01	1.95	1.01
VEHICLES ABROAD	0.03	-	-	-	-	0.03	0.03	-	-	-	-	0.03	-
TOTAL	**784.78**	**39.69**	**(0.05)**	**-**	**1.66**	**822.76**	**226.90**	**60.11**	**-**	**-**	**1.33**	**285.68**	**537.08**

NOTE :

- Depreciation on Residential Quarters is charged on the total cost of flats in the absence of break-up of land components in the flats value.
- In the case of assets put to use, where final settlement of vendor bills is yet to be effected, capitalization is done on provisional basis subject to necessary adjustment in the year of final settlement.

In respect of Land pending execution of registration (refer note no. 62 (h)).

^ Plant & Machinery of ₹ 152.22 crore is mortgaged/hypothecated against Borrowings (refer note no. 23).

@ Refer Note no. 57 (b) (i) (I)

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

3. CAPITAL WORK IN PROGRESS

(₹ in crore)

PARTICULARS	OPENING	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	DELETIONS DURING THE YEAR	CLOSING
AS AT 31.03.2023	58.11	51.41	(8.98)	-	100.54
AS AT 31.03.2022	15.49	50.84	(8.22)	-	58.11

Refer Note No. 62(f) for Capital Work in progress ageing and completion schedule

4. RIGHT OF USE ASSETS

FOLLOWING ARE THE CHANGES IN THE CARRYING VALUE OF RIGHT OF USE ASSETS FOR THE YEAR ENDED 31.03.2023

(₹ in crore)

PARTICULARS	GROSS BLOCK						DEPRECIATION/AMORTISATION						NET BLOCK
	AS AT 01/04/2022	ADDITIONS DURING THE PERIOD	ADJ DURING THE PERIOD	ADJ OF EXCHANGE RATE	DELETIONS DURING THE PERIOD	AS AT 31/03/2023	AS AT 01/04/2022	FOR THE PERIOD	ADJ DURING THE PERIOD	ADJ OF EXCHANGE RATE	DELETIONS DURING THE PERIOD	AS AT 31/03/2023	AS AT 31/03/2023
LAND	3.53	-	-	-	-	3.53	1.34	0.52	-	-	-	1.86	1.67
BUILDING	19.78	4.95	-	-	-	24.73	5.40	2.92	-	-	-	8.32	16.41
RESIDENTIAL QUARTERS	4.33	-	-	-	-	4.33	0.75	0.25	-	-	-	1.00	3.33
TOTAL	**27.64**	**4.95**	**-**	**-**	**-**	**32.59**	**7.49**	**3.69**	**-**	**-**	**-**	**11.18**	**21.41**

-In respect of Lease Agreements pending execution {refer note no. 62 (g)}

FOLLOWING ARE THE CHANGES IN THE CARRYING VALUE OF RIGHT OF USE ASSETS FOR THE YEAR ENDED 31.03.2022

(₹ in crore)

PARTICULARS	GROSS BLOCK						DEPRECIATION/AMORTISATION						NET BLOCK
	AS AT 01/04/2021	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	ADJ OF EXCHANGE RATE	DELETIONS DURING THE YEAR	AS AT 31/03/2022	AS AT 01/04/2021	FOR THE YEAR	ADJ DURING THE YEAR	ADJ OF EXCHANGE RATE	DELETIONS DURING THE YEAR	AS AT 31/03/2022	AS AT 31/03/2022
LAND ^	3.53	0.01	-	-	0.01	3.53	0.82	0.52	-	-	-	1.34	2.19
BUILDING	20.54	1.12	-	-	1.88	19.78	4.54	2.74	-	-	1.88	5.40	14.38
RESIDENTIAL QUARTERS	4.33	-	-	-	-	4.33	0.50	0.25	-	-	-	0.75	3.58
TOTAL	**28.40**	**1.13**	**-**	**-**	**1.89**	**27.64**	**5.86**	**3.51**	**-**	**-**	**1.88**	**7.49**	**20.15**

-In respect of Lease Agreements pending execution {refer note no. 62 (g)}
^ Land of ₹ 1.05 crore is mortgaged/hypothecated against Borrowings (refer note no. 23).

5. INVESTMENT PROPERTY

FOLLOWING ARE THE CHANGES IN THE CARRYING VALUE OF INVESTMENT PROPERTY FOR THE YEAR ENDED 31.03.2023

(₹ in crore)

PARTICULARS	GROSS BLOCK						DEPRECIATION/AMORTISATION						
	AS AT 01/04/2022	ADDITIONS DURING THE PERIOD	ADJ DURING THE PERIOD	ADJ OF EXCHANGE RATE	DELETIONS DURING THE PERIOD	AS AT 31/03/2023	AS AT 01/04/2022	FOR THE PERIOD	ADJ DURING THE PERIOD	ADJ OF EXCHANGE RATE	DELETIONS DURING THE PERIOD	AS AT 31/03/2023	AS AT 31/03/2023
LAND	0.05	-	(0.05)		-	-	-	-	-		-	-	-
RESIDENTIAL QUARTERS	0.10	-	(0.10)		-	-	0.10	-	(0.10)		-	-	-
LEASEHOLD BUILDING	-	-	-		-	-	-	-	-		-	-	-
TOTAL	**0.15**	**-**	**(0.15)**	**-**	**-**	**-**	**0.10**	**-**	**(0.10)**	**-**	**-**	**-**	**-**

Refer Note No.52 and 57(b)(i)(II)

FOLLOWING ARE THE CHANGES IN THE CARRYING VALUE OF INVESTMENT PROPERTY FOR THE YEAR ENDED 31.03.2022

(₹ in crore)

PARTICULARS	GROSS BLOCK						DEPRECIATION/AMORTISATION						
	AS AT 01/04/2021	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	ADJ OF EXCHANGE RATE	DELETIONS DURING THE YEAR	AS AT 31/03/2022	AS AT 01/04/2021	FOR THE YEAR	ADJ DURING THE YEAR	ADJ OF EXCHANGE RATE	DELETIONS DURING THE YEAR	AS AT 31/03/2022	AS AT 31/03/2022
LAND	0.05	-	-		-	0.05	-	-	-		-	-	0.05
RESIDENTIAL QUARTERS	0.10	-	-		-	0.10	0.10	-	-		-	0.10	-
LEASEHOLD BUILDING	-	-	-		-	-	-	-	-		-	-	-
TOTAL	**0.15**	**-**	**-**	**-**	**-**	**0.15**	**0.10**	**-**	**-**	**-**	**-**	**0.10**	**0.05**

Refer Note No.52 and 57(b)(i)(II)

6. INTANGIBLE ASSETS

(₹ in crore)

PARTICULARS	GROSS BLOCK						DEPRECIATION/AMORTISATION						NET BLOCK
	OPENING	ADDITIONS DURING THE PERIOD	ADJ DURING THE PERIOD	ADJ OF EXCHANGE RATE	DELETIONS DURING THE PERIOD	TOTAL	OPENING	FOR THE PERIOD	ADJ DURING THE PERIOD	ADJ OF EXCHANGE RATE	DELETIONS DURING THE PERIOD	TOTAL	
AS AT 31.03.2023	11.23	3.53	-	-	0.02	14.74	8.62	1.87	-	-	0.02	10.47	4.27
AS AT 31.03.2022	10.66	0.58	-	-	0.01	11.23	6.64	1.99	-	-	0.01	8.62	2.61

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

7. INVESTMENT IN JOINT VENTURES & ASSOCIATES APPLYING EQUITY METHOD

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2023	AS AT 31.03.2022
INDIAN RAILWAY STATIONS DEVELOPMENT CORPORATION LIMITED		53.83	53.02
SAIL-RITES BENGAL WAGON INDUSTRY PRIVATE LIMITED		30.98	30.82
ELICIUS ENERGY PRIVATE LIMITED*	62(i)	-	-
TOTAL		**84.81**	**83.84**

8.1 NON CURRENT INVESTMENTS

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2023	AS AT 31.03.2022
A) INVESTMENT IN UNQUOTED EQUITY INSTRUMENTS OF (INVESTMENT CARRIED AT COST): COOPERATIVE SOCIETIES			
(i) Moru Mahal Co-operative Society Limited	62 (i)	-	-
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	62 (i)	-	-
10 (previous year 10) Equity Shares of face value of ₹ 50/- each, fully paid-up acquired for purchase of laboratory.			
(iii) Regent Chambers Premises Co-operative Society Limited	62 (i)	-	-
10 (previous year 10) Equity Shares of face value of ₹ 50/- each, fully paid-up acquired for purchase of residential quarter.			
OTHERS			
(i) GPCL Consulting Services Limited (formerly known as Global Procurement Consultants Limited)		0.04	0.04
32,279 (previous period 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**
B) INVESTMENT IN QUOTED TAX FREE BONDS OF (INVESTMENT CARRIED AT AMORTISED COST):			
(i) INDIAN RAILWAY FINANCE CORPORATION (10 YEAR SECURED REDEEMABLE 8.35% TAX FREE BONDS 21NOV.2023)			
250 Bonds of face value of ₹ 1,000,000/- each at premium of ₹ 100/- each, fully paid		-	25.00
(ii) INDIAN RAILWAY FINANCE CORPORATION (10 YEAR SECURED REDEEMABLE 7.19% TAX FREE BONDS 31JUL.2025)			
200 Bonds of face value of ₹ 1,000,000/- each at premium of ₹ 100/- each, fully paid		20.00	20.00
AGGREGATE OF QUOTED INVESTMENTS (NON CURRENT)		**20.00**	**45.00**
TOTAL (NON CURRENT)		**20.04**	**45.04**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

8.2 CURRENT INVESTMENTS

(₹ in crore)

PARTICULARS	AS AT 31.03.2023	AS AT 31.03.2022
A) INVESTMENT IN UNQUOTED MUTUAL FUNDS (INVESTMENT CARRRIED AT FAIR VALUE THROUGH PROFIT OR LOSS):		
BANK OF BARODA LIQUID FUND - DIRECT GROWTH PLAN		
NIL (previous period 105646.438) units	-	25.92
AGGREGATE OF UNQUOTED INVESTMENT (CURRENT)	**-**	**25.92**
B) INVESTMENT IN QUOTED TAX FREE BONDS OF (INVESTMENT CARRIED AT AMORTISED COST):		
(i) INDIAN RAILWAY FINANCE CORPORATION (10 YEAR SECURED REDEEMABLE 7.21% TAX FREE BONDS 26NOV.2022)		
300 Bonds of face value of ₹ 1,000,000/- each at premium of ₹ 100/- each, fully paid	-	30.00
(ii) INDIAN RAILWAY FINANCE CORPORATION (10 YEAR SECURED REDEEMABLE 7.22% TAX FREE BONDS 30NOV.2022)		
100 Bonds of face value of ₹ 1,000,000/- each at premium of ₹ 100/- each, fully paid	-	10.00
(iii) INDIAN RAILWAY FINANCE CORPORATION (10 YEAR SECURED REDEEMABLE 7.18% TAX FREE BONDS 19FEB.2023)		
100,000 Bonds of face value of ₹ 1,000/- each, fully paid	-	10.00
(iv) INDIAN RAILWAY FINANCE CORPORATION (10 YEAR SECURED REDEEMABLE 8.35% TAX FREE BONDS 21NOV.2023)		
250 Bonds of face value of ₹ 1,000,000/- each at premium of ₹ 100/-each, fully paid	25.00	
AGGREGATE OF QUOTED INVESTMENTS (CURRENT)	**25.00**	**50.00**
TOTAL (CURRENT)	**25.00**	**75.92**
GRAND TOTAL	**45.04**	**120.96**
A AGGREGATE AMOUNT OF QUOTED INVESTMENTS	45.00	95.00
B MARKET VALUE OF QUOTED INVESTMENTS*	50.34	104.23
C AGGREGATE AMOUNT OF UNQUOTED INVESTMENTS	0.04	25.96
D AGGREGATE AMOUNT OF IMPAIRMENT IN VALUE OF INVESTMENTS	-	-

*MARKET VALUE OF SOME OF THE BONDS ARE NOT AVAILBALE AS THESE BONDS ARE NOT FREQUENTLY TRADED, HENCE TAKEN AT AMORTISED COST.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

9. NON CURRENT LOANS

(₹ in crore)

PARTICULARS	AS AT 31.03.2023	AS AT 31.03.2022
LOANS TO EMPLOYEES CONSIDERED GOOD-SECURED	5.68	6.05
LOANS TO EMPLOYEES CONSIDERED GOOD-UNSECURED	3.03	2.70
LOANS TO EMPLOYEES WHICH HAVE SIGNIFICANT INCREASE IN CREDIT RISK	-	-
LOANS TO EMPLOYEES-CREDIT IMPAIRED	-	-
TOTAL	**8.71**	**8.75**

10. OTHER NON CURRENT FINANCIAL ASSETS

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2023	AS AT 31.03.2022
SECURITY DEPOSITS		4.73	3.12
INTEREST ACCRUED (INCLUDING ACCRUED BUT NOT DUE) ON:			
- CLIENT FUND FDR		0.63	0.52
RETENTION MONEY		82.36	89.35
BANK DEPOSITS HAVING MATURITY OVER 12 MONTHS FROM REPORTING DATE:			
- OWNED FUND	15.3	0.01	108.00
- CLIENTS FUND	16.3	84.80	24.30
TOTAL		**172.53**	**225.29**

11. DEFERRED TAX ASSETS/ (LIABILITY) (NET)

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2023	AS AT 31.03.2022
DEFERRED INCOME TAX ASSETS:			
ACCRUED COMPENSATION TO EMPLOYEES		23.32	23.82
PROVISION FOR DOUBTFUL DEBTS, SECUTITY DEPOSITS/ EMD, ADVANCES ETC.		38.75	32.52
PROVISION FOR WARRANTY		11.36	11.33
MAT CREDIT ENTITLEMENT		3.91	14.72
LEASE LIABILITY FOR ROU ASSETS		1.36	0.74
TOTAL DEFERRED INCOME TAX ASSETS - I		**78.70**	**83.13**
DEFERRED INCOME TAX LIABILITIES:			
PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS		47.51	49.65
INTEREST ACCRUED BUT NOT RECEIVED ON INCOME TAX REFUND		-	1.51
UNREALIZED SHORT TERM GAIN/(LOSS) ON MUTUAL FUNDS		-	0.06
TOTAL DEFERRED INCOME TAX LIABILITIES - II		**47.51**	**51.22**
DEFERRED INCOME TAX ASSETS (NET)	58	**31.19**	**31.91**

12. OTHER NON CURRENT ASSETS

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2023		AS AT 31.03.2022	
CAPITAL ADVANCE		159.75		120.37	
LESS: PROVISION FOR DOUBTFUL		(0.79)	158.96	-	**120.37**
ADVANCES OTHER THAN CAPITAL ADVANCE					
PREPAID EXPENSES			0.99		1.27
DEFERRED COST TOWARDS STAFF LOAN			3.86		1.17
ADVANCE INCOME TAX (NET OF PROVISION)	58		6.21		23.29
WORKS CONTRACT TAX RECEIVABLE		1.96		1.96	-
LESS: PROVISION FOR DOUBTFUL RECEIVABLE		(1.96)	-	-	1.96
TOTAL			**170.02**		**148.06**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

13. INVENTORIES

(AT THE LOWER OF COST AND NET REALISABLE VALUE)

(₹ in crore)

PARTICULARS	AS AT 31.03.2023		AS AT 31.03.2022	
(AS CERTIFIED BY MANAGEMENT)				
STOCK IN TRADE*	48.09		136.76	
LESS: PROVISION FOR OBSOLETE INVENTORIES	(18.23)	29.86	(19.97)	116.79
STORES & SPARES		1.05		1.96
TOTAL		**30.91**		**118.75**

*Includes inventory lying with third parties of ₹ 23.53 crore (previous year ₹ 133.45 crore) & stock in transit ₹ 22.98 (previous year ₹ NIL 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.

14. CURRENT TRADE RECEIVABLES

(₹ in crore)

PARTICULARS	AS AT 31.03.2023	AS AT 31.03.2022
TRADE RECEIVABLE CONSIDERED GOOD -SECURED	-	-
TRADE RECEIVABLE CONSIDERED GOOD -UNSECURED	906.98	740.03
TRADE RECEIVABLE WHICH HAVE SIGNIFICANT INCREASE IN CREDIT RISK	-	-
TRADE RECEIVABLE -CREDIT IMPAIRED	126.85	104.51
	1,033.83	**844.54**
LESS: ALLOWANCE FOR EXPECTED CREDIT LOSSES	(126.85)	(104.51)
TOTAL	**906.98**	**740.03**

14.1 Trade receivables ageing schedule for the year ending 31.03.2023

(₹ in crore)

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months -1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) Undisputed Trade receivables – considered good	-	661.69	140.20	62.70	42.38	0.01	906.98
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	2.35	-	1.36	1.39	74.13	79.23
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	47.62	47.62
Total	**-**	**664.04**	**140.20**	**64.06**	**43.77**	**121.76**	**1,033.83**
Add: Unbilled Revenue Asset (Refer Note.18)							109.58
Total							**1,143.41**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

14.2 Trade receivables ageing schedule for the year ending 31.03.2022

(₹ in crore)

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months -1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) Undisputed Trade receivables – considered good	-	554.85	80.22	72.93	31.88	0.15	740.03
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	0.02	-	0.33	0.73	54.06	55.14
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	0.01	16.19	33.17	49.37
Total	**-**	**554.87**	**80.22**	**73.27**	**48.80**	**87.38**	**844.54**
Add: Unbilled Revenue Asset (Refer Note.18)							58.54
Total							**903.08**

15. CASH AND BANK BALANCES-OWNED FUND

(₹ in crore)

PARTICULARS	AS AT 31.03.2023		AS AT 31.03.2022	
15.1 CASH AND CASH EQUIVALENTS				
BANK BALANCES IN :				
CURRENT ACCOUNTS	30.73		40.23	
DEPOSITS #	79.30	110.03	9.47	49.70
CHEQUES IN HAND		3.98		-
CASH IN HAND		-		0.01
TOTAL		**114.01**		**49.71**
15.2 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS				
EARMARKED BALANCE WITH BANKS*		2.35		0.43
DEPOSITS ## @		773.52		657.51
TOTAL		**775.87**		**657.94**
15.3 BANK BALANCE MORE THAN 12 MONTHS MATURITY-OWNED FUND (NOTE NO. 10)				
DEPOSITS ###		0.01		108.00
TOTAL		**0.01**		**108.00**
TOTAL CASH & BANK BALANCE-OWNED FUND		**889.89**		**815.65**

Includes flexi deposits and deposits having maturity within 3 months from the date of acquisition.

Having maturity over 3 months from the date of acquisition and upto 12 months from reporting date.

Having maturity over 12 months from reporting date.

@ Includes restricted cash and bank balances of ₹ 0.46 crore (previous year ₹ 0.46 crore) on account of bank balance held as margin money deposits against guarantees issued by banks.

* Earmarked bank balance is for unpaid dividend and unspent CSR

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

16. CASH AND BANK BALANCES-CLIENTS FUND

(₹ in crore)

PARTICULARS	AS AT 31.03.2023	AS AT 31.03.2022
16.1 CASH AND CASH EQUIVALENTS		
BANK BALANCES IN :		
CURRENT ACCOUNTS	595.32	120.57
DEPOSITS #	338.84	638.44
TOTAL	**934.16**	**759.01**
16.2 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS		
DEPOSITS ##	1,624.47	1,832.67
TOTAL	**1,624.47**	**1,832.67**
16.3 BANK BALANCE MORE THAN 12 MONTHS MATURITY-CLIENT FUND (NOTE NO. 10)		
DEPOSITS ###	84.80	24.30
TOTAL	**84.80**	**24.30**
TOTAL CASH & BANK BALANCE-CLIENTS FUND*	**2,643.43**	**2,615.98**

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.

* Equivalent amount appears in client liabilities

17. CURRENT LOANS

(₹ in crore)

PARTICULARS	AS AT 31.03.2023	AS AT 31.03.2022
LOANS TO EMPLOYEES CONSIDERED GOOD-SECURED	2.07	1.34
LOANS TO EMPLOYEES CONSIDERED GOOD-UNSECURED	3.31	2.15
LOANS TO EMPLOYEES WHICH HAVE SIGNIFICANT INCREASE IN CREDIT RISK	-	-
LOANS TO EMPLOYEES -CREDIT IMPAIRED	-	-
TOTAL	**5.38**	**3.49**

18. OTHER CURRENT FINANCIAL ASSETS

(₹ in crore)

PARTICULARS	AS AT 31.03.2023		AS AT 31.03.2022	
SECURITY DEPOSITS	20.81		18.23	
LESS: ALLOWANCES FOR EXPECTED CREDIT LOSSES	(0.31)	20.50	(0.31)	17.92
AMOUNT RECOVERABLES CONSIDERED GOOD-UNSECURED	59.06		13.64	
AMOUNT RECOVERABLES CONSIDERED DOUBTFUL-UNSECURED	22.76		22.35	
	81.82		35.99	
LESS: ALLOWANCES FOR EXPECTED CREDIT LOSSES	(22.76)	59.06	(22.35)	13.64
INTEREST ACCRUED (INCLUDING ACCRUED BUT NOT DUE) ON:				
- OWN FUND FDR	16.35		12.48	
- BONDS	3.38		5.03	
- CLIENT FUND FDR	20.97	40.70	25.97	43.48
RETENTION MONEY		82.58		108.66
UNBILLED REVENUE	109.58		58.54	
LESS: ALLOWANCES FOR EXPECTED CREDIT LOSSES	(0.34)	109.24	(0.34)	58.20
TOTAL		**312.08**		**241.90**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

19. CURRENT TAX ASSETS (NET OF PROVISION)

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2023	AS AT 31.03.2022
INCOME TAX RECEIVABLES	58	21.49	26.08
TOTAL		**21.49**	**26.08**

20. OTHER CURRENT ASSETS

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2023		AS AT 31.03.2022	
PREPAID EXPENSES			6.14		6.17
ADVANCES TO SUPPLIERS		16.17		42.21	
LESS: PROVISION FOR DOUBTFUL ADVANCES		(1.34)	14.83	(1.02)	41.19
OTHER ADVANCES		2.83		1.36	
LESS: PROVISION FOR DOUBTFUL ADVANCES		(0.03)	2.80	(0.35)	1.01
EXPORT INCENTIVE RECEIVABLE	46	0.50		10.52	
LESS: PROVISION FOR DOUBTFUL EXPORT INCENTIVE		(0.31)	0.19	(0.31)	10.21
DEFERRED COST TOWARDS STAFF LOAN			0.21		0.21
GOODS & SERVICE TAX INPUT RECEIVABLE			57.50		97.29
TOTAL			**81.67**		**156.08**

21. EQUITY SHARE CAPITAL

(₹ in crore)

	PARTICULARS	AS AT 31.03.2023	AS AT 31.03.2022
21.1	**AUTHORISED**		
	300,000,000 (PREVIOUS YEAR 300,000,000) EQUITY SHARES OF ₹ 10/- EACH	300.00	300.00
21.2	**ISSUED, SUBSCRIBED AND FULLY PAID-UP**		
	240,301,887 (PREVIOUS YEAR 240,301,887) EQUITY SHARES OF ₹ 10/- EACH	240.30	240.30
		240.30	**240.30**

		NO. OF SHARES	(₹ IN CRORE)	NO. OF SHARES	(₹ IN CRORE)
21.3	**RECONCILIATION OF NUMBER OF EQUITY SHARES**				
	OPENING BALANCE	240,301,887	240.30	240,301,887	240.30
	LESS: BUY BACK OF EQUITY SHARES	-	-	-	-
	CLOSING BALANCE	240,301,887	240.30	240,301,887	240.30

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.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

(₹ in crore)

	PARTICULARS	AS AT 31.03.2023		AS AT 31.03.2022	
		NO. OF SHARES	SHAREHODING (%)	NO. OF SHARES	SHAREHODING (%)
21.5	**EQUITY SHARES HELD BY EACH SHAREHOLDER MORE THAN 5% OF SHARES**				
	PRESIDENT OF INDIA ACTING THROUGH MINISTRY OF RAILWAYS	173,504,773	72.20%	173,504,773	72.20%
	LIFE INSURANCE CORPORATION OF INDIA	19,584,120	8.15%	19,584,120	8.15%
	NIPPON LIFE INDIA TRUSTEE LTD-A/C NIPPON INDIA SMALL CAP FUND	14,480,007	6.03%	-	-

(₹ in crore)

	PARTICULARS	AS AT 31.03.2023		AS AT 31.03.2022	
		NO. OF SHARES	SHAREHOLDING (%)	NO. OF SHARES	SHAREHOLDING (%)
21.6	**EQUITY SHARES HELD BY PROMOTER SHAREHOLDER**				
	PRESIDENT OF INDIA ACTING THROUGH MINISTRY OF RAILWAYS	173,504,773	72.20%	173,504,773	72.20%

(₹ in crore)

	PARTICULARS	AS AT 31.03.2022		AS AT 31.03.2021	
		NO. OF SHARES	SHAREHOLDING (%)	NO. OF SHARES	SHAREHOLDING (%)
	EQUITY SHARES HELD BY PROMOTER SHAREHOLDER				
	PRESIDENT OF INDIA ACTING THROUGH MINISTRY OF RAILWAYS	173,504,773	72.20%	173,504,773	72.02%

21.7 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 5 crore bonus shares of ₹ 10 each during 2019-20 amounting to ₹ 50 crore.

21.8 FULLY PAID-UP AGGREGATE NUMBER OF EQUITY SHARES BUY-BACK DURING THE YEAR OF FIVE YEARS IMMEDIATELY PRECEEDING BALANCE SHEET DATE

The Company has bought back 96,98,113 fully paid-up equity shares of ₹ 10 each from the shareholders on 18th November, 2020, on proportionate basis by way of tender offer at a price of ₹ 265 per equity share for an aggregate amount of ₹ 257 crore. Consequent to the said buy-back, the equity share capital of the company has been reduced by ₹ 9.70 crore and capital redemption reserve of an equivalent amount has therefore been created as per the extant provision of the companies act 2013.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

22. OTHER EQUITY (REFER STATEMENT OF CHANGES IN EQUITY)

(₹ in crore)

	PARTICULARS	NOTE NO.	AS AT 31.03.2023	AS AT 31.03.2022
22.1	**RESERVE & SURPLUS**			
	GENERAL RESERVE*	**22.1.1**	1,608.40	1,608.40
	CAPITAL RESERVE	**22.1.2**	5.22	5.22
	CAPITAL REDEMPTION RESERVE**	**22.1.3**	9.70	9.70
22.2	**RETAINED EARNING**	**22.2.1**	739.45	624.17
22.3	**OTHER COMPREHENSIVE INCOME**			
	FOREIGN CURRENCY TRANSLATION RESERVE	**22.3.1**	0.71	0.85
	ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY (22.1+22.2+22.3) #		**2,363.48**	**2,248.34**
22.4	**NON-CONTROLLING INTERESTS ##**		115.34	105.96
	TOTAL		**2,478.82**	**2,354.30**

*General Reserve represents amount kept by the company out of its profit for future purposes. It is not earmarked for any specific purpose.
**Capital Redemption Reserve shall be utilised in accordance with the provisions of Companies Act, 2013.
#Includes OCI of ₹ 1.65 crore {previous year (₹ 4.00 crore)}.
##Non-Controlling interests pertains to REMC Limited

(₹ in crore)

	PARTICULARS	AS AT 31.03.2023	AS AT 31.03.2022
22.1.1	**GENERAL RESERVE**		
	OPENING BALANCE	1,608.40	1,608.40
	CLOSING BALANCE	**1,608.40**	**1,608.40**
22.1.2	**CAPITAL RESERVE**		
	OPENING BALANCE	5.22	5.22
	CLOSING BALANCE	**5.22**	**5.22**
22.1.3	**CAPITAL REDEMPTION RESRVE**		
	OPENING BALANCE	9.70	9.70
	CLOSING BALANCE	**9.70**	**9.70**
22.2.1	**RETAINED EARNIGS**		
	OPENING BALANCE	624.17	527.51
	PROFIT FOR THE YEAR	542.04	516.37
	OTHER COMPREHENSIVE INCOME (OCI)	5.79	0.82
	ADJUSTMENT ON ACCOUNT OF WINDING UP	-	-
	INTERIM DIVIDENDS (2021-22)	-	(324.41)
	INTERIM DIVIDENDS (2022-23)	(348.44)	-
	FINAL DIVIDEND (2020-21)	-	(96.12)
	FINAL DIVIDEND (2021-22)	(84.11)	-
	CLOSING BALANCE	**739.45**	**624.17**
22.3.1	**FOREIGN CURRENCY TRANSLATION RESERVE**		
	OPENING BALANCE	0.85	0.84
	OTHER COMPREHENSIVE INCOME (OCI)	(0.14)	0.01
	CLOSING BALANCE	**0.71**	**0.85**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

23. NON CURRENT BORROWINGS

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2023	AS AT 31.03.2022
SECURED TERM LOAN FROM INDIAN BANK*		-	24.65
LESS: CURRENT MATURITY OF SECURED TERM LOAN FROM INDIAN BANK		-	(7.67)
TOTAL		**-**	**16.98**

*The entire term loan has been repaid during the month of May 2022 and Security charge has been satisfied in full on 24.05.2022

24. OTHER NON CURRENT FINANCIAL LIABILITIES

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2023	AS AT 31.03.2022
CLIENTS DEPOSITS	16	85.43	24.82
SECURITY DEPOSITS - CLIENTS	16	174.56	122.59
SECURITY DEPOSITS		12.22	17.15
SALARY PAYABLE		2.38	2.27
TOTAL		**274.59**	**166.83**

25. NON CURRENT PROVISIONS

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2023	AS AT 31.03.2022
EMPLOYEE BENEFITS	45	3.08	2.80
WARRANTIES	51(a)	16.67	27.43
TOTAL		**19.75**	**30.23**

26. OTHER NON CURRENT LIABILITIES

(₹ in crore)

PARTICULARS	AS AT 31.03.2023	AS AT 31.03.2022
CLIENTS ADVANCES	0.49	-
TOTAL	**0.49**	**-**

27. CURRENT BORROWINGS

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2023	AS AT 31.03.2022
CURRENT MATURITY OF SECURED TERM LOAN FROM INDIAN BANK	23	-	7.67
TOTAL		**-**	**7.67**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

28. TRADE PAYABLES

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2023	AS AT 31.03.2022
TOTAL OUTSTANDING DUES OF MICRO ENTERPRISES AND SMALL ENTERPRISES	62(e)	45.94	25.62
TOTAL OUTSTANDING DUES OTHER THAN MICRO ENTERPRISES AND SMALL ENTERPRISES		256.17	155.47
TOTAL		**302.11**	**181.09**

28.1 Trade payables ageing schedule for the year ending 31.03.2023

(₹ in crore)

Particulars	Outstanding for following periods from due date of payment						
	Unbilled	Not due	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	30.56	0.15	15.23	-	-	-	45.94
(ii) Others	101.92	6.35	142.73	1.67	0.55	1.78	255.00
(iii) Disputed Dues-MSME	-	-	-	-	-	-	-
(iii) Disputed Dues-Others	-	0.08	-	-	-	1.09	1.17
Total	**132.48**	**6.58**	**157.96**	**1.67**	**0.55**	**2.87**	**302.11**

28.2 Trade payables ageing schedule for the year ending 31.03.2022

(₹ in crore)

Particulars	Outstanding for following periods from due date of payment						
	Unbilled	Not due	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	6.19	2.49	16.94	-	-	-	25.62
(ii) Others	37.56	39.46	71.99	1.35	1.92	1.25	153.53
(iii) Disputed Dues-MSME	-	-	-	-	-	-	-
(iv) Disputed Dues-Others	-	-	-	0.02	-	1.92	1.94
Total	**43.75**	**41.95**	**88.93**	**1.37**	**1.92**	**3.17**	**181.09**

29. OTHER CURRENT FINANCIAL LIABILITIES

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2023	AS AT 31.03.2022
CLIENTS DEPOSITS	16	2,306.61	2,396.97
SECURITY DEPOSITS - CLIENTS	16	98.43	98.09
SECURITY DEPOSITS		66.18	97.13
FOREIGN SERVICE CONTRIBUTION	45 (c)	2.78	3.47
SALARY PAYABLES		7.86	6.61
STAFF & OTHER CLAIMS		11.44	7.99
OTHER PAYABLE OF MSME	62(e)	3.05	0.78
OTHER PAYABLE OF OTHER THAN MSME		4.62	6.69
INTEREST ACCRUED AND DUE ON BORROWINGS		-	0.16
UNPAID DIVIDEND*		0.51	0.43
TOTAL		**2,501.48**	**2,618.32**

* No amount is due for payment to Investor Education & Protection Fund

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

30. OTHER CURRENT LIABILITIES

(₹ in crore)

PARTICULARS	AS AT 31.03.2023	AS AT 31.03.2022
ADVANCE FROM CUSTOMERS	18.68	75.55
STATUTORY LIABILITIES	52.64	41.10
TOTAL	**71.32**	**116.65**

31. CURRENT PROVISIONS

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2023	AS AT 31.03.2022
EMPLOYEE BENEFITS	45	47.75	65.20
CORPORATE SOCIAL RESPONSIBILITY	62(c)	1.84	4.37
WARRANTIES	51(a)	28.46	17.59
TOTAL		**78.05**	**87.16**

32. REVENUE FROM OPERATIONS

(₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2023	YEAR ENDED 31.03.2022
SALE OF SERVICES			
CONSULTANCY FEE		879.92	753.06
INSPECTION FEE		392.93	324.43
LEASE SERVICES	57 (b)(i)	137.71	130.85
		1,410.56	**1,208.34**
SALE OF PRODUCTS			
EXPORT SALES		283.49	944.59
SALE OF POWER GENERATION		19.83	21.38
OTHERS			
TURNKEY CONSTRUCTION PROJECTS		884.53	459.39
TOTAL *		**2,598.41**	**2,633.70**
OTHER OPERATIVE REVENUE			
PROVISION NO LONGER REQUIRED		1.10	0.71
REVERSAL OF IMPAIRMENT OF FINANCIAL ASSETS		-	5.69
LIABILITIES WRITTEN BACK		5.19	0.60
EXPORT INCENTIVES		23.57	21.13
TOTAL		**29.86**	**28.13**
REVENUE FROM OPERATIONS		**2,628.27**	**2,661.83**

Note-* 1 - Revenue from operation does not include GST of ₹ 372.62 crore (previous year ₹ 258.82 crore)

2 - Revenue from operation include unbilled income recognized of ₹ 104.67 crore (previous year ₹ 54.35 crore)

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

33. OTHER INCOME

(₹ in crore)

PARTICULARS	YEAR ENDED 31.03.2023		YEAR ENDED 31.03.2022	
INTEREST EARNED ON:				
- DEPOSITS WITH BANK	49.52		42.53	
- TAX FREE BONDS	6.07		8.28	
- STAFF ADVANCES	1.90		1.32	
- LOAN TO RELATED PARTIES	-		0.13	
- DELAYED PAYMENTS	-		0.48	
- INCOME TAX REFUND	-	**57.49**	**6.00**	**58.74**
DIVIDEND FROM:				
- CURRENT INVESTMENTS	**0.01**	**0.01**	**-**	**-**
REALIZED GAIN ON CURRENT INVESTMENT (MUTUAL FUNDS)		0.96		1.97
UNREALIZED GAIN ON CURRENT INVESTMENT (MUTUAL FUNDS)		-		0.22
RENT FROM INVESTMENT PROPERTIES		0.03		0.16
EXCHANGE VARIATION		40.60		17.18
MISCELLANEOUS INCOME		2.66		5.18
TOTAL		**101.75**		**83.45**

34. EMPLOYEE BENEFITS EXPENSE

(₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2023	YEAR ENDED 31.03.2022
SALARIES		374.41	363.87
FOREIGN SERVICE CONTRIBUTION	45(c)	0.81	3.21
CONTRIBUTION TO PROVIDENT & OTHER FUNDS	45	62.45	61.04
STAFF WELFARE EXPENSES		24.10	25.89
PERFORMANCE RELATED PAYMENT		35.89	38.98
LEAVE ENCASHMENT	45	10.84	24.26
TOTAL		**508.50**	**517.25**

35. SUPPLIES & SERVICES

(₹ in crore)

PARTICULARS	YEAR ENDED 31.03.2023	YEAR ENDED 31.03.2022
TURNKEY CONSTRUCTION PROJECTS	806.62	415.76
OTHERS	172.06	176.95
TOTAL	**978.68**	**592.71**

36. CHANGES IN INVENTORIES OF STOCK IN TRADE

(₹ in crore)

PARTICULARS	YEAR ENDED 31.03.2023	YEAR ENDED 31.03.2022
OPENING BALANCE	136.76	287.59
CLOSING BALANCE	48.09	136.76
NET (INCREASE)/ DECREASE IN INVENTORIES	**88.67**	**150.83**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

37. GENERATION EXPENSES

(₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2023	YEAR ENDED 31.03.2022
TRANSMISSION, WHEELING & SLDC CHARGES		5.71	4.82
OPERATION & MAINTAINANCE COST		3.22	3.07
TOTAL		**8.93**	**7.89**

38. FINANCE COSTS

(₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2023	YEAR ENDED 31.03.2022
ON TERM LOAN	63(b)	0.24	2.11
ON BANK OVERDRAFT		-	0.01
UNWINDING WARRANTY	51(a)	3.25	2.00
BG/LC CHARGES		2.08	2.62
UNWINDING LEASE LIABILITY	57(a)	0.46	0.30
INTEREST- OTHERS*		1.01	0.21
TOTAL		**7.04**	**7.25**

*Includes Interest on Income tax of ₹ 0.49 (previous year 31.03.2022 ₹ Nil crore)

39. DEPRECIATION & AMORTISATION EXPENSE

(₹ in crore)

PARTICULARS	YEAR ENDED 31.03.2023	YEAR ENDED 31.03.2022
PROPERTY, PLANT AND EQUIPMENT	61.13	60.11
RIGHT OF USE ASSETS	3.69	3.51
INTANGIBLE ASSETS	1.87	1.99
TOTAL	**66.69**	**65.61**

40. OTHER EXPENSES

(₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2023	YEAR ENDED 31.03.2022
PRINTING, STATIONERY AND DOCUMENTATION		3.36	3.82
ADVERTISEMENT & BUSINESS PROMOTION		4.32	4.21
AUDITORS' REMUNERATION (INCLUDING OUT OF POCKET EXPENSES)	40.1	0.53	0.43
RATES & TAXES		2.59	2.64
OFFICE RENT		9.94	6.84
POSTAGE & TELECOMMUNICATION		4.93	5.58
OFFICE MAINTENANCE		12.52	11.22
REPAIRS TO MACHINERY/EQUIPMENTS		1.53	2.96
REPAIRS TO BUILDING		-	0.01
FREIGHT & FORWARDING (OUTWARD)		23.48	19.55
POWER AND FUEL CHARGES		4.46	4.02
STORES AND SPARES CONSUMED		14.20	5.49
INTERNAL AUDIT FEE		0.10	0.09
LEGAL AND PROFESSIONAL FEE		3.32	1.66
INSURANCE CHARGES		2.12	1.52
PROPERTY, PLANT AND EQUIPMENT WRITTEN OFF		0.06	0.05

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

(₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2023	YEAR ENDED 31.03.2022
MANPOWER DEVELOPMENT		1.27	0.54
LOSS ON SALE OF PROPERTY, PLANT AND EQUIPMENT		0.03	0.02
IMPAIRMENT LOSS FOR FINANCIAL ASSETS:			
- ON FINANCIAL ASSETS		22.75	1.56
- ON ADVANCES		2.77	
- EXPORT INCENTIVES		-	0.31
- INVENTORIES		-	16.52
BAD DEBTS		2.26	10.89
PROVISION FOR WARRANTIES		5.95	26.85
DIRECTORS' SITTING FEE		0.27	0.14
CORPORATE SOCIAL RESPONSIBILITY		15.12	14.80
RESEARCH AND DEVELOPMENT		0.40	
ADVANCES/RECOVERABLE WRITTEN OFF		-	0.04
MISCELLANEOUS EXPENSES		7.41	7.06
TOTAL		**145.69**	**148.82**

40.1 AUDITORS' REMUNERATION

(₹ in crore)

PARTICULARS	YEAR ENDED 31.03.2023	YEAR ENDED 31.03.2022
(A) STATUTORY AUDITORS		
STATUTORY AUDIT FEE	0.18	0.12
TAX AUDIT FEE	0.05	0.04
LIMITED REVIEW	0.09	0.08
OTHER SERVICES, i.e. CERTIFICATION ETC.	0.18	0.08
SUB TOTAL (A)	0.50	0.32
(B) BRANCH AUDITORS		
STATUTORY AUDIT FEE	-	0.03
TAX AUDIT FEE	-	0.01
LIMITED REVIEW FEE	0.01	0.03
SUB TOTAL (B)	**0.01**	**0.07**
AUDITORS' REMUNERATION (A+B)	**0.51**	**0.39**
AUDITORS' OUT OF POCKET EXPENSES (C)	**0.02**	**0.04**
AUDITORS' REMUNERATION (INCLUDING OUT OF POCKET EXPENSES) (A+B+C)	**0.53**	**0.43**

41. SHARE OF PROFIT/(LOSS) OF JOINT VENTURES & ASSOCIATES

(₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2023	YEAR ENDED 31.03.2022
INDIAN RAILWAY STATIONS DEVELOPMENT CORPORATION LIMITED		0.81	(0.09)
SAIL-RITES BENGAL WAGON INDUSTRY PRIVATE LIMITED		0.16	0.81
ELICIUS ENERGY PRIVATE LIMITED	62(i)	-	-
TOTAL	55(b)(ii)	**0.97**	**0.72**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

42. TAXES EXPENSES

42.1 CURRENT TAX

(₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2023	YEAR ENDED 31.03.2022
-CURRENT YEAR		(202.08)	(189.88)
-EARLIER YEAR		(0.16)	(11.54)
TOTAL	58	**(202.24)**	**(201.42)**

42.2 DEFERRED TAX (NET)

(₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2023	YEAR ENDED 31.03.2022
CREDIT/(CHANGE) RELATING TO TEMPORARY DIFFERENCES			
- CURRENT YEAR		(0.71)	(1.57)
- EARLIER YEAR		-	6.47
TOTAL	58	**(0.71)**	**4.90**

DISCLOSURES AS PER INDIAN ACCOUNTING STANDARDS (IND AS):

43. THE SUBSIDIARY COMPANIES CONSIDERED IN THE FINANCIAL STATEMENTS ARE AS FOLLOWS:

Name of Subsidiary Companies	Country of Incorporation	% of Shareholding as on 31.03.2023	% of Shareholding as on 31.03.2022
• RITES (Afrika) (Pty) Limited	Botswana	100%	100%
• REMC Limited	India	51%	51%

44. INDIAN ACCOUNTING STANDARD (IND AS) 2, DISCLOSURES ON INVENTORIES ARE AS FOLLOWS:

Inventories are carried at lower of cost and net realizable value. Cost of stock in trade, procured or purchased, by the holding Company comprises of costs of purchase and other costs incurred in bringing the inventories to its present location and condition.

Amount of inventories consumed and recognized as expenses during the year is as under:

(₹ in crore)

Particulars	Year ended	
	31.03.2023	31.03.2022
Stock in Trade	187.33	628.84
Stores and spares	14.20	5.49
Total	**201.53**	**634.33**
Provision for Obsolete inventories	-	16.52
Reversal of Provision of inventory	1.10	-

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

45. IN CASE OF HOLDING COMPANY, INDIAN ACCOUNTING STANDARD (IND AS) 19, DISCLOSURES ON EMPLOYEE BENEFITS ARE AS FOLLOWS:

a) Defined Benefit Plan

i) Gratuity (Funded) - Regular Employees

I) Changes in Present Value of the Benefit Obligation are as follows:

(₹ in crore)

Particulars	31.03.2023	31.03.2022
Present Value of obligation as at beginning of year	148.31	146.33
Interest Cost	10.38	9.74
Current Service Cost	8.04	8.67
Benefits paid	(21.83)	(16.88)
Actuarial (Gain)/Loss on obligation	(6.98)	0.45
Present Value of Obligation as at end of year	137.92	148.31

Bifurcation of Present Value Obligation at the end of year in current and non-current:

(₹ in crore)

Particulars	31.03.2023	31.03.2022
Current liability (Amount due within one year)	16.63	21.13
Non-Current liability (Amount due over one year)	121.29	127.18
Present Value of Obligation as at end of year	137.92	148.31

II) Changes in the Fair Value of Plan Assets are as follows:

(₹ in crore)

Particulars	31.03.2023	31.03.2022
Fair Value of Plan Assets at beginning of year	147.54	143.27
Actual Interest Income	11.94	10.94
Contributions	0.77	3.06
Benefits Paid	-	(5.58)
Benefit Paid (But not received from Fund)	(21.83)	(4.15)
Fair value of Plan Assets at the end of year	138.42	147.54

Major categories of plan assets (as percentage of total plan assets):

Particulars	31.03.2023	31.03.2022
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 %**

III) The amount recognized in the Balance Sheet is as follows:

(₹ in crore)

Particulars	31.03.2023	31.03.2022
Defined Benefit Obligation at end of year	137.92	148.31
Fair value of Plan Assets at the end of year	138.42	147.54
Funded Status – (Surplus)/ Deficit	(0.50)	0.77
Net (Liability)/ Asset recognized in Balance Sheet	0.50	(0.77)

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

IV) Amount recognized in the Statement of Profit & Loss is as follows:

(₹ in crore)

Particulars	31.03.2023	31.03.2022
Current Service Cost	8.04	8.67
Net Interest on Net Defined Benefit Liability	0.05	0.20
Expenses recognized in the statement of Profit & Loss	8.09	8.87

Bifurcation of Actuarial Gain/Loss on Obligation

(₹ in crore)

Particulars	31.03.2023	31.03.2022
Actuarial (Gain)/Loss on arising from Change in Demographic Assumption	-	-
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	(3.59)	(1.52)
Actuarial (Gain)/Loss on arising from Experience Adjustment	(3.39)	1.97

V) Amount recognized in Other Comprehensive Income is as follows:

(₹ in crore)

Particulars	31.03.2023	31.03.2022
Actuarial (Gains)/Losses on Liability	(6.98)	0.45
Actuarial (Gains)/Losses on Assets	(1.62)	(1.40)
Other Comprehensive (Income)/Expense	(8.60)	(0.95)

VI) The principal actuarial assumptions are as follows:

Particulars	31.03.2023	31.03.2022
Discounting rate (%)	7.38%	7.00%
Future salary increase (%)	8.70%	8.70%
Retirement Age (Years)	60	60
Mortality rates inclusive of provision for disability	100% of IALM (2012 - 14)	100% of IALM (2012 - 14)
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

VII) The significant actuarial assumptions for the determination of the defined obligations are discount rate and expected salary increase. The sensitivity for actuarial assumptions has 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 ₹ 8.90 crore / increase by ₹ 9.54 crore as on 31st March, 2023 and if the expected salary growth increases /decreases by 1%, the defined benefit obligations would increase by ₹ 3.40 crore/ decrease by ₹ 3.59 crore as on 31st March, 2023.

However, the actual change in assumptions would not necessarily behave in isolation to each other. The defined benefit obligations would change accordingly.

Remeasurement (gain)/loss of defined employee benefit plans in Other Comprehensive Income (OCI) for the year ended 31.03.2023 and 31.03.2022 are ₹ (8.60) crore and ₹ (0.95) crore respectively.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

The defined benefit obligation shall mature as follows:

(₹ in crore)

Year ending March, 31	Defined benefit obligations
2024	16.63
2025	18.25
2026	15.91
2027	12.72
2028	08.97
2029	09.83
2029 onward	55.61

ii) Gratuity (Funded)-Contract Employees.

I) Changes in Present Value of the Benefit Obligation are as follows:

(₹ in crore)

Particulars	31.03.2023	31.03.2022
Present Value of obligation as at beginning of year	3.84	3.57
Interest Cost	0.27	0.23
Current Service Cost	0.48	0.36
Benefits paid	(0.34)	(0.31)
Actuarial (Gain)/Loss on obligation	0.85	(0.01)
Present Value of Obligation as at end of year	5.10	3.84

Bifurcation of Present Value of the Benefit Obligation at the end of year in current and non-current.

(₹ in crore)

Particulars	31.03.2023	31.03.2022
Current liability (Amount due within one year)	0.19	0.14
Non-Current liability (Amount due over one year)	4.91	3.70
Total Present Value of Obligation as at end of year	5.10	3.84

II) Changes in the Fair Value of Plan Assets are as follows:

(₹ in crore)

Particulars	31.03.2023	31.03.2022
Fair Value of Plan Assets at beginning of year	3.79	3.37
Actual Interest Income	0.27	0.27
Contributions	0.05	0.20
Benefit claimed from trust but not credited till date	(0.34)	
Benefits Paid	0.00	(0.05)
Fair value of Plan Assets at the end of year	3.77	3.79

Major categories of plan assets (as percentage of total plan assets) :

(₹ in crore)

Particulars	31.03.2023	31.03.2022
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 %**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

III) The amount recognized in the Balance Sheet is as follows:

(₹ in crore)

Particulars	31.03.2023	31.03.2022
Defined Benefit Obligation at end of year	5.10	3.84
Fair value of Plan Assets at the end of year	3.77	3.79
Funded Status – (Surplus)/ Deficit	1.33	0.05
Net (Liability)/ Asset recognized in Balance Sheet	(1.33)	(0.05)

IV) Amount recognized in the Statement of Profit & Loss is as follows:

(₹ in crore)

Particulars	31.03.2023	31.03.2022
Current Service Cost	0.48	0.36
Net Interest on Net Defined Benefit Liability	0.00	0.01
Expenses recognized in the statement of Profit & Loss	0.48	0.37

Bifurcation of Actuarial Gain/Loss on Obligation:

(₹ in crore)

Particulars	31.03.2023	31.03.2022
Actuarial (Gain)/Loss on arising from Change in Demographic Assumption	-	-
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	(0.25)	(0.05)
Actuarial (Gain)/Loss on arising from Experience Adjustment	1.11	0.04

V) Amount recognized in Other Comprehensive Income is as follows:

(₹ in crore)

Particulars	31.03.2023	31.03.2022
Actuarial (Gains)/Losses on Liability	0.85	(0.01)
Actuarial (Gains)/Losses on Assets	0.00	(0.05)
Other Comprehensive (Income)/Expense	0.85	(0.06)

VI) The principal actuarial assumptions are as follows:

(₹ in crore)

Particulars	31.03.2023	31.03.2022
Discounting rate (%)	7.38%	7.00%
Future salary increase (%)	4.35%	4.35%
Retirement Age (Years)	60	60
Mortality rates inclusive of provision for disability	100% of IALM (2012-14)	100% of IALM (2012-14)
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

VII) The significant actuarial assumptions for the determination of the defined obligations are discount rate and expected salary increase. The sensitivity for actuarial assumptions has been computed by varying respective actuarial assumption used for valuation of the defined benefit obligation by 1%, while holding all other assumptions constant.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

If the discount rate increases /decreases by 1%, the defined obligations would decrease by ₹ 0.62 crore / increase by ₹ 0.68 crore as on 31st March, 2023 and if the expected salary growth increases /decreases by 1%, the defined benefit obligations would increase by ₹ 0.69 crore/ decrease by ₹ 0.64 crore as on 31st March, 2023.

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 ₹ 1.33 crore to defined benefit plan obligations towards gratuity during the year 2023-24. Remeasurement (gain)/loss of defined employee benefit plans in Other Comprehensive Income (OCI) for the year ended 31.03.2023 and 31.03.2022 are ₹ 0.85 crore and ₹ (0.06) crore respectively.

The defined benefit obligations shall mature as follows:

(₹ in crore)

Year ending March, 31	Defined benefit obligations
2024	0.19
2025	0.09
2026	0.16
2027	0.23
2028	0.13
2029	0.18
2029 onwards	4.11

iii) Provident Fund (Funded)

The Company pays fixed contribution to provident fund at predetermined rates to a separate trust, which invests the funds in permitted securities. The Company has an obligation to ensure minimum rate of return to the members as specified by GOI. Accordingly, the Company has obtained report of the actuary, based on which overall interest earnings and cumulative surplus is more than the statutory interest payment requirement for all the periods presented. Further, contribution to employees pension scheme is paid to the appropriate authorities.

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 ₹ 6.76 crore (previous year ₹ 1.05 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 ₹ 24.54 crore and ₹ 23.61 crore to the provident fund during the year ended 31st March, 2023 and 31st March, 2022 respectively.

I) Changes in Present Value of the Benefit Obligation are as follows:

(₹ in crore)

Particulars	31.03.2023	31.03.2022
Present value of obligation as at the beginning of the year	676.06	646.41
Interest Cost	53.05	53.58
Current Service Cost	24.54	23.61
Contributions by plan participants / employees	43.51	45.97
Benefits Paid	(115.13)	(98.54)
Total Actuarial (Gain)/Loss on Obligation	(1.10)	0.91
Settlements/Transfer In	5.13	4.12
Present value of obligation as at the End of the year	**686.06**	**676.06**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

II) Changes in the Fair Value of Plan Assets are as follows:

(₹ in crore)

Particulars	31.03.2023	31.03.2022
Fair value of plan assets at the beginning of the period	677.11	646.44
Actual return on plan assets	57.66	55.51
Employer contribution	24.54	23.61
Plan Participants / Employee Contribution	43.51	45.97
Benefits paid	(115.13)	(98.54)
Settlements / Transfer In	5.13	4.12
Fair value of plan assets at the end of the period	692.82	677.11

III) Net defined benefit Surplus (Deficit) is as follows:

(₹ in crore)

Particulars	31.03.2023	31.03.2022
Defined Benefit Obligation at end of year	686.06	676.06
Fair value of Plan Assets at the end of year	692.82	677.11
Net defined benefit Surplus(Deficit)	6.76	1.05

iv) Other Benefits

I) Other Benefits (Funded):- Earned Leave and Medical Leave- Regular Employees

A) Changes in Present Value of the Benefit Obligation are as follows:

(₹ in crore)

Particulars	Earned Leave (Regular Employee)		Medical Leave (Regular Employee)	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
Present Value of obligation as at beginning of year	93.15	83.74	67.74	64.54
Interest Cost	6.52	5.58	4.74	4.30
Current Service Cost	7.62	8.26	4.35	4.48
Benefits paid	(22.69)	(16.80)	(5.10)	(3.75)
Actuarial (Gain)/Loss on obligation	4.12	12.37	(6.79)	(1.83)
Present Value of Obligation as at end of year	88.72	93.15	64.94	67.74

B) Changes in the Fair Value of Plan Assets are as follows:

(₹ in crore)

Particulars	Earned Leave (Regular Employee)		Medical Leave (Regular Employee)	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
Fair Value of Plan Assets at the beginning of the year	78.56	73.42	67.66	63.24
Actual Interest Income	5.81	5.14	5.01	4.42
Contributions	7.60	-	6.55	-
Benefits Paid	-	-	-	-
Fair value of Plan Assets at the end of year	91.97	78.56	79.22	67.66

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

C) The amount recognized in the Balance Sheet is as follows:

(₹ in crore)

Particulars	Earned Leave (Regular Employee)		Medical Leave (Regular Employee)	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
Defined Benefit Obligation at end of year	88.72	93.15	64.94	67.74
Fair value of Plan Assets at the end of year	91.97	78.56	79.22	67.66
Funded Status – (Surplus)/ Deficit	(3.25)	14.59	(14.28)	0.08
Net (Liability)/ Asset recognized in Balance Sheet	3.25	(14.59)	14.28	(0.08)

D) Amount recognized in the Statement of Profit & Loss is as follows:

(₹ in crore)

Particulars	Earned Leave (Regular Employee)		Medical Leave (Regular Employee)	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
Current Service Cost	7.62	8.26	4.35	4.48
Net Interest on Net Defined Benefit Liability	1.02	0.69	0.00	0.09
Net Actuarial (gain)/loss recognized in the year	3.81	12.12	(7.06)	(2.04)
Expenses recognized in the statement of Profit & Loss	12.45	21.07	(2.71)	2.53

E) The principal actuarial assumptions are as follows:

Particulars	Earned Leave (Regular Employee)		Medical Leave (Regular Employee)	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
Discounting rate (%)	7.38%	7.00%	7.38%	7.00%
Future salary increase (%)	8.70%	8.70%	8.70%	8.70%

F) Sensitivity Analysis of the defined benefit obligation:

(₹ in crore)

Particulars	Increase (Decrease) in present value of obligation as on 31.03.2023	
	Earned Leave (Regular Employee)	Medical Leave (Regular Employee)
Impact due to Increase of 1 % discount rate	(8.21)	(4.78)
Impact due to Decrease of 1 % discount rate	8.93	5.14
Impact due to Increase of 1 % in Salary.	8.77	5.05
Impact due to Decrease of 1 % in Salary.	(8.23)	(4.73)

II) Other Benefits (unfunded):- Earned Leave (Contract employee), Leave Travel Concession and Long Service Award (Regular employee).

A) Present value of the defined benefits plan obligations:

(₹ in crore)

Particulars	Earned Leave (Contract Employee)		Leave Travel Concession (Regular employee)		Long Service Award (Regular employee)	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022
Opening Balance	1.39	1.64	0.01	0.01	1.55	1.51
Interest Cost	0.10	0.11	0.00	0.00	0.11	0.10
Current Service Cost	0.33	0.32	0.00	0.00	0.19	0.13
Benefit paid	(0.68)	(0.91)	(0.01)	(0.00)	(0.24)	(0.00)
Actuarial (Gain)/Loss on obligation	0.67	0.23	0.00	(0.00)	(0.07)	(0.19)
Closing Balance	1.81	1.39	0.00	0.01	1.54	1.55

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

B) Total expenses recognized in the Statement of Profit & Loss are as follows:

(₹ in crore)

Particulars	Earned Leave (Contract Employee)		Leave Travel Concession (Regular employee)		Long Service Award (Regular employee)	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022
Current Service Cost	0.33	0.32	0.00	0.00	0.19	0.13
Interest Cost	0.10	0.11	0.00	0.00	0.11	0.10
Actuarial (Gain)/Loss	0.67	0.23	0.00	(0.00)	(0.07)	(0.19)
Expenses recognized in the statement of Profit & Loss	1.10	0.66	0.00	(0.00)	0.23	0.04

C) The principal actuarial assumptions used at the Balance Sheet date are as follows:

Particulars	Earned Leave (Contract Employee)		Leave Travel Concession (Regular employee)		Long Service Award (Regular employee)	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022
Discount rate (%)	7.38%	7.00%	7.38%	7.00%	7.38%	7.00%
Future salary increase (%)	4.35%	4.35%	8.70%	8.70%	-	-

D) Sensitivity Analysis of the defined benefit obligation:

(₹ in crore)

Particulars	Increase (Decrease) in present value of obligation as on 31.03.2023	
	Earned Leave (Regular Employee)	Medical Leave (Regular Employee)
Impact due to Increase of 1 % discount rate	(0.25)	-
Impact due to Decrease of 1 % discount rate	0.27	-
Impact due to Increase of 1 % in Salary.	0.28	-
Impact due to Decrease of 1 % in Salary.	(0.25)	-

b) Defined Contribution Plans

i) 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 ₹ 20.07 crore (previous year ₹ 18.89 crore) towards post-retirement pension fund, ₹ 3.27 crore (previous year ₹ 3.52crore) towards pension under EPFO and ₹ 5.62 crore (previous year ₹ 5.45crore) towards medical schemes.

ii) Performance Related Pay:

Eligible employees are entitled to benefit of performance related pay. The provision for performance-related pay is of short-term nature and has been recognized as per the procedure laid by management based on the guidelines of the Department of Public Enterprises.

c) Foreign Service Contribution

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.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

46. INDIAN ACCOUNTING STANDARD (IND-AS) 20, DISCLOSURES ON ACCOUNTING FOR GOVERNMENT GRANT AND DISCLOSURES ON GOVERNMENT ASSISTANCE ARE AS FOLLOWS:

The holding Company is receiving government grant in the form of export incentive on export of Rolling Stock and Spare parts. There are two types of export incentive i.e. duty drawback and RoDTEP (Remission of Duties & Taxes on Exported Products). The holding Company has recognized/presented ₹ 23.57 crore (previous year ₹ 21.13 crore) as export incentive. The export incentive receivable at the end of the year is ₹ 0.50 crore (previous year ₹ 10.52 crore).

47. INDIAN ACCOUNTING STANDARD (IND AS) 21, DISCLOSURES ON THE EFFECT OF CHANGES IN FOREIGN EXCHANGE RATES ARE AS FOLLOWS:

The amount of exchange differences (net) credited to the statement of profit and loss account during the Financial Year is ₹ 40.60 crore (Previous Year ₹ 17.18 crore).

The movement in the Foreign Currency Translation Reserve is as follows:

(₹ in crore)

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Opening Balance	0.85	0.84
Other comprehensive income recognised during the year end	(0.14)	0.01
Closing Balance	0.71	0.85

48. INDIAN ACCOUNTING STANDARD (IND AS) 24 –RELATED PARTY DISCLOSURES ARE AS FOLLOWS:

a) Joint Ventures

Name of Subsidiaries	Country	Holding as on	
		31.03.2023	31.03.2022
M/s SAIL-RITES Bengal Wagon Industry Private Limited	India	50%	50%
M/s Indian Railway Stations Development Corporation Limited	India	24%	24%

b) Associates

Name of Subsidiaries	Country	Holding as on	
		31.03.2023	31.03.2022
M/s Elicius Energy Private Limited	India	13%	13%

Investment in above associate is ₹ 15,730/-. in absence of management signed/ audited accounts of the company proportionate shares of the same has not been considered for consolidation purpose in FY 2022-23.

c) Other Related Parties:

	Country	Nature of Relationship
RITES Contributory Provident Fund	India	Post- Employment Benefit Plan of RITES Limited
RITES Limited Superannuation Pension Trust	India	Post- Employment Benefit Plan of RITES Limited
RITES Limited Retired Employees Medical Trust	India	Post- Employment Benefit Plan of RITES Limited
RITES Employee Gratuity Fund	India	Post- Employment Benefit Plan of RITES Limited

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

d) Key Management Personnel

i) Holding Company

Chairman & Managing Director (Chief Executive Officer)
Shri. Rahul Mithal

Whole Time Directors
Shri. Arun Kumar Singh - Director Projects (w.e.f 26.09.2022)
Dr. Deepak Tripathi - Director Technical (w.e.f 27.03.2023)
Shri. Bibhu Prasad Nayak - Director Finance
Shri. Gopi Suresh Kumar Varadarajan - Director Projects (Upto 31-07-2022)
Shri. Anil Vij - Director Technical (Upto 28.02.2023)

Government Nominee Directors
Shri. Sandeep Jain
Shri. Raj Kumar Mangla

Non-Executive (Independent) Directors
Shri. Laxman Tammanna Tapashi
Dr. Godawari Mishra
Dr. Dineshananda Goswami
Shri. Likha Togu

Chief Financial Officer
Shri. Bibhu Prasad Nayak

Company Secretary
Shri. Joshit Ranjan Sikidar

ii) Subsidiary Companies

I) REMC Limited

Chairman
Shri Rahul Mithal

Directors
Shri Gopi Suresh Kumar Varadarajan (Up to 31-07-2022)
Shri Arun Kumar Singh (From 06-10-2022)
Shri Ajeet Kumar Srivastava
Shri Manish Gupta
Shri B.P. Nayak

Non-Executive (Independent) Directors
Smt. Sheela Kaul (Up to 24.07.2022)

Chief Executive Officer (CEO)
Shri Ajay Kumar Singhal

Chief Finance Officer (CFO)
Shri Anjeev Kumar Jain

Company Secretary
Shri Ranjan Kumar Tiwary

II) RITES (Afrika) (Pty) Limited

Directors
Shri. Rajesh Kumar
Shri. Vijay Kumar (Wef 11.07.2022)
Shri. Narayan Ganesh Babu (upto 11.07.2022)

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

e) 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.

ii) Joint Ventures

Transactions with Joint Ventures:

(₹ in crore)

Particulars	SAIL-RITES Bengal Wagon Industry Private Limited		Indian Railway Stations Development Corporation Limited	
	Year ended		Year ended	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
Interest on Loan given	-	0.13	-	-
Foreign service Contribution / remittance received	-	-	-	0.09
Unbilled revenue	-	-	0.89	-
Transfer of leave encashment & gratuity	-	-	0.20	-

Balances with Joint Ventures:

(₹ in crore)

Particulars	SAIL-RITES Bengal Wagon Industry Private Limited		Indian Railway Stations Development Corporation Limited	
	Year ended		Year ended	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
Investments(equity)	24.00	24.00	48.00	48.00
Receivables	-	0.05	-	-
Unbilled assets	-	-	0.89	-

iii) Associates

Balances with Associates:

(₹ in crore)

Particulars	Elicius Energy Private Limited	
	As on	
	31.03.2023	31.03.2022
Investments (equity)	0.00*	0.00*

*Refer note no 62(i)

iv) Transactions with other related parties (Post-Retirement Benefits Trusts/Plans):

Refer note no.45 & 48(c).

v) Transactions with Key Managerial Personnel:

(₹ in crore)

Particulars	Year ended	
	31.03.2023	31.03.2022
Compensation to CMD, Whole Time Directors, CFO & Company Secretary:		
• Short Term Employee Benefits	6.27	5.66
• Post-employment Benefits	0.45	0.44
• Other Long-Term Benefits	0.80	0.87
Sub-Total	**7.52**	**6.97**
Sitting fee to Non-Executive (Independent) Directors	0.28	0.14
Total	**7.80**	**7.11**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

g) Entities under the control of same Government

Government of India (GOI) as on 31stMarch 2023 is holding 72.20% equity shares of the holding Company, which is held by President of India through Ministry of Railways. GOI controls the holding Company through Ministry of Railways.

The Group has made various transactions with the Ministry of Railways and with entities being controlled or jointly controlled or having significant influence of the Ministry of Railways. The transactions with them are as under:

Significant Transactions with Government related entities:

(₹ in crore)

Particulars	Year ended	
	31.03.2023	31.03.2022
Revenue	1130.91	753.75
Procurements	69.41	201.78
Fee for services& supplies obtained	7.94	10.19
Consumables	0.74	0.66
Training expenses	0.01	0.01
Provision for bad debts including written offs	10.43	20.68
Dividend paid	331.85	308.04
Interest on tax free bonds	6.07	8.28
Reimbursements/ Recoverable	1.40	0.25

Significant balances with Government related entities:

(₹ in crore)

Particulars	As on	
	31.03.2023	31.03.2022
Capital Advances	6.60	5.22
Other Advances	12.82	36.36
Recoverable	2.94	3.36
Payables	17.54	15.21
Advance Received	0.07	2.19
Clients Funds Received	171.30	251.13
Receivables	275.31	211.11
Tax Free Bonds	45.00	95.00
Interest on Tax Free Bonds	3.38	5.03

49. INDIAN ACCOUNTING STANDARD (IND-AS) 33, DISCLOSURE ON EARNINGS PER SHARE (EPS)IS AS FOLLOWS:

Particulars		Year ended	
		31.03.2023	31.03.2022
A	Net Profit available for Equity Shareholder (₹ in crore)	542.04	516.37
B	Weighted average number of Equity Shares	24,03,01,887	24,03,01,887
C	Earnings Per Share (Basic & Diluted) (A)/(B)	₹ 22.56	₹ 21.49
D	Face value per equity share	₹ 10/-	₹ 10/-

50. INDIAN ACCOUNTING STANDARD (IND AS) 36, DISCLOSURES ON IMPAIRMENT OF ASSETS ARE AS FOLLOWS:

The Company has carried out the assessment on impairment of assets in terms of Indian Accounting standard (Ind AS) 36, Impairment of Assets and management does not perceive any impairment in the value of the carrying amount of assets.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

51. INDIAN ACCOUNTING STANDARD (IND AS) 37, DISCLOSURES ON PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS ARE AS FOLLOWS:

a) In case of Holding Company, 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 01.04.22	Provision made during	Provisions used during the year	Unused amount reversed during the year	Unwinding Cost	Carrying amount as on 31.03.23
Warranties	45.02	5.95	9.09	-	3.25	45.13

(₹ in crore)

Items	Carrying amount 01.04.21	Provision made during	Provisions used during the year	Unused amount reversed during the year	Unwinding Cost	Carrying amount as on 31.03.22
Warranties	25.14	35.83	8.97	8.98	2.00	45.02
Commitments	0.58	-	-	0.58	-	-

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.

Effect of change in the discount rate:

3 years SBI MCLR rate as on 31.03.2023 ie. 8.70% is used as discount rate during the reporting period. The effect of change in discount rate, FY 2022-23 ie. 8.70% vice 7.30% for FY- 2021-22, is ₹ 0.32 crore

For movement of provision for unspent amount of Corporate Social Responsibility-refer 62(c)(i)(III) & 62(c)(ii) (III)

b) Contingent liabilities and commitments to the extent not provided for include:

i) Contingent Liabilities (As certified by the Management)

I) Claims (excluding interest) against the Holding Company not acknowledged as debts are ₹ 27.06 crore (previous year ₹ 27.15 crore).

II) The holding Company is subject to legal/arbitration proceeding and claims, which have arisen in the ordinary course of business. Management does not reasonably expect that when these cases ultimately conclude and determined, will have any material and adverse effect on the holding Company's results of operations or financial conditions.

III) Disputed taxes and duty of the holding Company:

A) Demand on account of income tax includes of ₹ 6.66 crore (excluding interest) (previous year ₹ 5.21crore) which are being contested by the Holding Company. This excludes ₹ 4.51 crore (previous year ₹ 2.31 crore) relating to cases where the holding 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) Demand on account of service tax, VAT etc. amounting to ₹ 8.87 crore (previous year ₹ 2.85 crore) which are being contested by the Holding Company at different forums.

IV) The company has entered into a contract with the Ministry of Housing & Urban Affairs for purchase of commercial built up in the complex at Nauroji Nagar New Delhi through NBCC. The company has paid GST under reverse charge from third demand onward along with the GST on earlier demand excluding interest of ₹ 1.40 crore on delay payment of GST

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

under reverse charge prior to third demand. Company is of the view that liability to pay GST is with NBCC under Sec 9(1) of CGST Act. AAR (Authority for Advance Ruling) under Sec 37 (1) and Delhi Appellate Authority also held the same view. As such, the company does not foresee any liability of interest as on 31.03.2023. However, as an abundant precaution, the same is being disclosed as Contingent Liability.

V) REMC Limited, on account of wheeling & transmission charges for 26MW windmill plant of Company at Jaisalmer, an amount of ₹ 1.62 crore (previous year₹ 1.62 crore) for which Company may be contingently liable to Rajasthan State utilities.

VI) Group share of contingent liabilities in Joint ventures (IRSDC Limited and SAIL-RITES Bengal Wagon Industry Private Limited) is ₹ 2.68 crore (previous year ₹ 29.24 crore).

VII) A number of cases are lying for adjudication at various forum or under arbitration, which the holding Company is contesting on behalf of Clients. The holding Company is not subject to any liability that may result pursuant to adjudication / arbitral award.

VIII) The above contingent liabilities do not include contingent liabilities on account of pending cases in respect of service matters &others where amount cannot be quantified.

ii) Commitments

Estimated amount of contracts of holding Company remaining to be executed on capital account and not provided for amounting to ₹ 104.19 crore (previous year ₹ 199.97 crore).

Estimated amount of contracts of REMC Limited remaining to be executed on capital account and not provided for amounting to ₹ 4.27 crore (previous year Nil).

c) Contingent Assets

i) In a pre-closed contract in the year 2005–06, the holding Company invoke arbitration for a claim of ₹ 233.93 crore (previous year ₹ 233.93 crore) against a client. Client also submitted counter claims of ₹ 469.10 crore (previous year ₹ 469.10 crore) before arbitrator. The sole arbitrator awarded ₹ 88.31 crore in favour of the holdingCompany against the claim of ₹ 233.93 Crore, while rejecting the counter claims of the client. Since the awarded amount is less than the claimed amount, the holding Company appealed against the aforesaid award. Appellate authority awarded ₹ 231.68 crore with applicable interest in favour of theholding Company. Client filed a petition in the Civil Court for setting aside the aforesaid award, which was dismissed by the court on 22.11.2017 and preliminary objections of the holding Company are allowed. Thereafter the holding 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. Hearing in the matter is yet to be scheduled.

ii) In the above contract, executing agency also raised claims (excluding interest) of ₹ 184.41crore (previous year ₹ 184.41crore) against the holding Company before the arbitration tribunal. The holding Company also submitted a counter claims of ₹ 644.53 crore (previous year ₹ 644.53 crore) against the executing agency. Both the parties had concluded their arguments before the Tribunal and award was published on 18th October, 2016 in favour of the holding Company. As per the award, the holding 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. The commercial revocation has also been dismissed on 29.06.2019. Now RITES limited filed the commercial execution case no. 03 of 2020 on 16.01.2020 before commercial court Ranchi to execute the award amount. Same is pending and next date of hearing is fixed on 16.06.2023. In view of above, the holding Company has not recognized the award amount in the books of account.

iii) REMC Limited, subsidiary Company has installed 26 MW Wind Mill plant at Jaisalmer, Rajasthan for utilization 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 Company. The Wind Mill Plant was commissioned on 16.10.2015 and

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since then energy generated from Wind Mill Plant was being continuously utilized by Indian Railways through WCR up to 09.01.2017 at three Traction Sub Stations (TSS) in Rajasthan State connected as consumer of Rajasthan DISCOM i.e. Jaipur Vidyut Vitran Nigam limited (JVVNL).

With effect from 10.01.2017, open access status was permitted to Indian Railways as deemed distribution licensee in the state of Rajasthan. Accordingly, Railways started taking power at Six TSSs in Rajasthan as a deemed distribution licensee through open access route and accordingly accountal/methodology for utilization of energy generated by Windmill Plant had to be changed from consumer mode to Deemed Distribution licensee Mode. Utilisation of wind energy by WCR under Deemed Distribution Mode had been started with effect from 27.04.2017 and during transition period i.e., from 10.01.2017 to 26.04.2017 energy generated by Windmill Plant was fed into Rajasthan State Grid and for this period accountal for Wind energy had not been considered by JVVNL. Accordingly, the TSSs initially taking power from 26 MW Wind Power Plant were disconnected as a Consumer of JVVNL and connected with RRVPNL as licensee and WCR is contesting that payment to REMCL for the month of January'17 to April'17 was withheld as wind energy for the above period has not been set off from the conventional energy drawn from other generating company.

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 Rajasthan 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, the petition was disposed off. Aggrieved by the above RERC order dated 05.11.2018, Company filed an appeal before APTEL on 20.12.2018. The last hearing was held on 28.03.2023. Next hearing date is awaited.

In present circumstances, there is uncertainty regarding realization of revenue. Therefore, revenue amounting to ₹ 6.81 crore for the period 10.01.2017 to 26.04.2017 has been postponed and not recognized.

52. INDIAN ACCOUNTING STANDARD (IND AS) 40, DISCLOSURES ON INVESTMENT PROPERTY ARE AS FOLLOWS:

In case of Holding Company:

a) Amounts recognized in the Statement of Profit and Loss are as follows:

(₹ in crore)

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Rental income	0.03	0.16
Direct proportionate operating expenses relating to rental income (including repair & maintenance)	0.00	0.00
Profit before depreciation	**0.03**	**0.16**
Depreciation for the period	0.00	0.00
Profit from investment property	**0.03**	**0.16**

One flat (super area of 177.37sq.m.) at Asian Games Village Complex, New Delhi which was leased out to Land Port Authority of India has been vacated w.e.f 01.06.2022 and consequently same has been reclassified as Property Plant and Equipment.

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53. INDIAN ACCOUNTING STANDARD (IND AS) 107, DISCLOSURES ON FINANCIAL INSTRUMENTS ARE AS FOLLOWS

a) Financial Instruments by category

The carrying value and fair value of financial instruments categories-wise as on 31st March, 2023 are as under:

(₹ in crore)

Particulars	Total carrying Value	Amortized 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 – Owned Fund	889.89	889.89	-	-	-	-
Cash and Bank Balance- Client Fund	2643.43	2643.43	-	-	-	-
Investments:						
Equity	0.04	-	-	0.04	-	-
Tax Free Bonds	45.00	45.00	-	-	-	-
Liquid Plan of Mutual Funds	-	-	-	-	-	-
Trade Receivables	906.98	906.98	-	-	-	-
Loans	14.09	14.09	-	-	-	-
Other Financial Assets	399.80	399.80	-	-	-	-
Total	**4899.23**	**4899.19**	**-**	**0.04**	**-**	**-**
Financial Liabilities:						
Borrowing	-	-	-	-	-	-
Trade Payables	302.11	302.11	-	-	-	-
Lease Liability	5.42	5.42	-	-	-	-
Other Financial Liabilities	2776.07	2776.07	-	-	-	-
Total	**3083.60**	**3083.60**	**-**	**-**	**-**	**-**

The carrying value and fair value of financial instruments category-wise as on 31st March, 2022 are as under:

(₹ in crore)

Particulars	Total carrying Value	Amortized 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 – Owned Fund	815.65	815.65	-	-	-	-
Cash and Bank Balance – Client Fund	2,615.98	2,615.98	-	-	-	-
Investments:						
Equity	0.04	-	-	0.04	-	-
Tax Free Bonds	95.00	95.00	-	-	-	-
Liquid Plan of Mutual Funds	25.92	-	-	25.92	-	-
Trade Receivables	740.03	740.03	-	-	-	-
Loans	12.24	12.24	-	-	-	-
Other Financial Assets	334.89	334.89	-	-	-	-
Total	**4639.75**	**4613.79**	**-**	**25.96**	**-**	**-**
Financial Liabilities:						
Borrowing	24.65	24.65	-	-	-	-
Trade Payables	181.09	181.09	-	-	-	-
Lease Liability	2.94	2.94	-	-	-	-
Other Financial Liabilities	2785.15	2785.15	-	-	-	-
Total	**2993.83**	**2993.83**	**-**	**-**	**-**	**-**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

b) 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 Measurement.

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 market 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,2023 are as follows:

(₹ in crore)

Particulars	Carrying Value As on 31.03.2023	Fair Value As on 31.03.2023	Level
Financial Assets:			
Investments:			
Equity*	0.04	0.04	III
Tax Free Bonds	45.00	50.34	II
Liquid Plan of Mutual Fund	-	-	I
Trade Receivables**	906.98	906.98	III
Loans**	14.09	14.09	III
Other Financial Assets**	399.80	399.80	III
Financial Liabilities:			
Trade Payables**	302.11	302.11	III
Lease Liability**	5.42	5.42	III
Other Financial Liabilities**	2776.07	2776.07	III

* Equity shares of ₹ 0.04 crore of GPCL Consulting Services Limited which are not tradable and amount of investment in the entity is immaterial, hence investment is recognized at cost and same is considered as its fair value.

** The carrying amounts of trade receivables, trade payables, short term loans, other current financial assets and liabilities are considered to be same as their fair value due to their short-term nature.

Fair value hierarchies of assets and liabilities as on 31st March, 2022 are as follows:

(₹ in crore)

Particulars	Carrying Value As on 31.03.2022	Fair Value As on 31.03.2022	Level
Financial Assets:			
Investments:			
Equity*	0.04	0.04	III
Tax Free Bonds	95.00	104.23	II
Liquid Plan of Mutual Fund	25.92	25.92	I
Trade Receivables**	740.03	740.03	III
Loans**	12.24	12.24	III
Other Financial Assets**	334.89	334.89	III
Financial Liabilities:			
Borrowings**	24.65	24.65	III
Trade Payables**	181.09	181.09	III
Lease Liability**	2.94	2.94	III
Other Financial Liabilities**	2785.15	2785.15	III

* Equity shares of ₹ 0.04 crore of GPCL Consulting Services Limited which are not tradable and amount of investment in the entity is immaterial, hence investment is recognized at cost and same is considered as its fair value.

** The carrying amounts of trade receivables, trade payables, short term loans, other current financial assets and liabilities are considered to be same as their fair value due to their short-term nature.

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for the year ended 31st March, 2023

c) 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 customer

i) Market Risk of Holding Company

The holding Company operates internationally and a major portion of the business is transacted in several currencies and consequently the holding 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, holding 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	Currency	31.03.2023	31.03.2022	31.03.2023	31.03.2022
		(Figure in Millions)		(₹ in crore)	
Cash & Cash equivalents	US Dollar	5.95	2.96	48.61	22.30
	MUR	5.18	2.22	0.90	0.37
Trade Receivables	US Dollar	20.24	26.60	165.41	200.35
	MUR	-	-	-	-
Other financial assets	US Dollar	15.35	21.23	125.47	159.94
	MUR	0.60	0.60	0.11	0.10
Trade Payable	US Dollar	(1.82)	(4.20)	(13.88)	(31.61)
	MUR	-	-	-	-
Other financial liabilities	US Dollar	(0.35)	(0.20)	(2.86)	(1.52)
	MUR	-	(0.16)	-	(0.03)
Net assets/(liabilities)	US Dollar	39.37	46.39	321.75	349.46
	MUR	5.78	2.66	1.01	0.44

For the year ended 31stMarch,2023 and year ended 31st March, 2022, every percentage increase/decrease in the exchange rate between the INR & US Dollar has affected the Company's incremental margins by approximately 0.42% (previous year 0.48%) each. For the year ended 31st March, 2023 and 31st March, 2022, every percentage increase/decrease in the exchange rate between the INR &MUR has an insignificant affect on the Company's incremental margins.

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.

ii) 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 ₹ 1033.83 crore (previous year ₹ 844.54 crore) and unbilled revenue amounting to ₹ 109.58 crore (previous year ₹ 58.54 crore) which are typically unsecured. Credit risk is being managed by continuously monitoring the outstanding dues from the customer Trade Receivables towards export sales are generally managed by establishing Letter of Credit with the customer. Further most of the clients of the Group are Government or Government Undertakings; hence credit risk is bare minimum. Group has impaired, as a prudent measure, the trade receivables and unbilled revenue towards expected credit loss as per Group's accounting policy to the extent of ₹ 127.19 crore (previous year ₹ 104.85 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.

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Movement of Impairment of Financial Assets

(₹ in crore)

Sl. No.	Description	Balance at the beginning of the year	Provision during the year	Reversal during the year	Balance at the end of the year
1	Trade & Other Receivable	127.51	37.47	14.72	150.26

No significant credit risk on cash and bank balances including clients' funds amounting to ₹ 3533.32 crore (previous year ₹ 3431.63 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 ₹ 852.83 crore (previous year ₹ 774.98 crore) with Schedule banks with negligible credit risks.

Non-Strategic Investments primarily include investments in tax-free bonds of ₹ 45 crore (previous year ₹ 95 crore) and liquid mutual fund units of ₹ NIL (previous year ₹ 25.92 crore) issued by Public Sector Undertaking where risk is minimal.

The holding Company has given House building, multi-purpose loans etc. to the employee which are insured and house properties/ other assets are mortgaged / hypothecated against these loans in line with the policies of the Company. The risk of default in respect of these loans is considered negligible

iii) 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 borrowings of ₹ NIL (previous year ₹ 24.65 crore). Group has a working capital of ₹ 1878.16 crore (previous year ₹ 1648.42 crore) including cash and bank balance (owned funds) of ₹ 889.88 crore (previous year ₹ 707.65 crore) and current investment ₹ 25 crore (previous year ₹ 75.92 crore). Group believes that the working capital is sufficient to meet its requirements, accordingly no liquidity risk is perceived by the Group.

Maturities of financial liabilities

The tables below analyze the Group's financial liabilities into relevant maturity groupings based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows.

(₹ in crore)

Contractual maturities of financial Liabilities	Within a year	Between 1-5 Years	Beyond 5 Years	Total
31st March, 2023				
Trade Payables	302.11	-	-	302.11
Lease Liabilities	1.25	3.42	2.69	7.36
Other Financial Liabilities	2501.48	274.59	-	2776.07
Borrowings	-	-	-	-
Total	**2804.84**	**278.01**	**2.69**	**3085.54**
31st March, 2022				
Trade Payables	181.09	-	-	181.09
Lease Liabilities	2.40	0.68	-	3.08
Other Financial Liabilities	2618.32	166.83	-	2785.15
Borrowings	7.67	16.98	-	24.65
Total	**2809.48**	**184.49**		**2993.97**

54. INDIAN ACCOUNTING STANDARD (IND-AS)108, DISCLOSURES ON OPERATING SEGMENTS 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 holding Company's chief operating decision maker is the Chairman & Managing Director who is also Chief Executive Officer.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

i) 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

ii) 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 and export sales of rolling stock & spare parts to the clients located outside India.

iii) 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.

iv) 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.

v) Assets and liabilities used in the Group's business are not identified to 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& impairmentsince a meaningful segregation of the available data could be onerous.

vi) Operational Segments:

Year ended 31.03.2023

(₹ in crore)

Description	Consultancy Services		Leasing - Domestic	Export Sale	Turnkey Construction Projects-Domestic	Power Generation	Total
	Domestic	Abroad					
Revenue	1,113.27	165.07	137.73	307.83	884.54	19.83	2628.27
Identifiable operating expenses	564.73	80.56	89.88	238.23	849.93	15.50	1838.83
Segmental Profit/(Loss) from operations	548.54	84.51	47.85	69.60	34.61	4.33	789.44
Add: Interest Income*							57.49
Add: Other Income **							44.26
Less: Finance Cost							7.04
Less: Un-allocable Expenses							111.20
Share of Profit/(Loss) of Joint Ventures							0.97
Net Profit Before Tax							773.92
Less: Income Tax (including Deferred Tax)							202.95
Net Profit After Tax							570.97
Additional Information:							
Depreciation and amortization							66.69
Non-cash expenses/(Income) other than depreciation and amortization							22.65
Reversal of provisions							1.10
Loss on sale of PPE							0.03

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

Year ended 31.03.2022

(₹ in crore)

Description	Consultancy Services		Leasing - Domestic	Export Sale	Turnkey Construction Projects-Domestic	Power Generation	Total
	Domestic	Abroad					
Revenue	978.03	106.30	130.96	965.77	459.39	21.38	2661.83
Identifiable operating expenses	543.98	47.48	85.59	749.99	447.02	14.00	1888.06
Segmental profit/(loss) from operations	434.05	58.82	45.37	215.78	12.37	7.38	773.77
Add: Interest Income*							58.74
Add: Other Income **							24.71
Less: Finance Cost							7.25
Less: Un-allocable Expenses							115.59
Share of Profit/(Loss) of Joint Ventures							0.72
Net Profit Before Tax							735.10
Less: Income Tax (including Deferred Tax)							196.52
Net Profit After Tax							538.58
Additional Information:							
Depreciation and amortization							65.61
Non-cash expenses/(Income) other than depreciation and amortization							28.77
Reversal of provisions							6.40
Loss on sale of PPE							0.02

vii) Geographical Segment

(₹ in crore)

Description	Year ended 31.03.2023					Year ended 31.03.2022			
	India	Abroad			Total	India	Abroad		Total
		Asia	Africa	Others			Asia	Africa	
Revenue	2155.37	66.75	391.31	14.84	2628.27	1589.74	788.57	283.52	2661.83
Identifiable operating expenses	1520.04	31.32	280.70	6.77	1838.83	1090.61	585.81	211.64	1888.06
Segmental profit/(loss) from operations	635.33	35.43	110.61	8.07	789.44	499.13	202.76	71.88	773.77
Add: Interest Income*					57.49				58.74
Add: Other Income **					44.26				24.71
Less: Finance Cost					7.04				7.25
Less: Un-allocable Expenses					111.20				115.59
Share of profit/(loss) of joint ventures					0.97				0.72
Net Profit before Tax					773.92				735.10
Less: Income Tax (including Deferred Tax)					202.95				196.52
Net Profit after Tax					570.97				538.58
Additional Information:									
Depreciation and amortization					66.69				65.61
Non-cash expenses/ (income) other than depreciation and amortization					22.65				28.77
Reversal of Provisions					1.10				6.40
Loss on sale of PPE					0.03				0.02

* Interest income includes interest on bank deposits, bonds, staff advances, loans, income tax refunds etc.

** Other income includes profit on sale of assets, rental income from investment properties, dividend on current & non-current investments, exchange gain, etc.

Note: No impairment and its reversal have been recognized in Other Comprehensive Income (OCI) during the year ended 31.03.2023 and previous year ended 31.03.2022.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

viii) Revenue of ₹ 1159.33 crore (previous year ₹ 1200.02 crore) from major customers is given below:

(₹ in crore)

Description	Year ended 31.03.2023					Year ended 31.03.2022				
	Consultancy	Export Sales	Turnkey Construction Projects-Domestic	Power Generation	Total	Consultancy	Export Sales	Turnkey Construction Projects-Domestic	Power Generation	Total
Customer 1	381.47	-	220.94	19.83	622.24	-	736.20	-	-	736.20
Customer 2	1.64	-	535.45	-	537.09	296.45	-	145.99	21.38	463.82
Total	**383.11**	**-**	**756.39**	**19.83**	**1159.33**	**296.45**	**736.20**	**145.99**	**21.38**	**1200.02**

Note: PSUs under the same Ministry have not been considered as one customer.

55. INDIAN ACCOUNTING STANDARD (IND AS) 112- DISCLOSURES OF INTEREST IN OTHER ENTITIES ARE AS FOLLOWS:

a) Subsidiaries:

i) The subsidiary companies considered in the financial statements are as follows:

Name of Subsidiary Companies	Country of Incorporation	Functional Currency	% of Shareholding as on 31.03.2023	% of Shareholding as on 31.03.2022	Principal Activities
• RITES (Afrika) (Pty) Limited	Botswana	Pula	100%	100%	Consultancy
• REMC Limited	India	INR	51%	51%	Generation and procurement of power

ii) Disclosure in respect of subsidiary that has non-controlling interests:

I) Dividend to non-controlling interest by subsidiary Company amounting to ₹ 19.55 crore.

II) Summarised Financial information of the subsidiary that has non-controlling interests are as under:

(₹ in crore)

Description of Subsidiary that has non-controlling interest	REMC Limited	
	31.03.2023	31.03.2022
Non-Current Assets	170.66	170.57
Current Assets	99.58	97.86
Current Liabilities	4.50	14.93
Non-Current Liabilities	30.38	37.26
Capital	105.00	105.00
Other Equity	130.37	111.24
Total Revenue	117.06	95.13
Expenditure including Tax	58.02	49.81
Profit / (Loss) After Tax	59.04	45.32
Proportion of ownership interest held by non-controlling interest	49%	49%
Profit/(loss) allocated to non-controlling interest	28.93	22.21
Accumulated non-controlling interest of the subsidiary at the end of the reporting period	115.34	105.96
Additional information:		
Cash and Cash Equivalents	29.08	4.92
Current financial liabilities (excluding trade and other payables and provisions)	0.38	7.99
Non- Current financial liabilities (excluding trade and other payables and provisions)	-	16.98
Depreciation and Amortisation	7.30	7.13
Interest Income	1.41	1.12
Interest Expense	0.43	2.11
Income tax expenses or (income)	24.76	18.99

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b) Joint Arrangements & Associates:

i) The Holding Company has following Joint Arrangements & Associates:

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	50.00%
Indian Railway Stations Development Corporation Limited	RITES has formed a Joint Venture with Rail Development Authority & IRCON to develop or develop the existing or new railway stations.	India	24.00%
	Associates		
Elicius Energy Private Limited	The company is engaged in the business of research, designing and fabrication of energy storage technology and undertakes the activity of training & research and consultancy in the field of conventional & non-conventional energy & in power storage, conversion & distribution.	India	13.00%
	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	13.00%
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	16.00%
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 Private Limited 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%
Geoconsult-RITES (JV)	RITES has formed a Joint venture with M/s Geoconsult India Private Limited for preparation of detailed project report and providing pre-construction activities for constructions of highway tunnel across Shinkun La pass, Tanalang La pass, Lachalung La pass including approaches on NH-03 in Himachal Pradesh and Ladakh.	India	49.00%

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for the year ended 31st March, 2023

Name of Joint Arrangements	Nature of Interest/Relationship with Joint Arrangements	Principal Place of Business of Joint Arrangements	Proportionate ownership interest or participating share
RICON	RITES has formed a Joint Venture with M/s. IRCON International Limited 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	51.00%
Modern Engineers Planners & Consultants Limited	RITES has formed a joint Venture with Modern Engineers Planners & Consultants Limited for project management consultancy for improvement of Ashuganj river port-Sarail-Dharkhar-AkhauraLand Port Road as 4-lane National Highway project in Bangladesh.	Bangladesh	77.65%
Meinhardt (Singapore) Pte Ltd and RITES Ltd JV in association with CARD Consult(P) Ltd and Nepal consult(P) Ltd	RITES has formed a joint Venture with Meinhardt (Singapore)Pte Ltd and RITES Ltd JV in association with CARD Consult(P) Ltd and Nepal consult(P) Ltd	Nepal	28.00%
RITES Ltd. India in JV with Aarvee Associates	RITES has formed a joint Venture with Aarvee Associates for Consultancy services for updating feasibility study, detailed design, mathematical modeling, tendering services and construction supervision services.	India	55%
RITES PMPL JV	RITES has formed a joint Venture with Power mech projects ltd for Consultancy services.	India	51%

ii) Disclosure in respect of Joint Ventures & Associates:

I) Investment is measured at cost.

Summarised financial information of the Joint Ventures & Associates are as under:

(₹ in crore)

Description / JVs & Associates	SAIL-RITES Bengal Wagon Industry Private Limited (Joint Venture)		Indian Railway Stations Development Corporation Limited (Joint Venture)		Elicius Energy Private Limited (Associate)	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023**	31.03.2022
Non-Current Assets	75.75	81.73	-	-	-	0.00
Current Assets	62.77	48.27	388.19	392.15	-	0.14
Current Liabilities	69.08	53.06	83.88	89.55	-	0.10
Non-Current Liabilities	7.48	15.31	-	-	-	0.02
Capital	48.00	48.00	200.00	200.00	-	0.01
Other Equity	13.96	13.63	104.31	99.75	-	0.00
Non-Controlling Interest	-	-	-	2.86	-	0.00
Total Revenue	222.79	105.32	20.48	48.32	-	0.59
Expenditure including Tax and Share of Profit/Loss in Joint Ventures/Associates	222.46	103.70	17.03*	48.62*	-	0.59
Profit / (Loss) After Tax	0.33	1.62	3.45	(0.30)	-	0.00

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

(₹ in crore)

Description / JVs & Associates	SAIL-RITES Bengal Wagon Industry Private Limited (Joint Venture)		Indian Railway Stations Development Corporation Limited (Joint Venture)		Elicius Energy Private Limited (Associate)	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023**	31.03.2022
Additional information:						
Cash and Cash Equivalents	-	-	4.16	19.21	-	0.04
Current financial liabilities (excluding trade and other payables and provisions)	36.44	27.47	68.65	72.26	-	-
Non- Current financial liabilities (excluding trade and other payables and provisions)	0.39	7.54	-	-	-	-
Depreciation and Amortisation	6.54	6.00	-	1.78	-	-
Interest Income	-	-	6.22	8.16	-	-
Interest Expense	3.11	3.72	0.17	-	-	-
Income tax expenses or (income)	0.26	0.89	2.61	0.96	-	-

*Including IRSDC share of Profit/loss in its joint ventures.

**During the year "investment" in M/s Elicius Energy Private Limited amounting to ₹ 15730/- has been classified as "investment in associate." In absence of management signed/ audited accounts of the company proportionate shares of the same has not been disclosed for FY 2022-23.

II) Reconciliation of Holding Company's interest in Joint Ventures & Associates:

(₹ in crore)

Description / JVs & Associates	SAIL-RITES Bengal Wagon Industry Private Limited (Joint Venture)		Indian Railway Stations Development Corporation Limited* (Joint Venture)		Elicius Energy Private Limited (Associate)	
	As on 31.03.2023	As on 31.03.2022	As on 31.03.2023	As on 31.03.2022	As on 31.03.2023**	As on 31.03.2022
Net Assets						
Net Assets of Joint Venture/ Associates	61.96	61.63	225.47	220.90	-	0.02
Proportionate share in Joint Venture (%)	50%	50%	24%	24%	13%	13%
Share of interest in net assets of Joint Venture/Associates	30.98	30.82	54.11	53.02	-	0.00
Carrying amount of interest in Joint Venture/Associates	30.98	30.82	54.11	53.02	-	0.00

(₹ in crore)

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

Description / JVs & Associates	SAIL-RITES Bengal Wagon Industry Private Limited (Joint Venture)		Indian Railway Stations Development Corporation Limited# (Joint Venture)		Elicius Energy Private Limited (Associate)	
	Year Ended 31.03.2023	Year Ended 31.03.2022	Year Ended 31.03.2023	Year Ended 31.03.2022	Year Ended 31.03.2023**	Year Ended 31.03.2022
Net Profit						
Net Profit / (Loss) After Tax	0.33	1.62	3.38	(0.15)	-	0.00
Proportionate share (%)	50%	50%	24%	24%	13%	13%
Share of interest in net profit after tax	0.16	0.81	0.81	(0.03)	-	0.00
Amount of interest in net profit after tax	0.16	0.81	0.81	(0.03)	-	0.00

*Quasi equity (Perpetual loan) of ₹ 78.84 crore is not considered in Net Assets.

**During the year "investment" in M/s Elicius Energy Private Limited amounting to ₹ 15730/- has been classified as "investment in associate." In absence of management signed/ audited accounts of the company proportionate shares of the same has not been disclosed for FY 2022-23.

#Excluding share of Non-controlling interest in the Balance Sheet of Joint Venture.

There is no restriction on the ability of Joint Ventures to transfer funds to the holding Company in the form of cash dividends or to repay loans and advances made by the holding Company.

III) All the investments in Joint Ventures & Associates are non-tradable in market.

iii) Joint Operations:

Summarised financial information of the Joint Operations are as under:

(₹ in crore)

Description / JOs	RICON		Geoconsult-RITES		Geoconsult – RITES, NRT-1		Geoconsult ZT GmbH-RITES		Geoconsult-RITES (JV)	
	Year ended 31.03.23	Year ended 31.03.22	Year ended 31.03.23	Year ended 31.03.22	Year ended 31.03.23	Year ended 31.03.22	Year ended 31.03.23	Year ended 31.03.22	Year ended 31.03.23	Year ended 31.03.22
Non Current Assets	2.93	3.04	-	-	-	-	-	-	-	-
Current Assets	0.27	0.20	6.08	5.78	3.97	3.87	1.00	1.72	0.06	0.10
Current Liabilities	-	-	3.92	3.70	2.95	2.87	0.80	1.86	0.01	0.01
Non Current Liabilities	-	-	-	-	-	-	-	-	-	-
Retained Earnings / Losses	3.20	3.24	2.16	2.08	1.02	1.00	0.20	(0.14)	0.05	0.09
Total Revenue	-	0.01	0.42	0.57	0.13	0.12	0.62	0.11	-	0.08
Expenditure including Tax	0.04	0.02	0.34	0.32	0.11	0.05	0.28	0.16	0.05	0.09
Profit/(Loss) After Tax	(0.04)	(0.01)	0.08	0.25	0.02	0.07	0.34	(0.05)	(0.05)	(0.01)

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

(₹ in crore)

Description / JOs	RICON		Geoconsult-RITES		Geoconsult – RITES, NRT-1		Geoconsult ZT GmbH-RITES		Geoconsult-RITES (JV)	
	Year ended 31.03.23	Year ended 31.03.22	Year ended 31.03.23	Year ended 31.03.22	Year ended 31.03.23	Year ended 31.03.22	Year ended 31.03.23	Year ended 31.03.22	Year ended 31.03.23	Year ended 31.03.22
Additional information:										
Cash and Cash Equivalents	0.27	0.20	0.23	0.05	0.15	0.14	0.09	0.23	0.05	0.07
Current financial liabilities (excluding trade and other payables and provisions)	-	-	-	-	-	-	0.03	0.03	-	-
Depreciation and Amortization	-	-	-	-	-	-	-	-	-	-
Interest Income	-	0.01	0.42	0.57	0.13	0.12	0.02	0.01	-	-
Income tax expenses or (income)	-	-	0.05	0.17	0.01	0.05	-	-	-	-

(₹ in crore)

Description / JOs	Geoconsult P LTD-RITES (JV)		Modern Engineers Planners & Consultants Limited [Bangladesh]		Meinhardt (Singapore) Pte Ltd and RITES Ltd JV [Nepal]		RITES Ltd India in JV with Aarvee Associates		RITES – PMPL JV	
	Year ended 31.03.23	Year ended 31.03.22	Year ended 31.03.23	Year ended 31.03.22	Year ended 31.03.23	Year ended 31.03.22	Year ended 31.03.23	Year ended 31.03.22	Year ended 31.03.23	Year ended 31.03.22
Non-Current Assets	0.03	0.11	0.83	1.18	-	-	0.09	-	0.79	-
Current Assets	9.07	4.99	12.58	14.28	0.39	1.06	13.10	-	0.61	-
Current Liabilities	9.13	4.76	11.15	11.13	0.39	1.03	9.71	-	-	-
Non-Current Liabilities	-	-	1.73	3.90	-	-	-	-	0.79	-
Retained Earnings / Losses	(0.03)	0.34	0.53	0.43	0.01	0.03	3.47	-	-	-
Total Revenue	13.30	12.96	18.77	17.54	-	2.04	16.62	-	8.21	-
Expenditure including Tax	13.67	12.75	18.61	17.34	0.02	2.01	13.15	-	8.21	-
Profit/(Loss) After Tax	(0.37)	0.21	0.16	0.20	(0.02)	0.03	3.47	-	-	-
Additional information:										
Cash and Cash Equivalents	2.86	1.42	0.33	0.02	0.04	0.69	1.88	-	0.16	-
Current financial liabilities (excluding trade and other payables and provisions)	-	0.06	-	-	0.37	0.18	-	-	-	-
Depreciation and Amortization	0.04	0.04	0.06	0.05	-	-	0.02	-	-	-
Interest Income	0.03	-	-	-	-	-	-	-	-	-
Income tax expenses or (income)	-	0.11	3.75	3.49	-	0.02	2.77	-	-	-

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

iv) Holding Company jointly participated in the following projects with other entities:

Project Name	Name of entities
General Consultancy services for Haryana Orbital Rail Corridor(HORC) project from Palwal to Sonipat via Sohna,Manesar and Kharkhoda in the state of Haryana	M/s.SMEC International Pty.Limited
General Consultancy to Delhi Metro Rail Corporation Limited for Delhi Mass Rapid Transit System Project-Phase-III.	M/s Oriental Consultants Co. Limited M/s Parsons Brickerhoff International INC. M/s Tonichi Engineering Consultants INC.
General Consultancy to Bangalore Metro Rail Corporation Limited for Bangalore Metro.	M/s Oriental Consultants Co. Limited M/s Parsons Brickerhoff International INC. M/s Systra SA
General Consultancy to Metro Link Express for Gandhinagar & Ahmedabad (MEGA) Company Limited for Mass Rapid Transit System project at Ahmedabad.	M/s Systra SA France (Lead). M/s Oriental Consultants Global Co. Limited, Japan. M/s AECOM Asia Company Limited, HongKong.
General consultancy to Nagpur Metro Rail Corporation Limited for Nagpur Metro.	M/s Systra, France M/s AECOM Asia Co. Limited M/s EGIS Rail S.A.
General consultancy to Pune Metro Rail Corporation Limited for Pune Metro.	M/s Systra, France M/s AECOM Asia Co. Limited 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 Limited for mass Rapid Transit System Project at Ahmedabad.	M/s TUV SUD South Asia Pvt. Limited (TUV)
Feasibility report /DPR for development and operation of airport at Singrauli, M.P.	M/s KPMG
TEFR Study for Development of Integrated Multimodal Logistics Hub(IMLH) at Nangal Chaudhary in Haryana.	M/s KPMG M/s LnT IEL
Multi Modal Integration Planning for Surat Metro rail Project Phase-I	M/s RINA Consulting S.P.A, Italy- through Mumbai Branch
Design of the Intermodal transit hubs in Bangalore Package-I	M/s UMTC, New Delhi
Final Alignment Design Including Aerial LiDAR Survey and Other Related Works for Delhi - Ahmedabad High Speed Rail Corridor (about 886 kms Long).	M/s GEOKNO India Private Limited.
Feasibilty and DPR for MRTS in Coimbatore	M/s Systra SA, France
DPR for Development of interodel Station at katra and Feasibility Report of Commercial Zone at Katra	M/s Creative Group M/s Seth & Associates (Associate)
PMC Services from concept to completion for construction/ modification & extension of existing passenger terminal building at Srinagar Airport.	M/s Behal Joshi & associates
Appointment of PMC from concept to commissioning for "construction of Terminal Building, Ancillary Buildings, Car Parking, City side Development & other associated work at Gwalior Airport	M/s Creative Group
Design & Supervision of old runway rehabilitation (New Parallel Taxiway) at Gautam Buddha International Airport Project, Nepal	M/s Meinhardt (Singapore) Pte. Ltd.
Preparation of DPR for Development of Greenfield Airport at Dagadarthi (District Nellore), Andhra Pradesh for Commercial operations of passengers and cargo aircraft.	M/s Prime Horti Agro Projects Limited

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

Project Name	Name of entities
Detailed design consultancy services for power supply receiving and distribution system, 750 V DC third rail traction electrification and SCADA systems each of Bhopal and Indore metro rail projects, Package BI-01-05	M/s ArdanuyIngenieria S.A (Consortium Partner)
Detailed Design Consultancy Services for two rolling stock depots, one in Bhopal and one in Indore. BI-01/04	M/s ArdanuyIngenieria S.A (Consortium Partner)
Detailed Design Consultancy services for power supply and distribution system, 750 V DC third rail traction electrification and SCADA system of Ahmedabad metro rail project Phase-2 for Gujarat Metro Rail Corporation (GMRC) Limited	M/s ArdanuyIngenieria S.A (Consortium Partner)
Detailed Design Consultancy services for Power supply and distribution system, 750 V DC third rail traction electrification and SCADA system of Surat Metro Rail project Phase-1 for Gujarat Metro Rail Corporation (GMRC) Limited	M/s ArdanuyIngenieria S.A (Consortium Partner)
Consultancy Services for preparation of DPR for development of Economic Corridors, Inter Corridors, Feeder Routes to improve the efficiency of freight movement in India under Bharat Mala Pariyojna (Lot 2/Haryana/Package-1)	M/s Matrix Geo Solution Pvt Ltd.
Consultancy Services for preparation of DPR for development of Economic Corridors, Inter Corridors, Feeder Routes to improve the efficiency of freight movement in India under Bharat Mala Pariyojna (Lot 2/Punjab/Package-3)	M/s Matrix Geo Solution Pvt Ltd.
Consultancy Service for preparation of DPR for Greenfield Expressway from Raxaul to Haldia Port (Package-1)	M/s G Gng Advisory Pvt. Ltd.
Consultancy Service for preparation of DPR for Greenfield Expressway from Raxaul to Haldia Port (Package-2)	M/s G Gng Advisory Pvt. Ltd.
Consultancy Services for preparation of Detailed Project Report for 2 Lanning with hard Sholuder from Meluri in Nagaland ConnetingTusom, Chingai, Khamsom, ChamuNampisha, Khongla, Kasong, Saibol, Narum, Moreh, New Samtal, Khongtal, Behiang, to Singhat in the State of Manipur	M/s Shree Bhawani Consultancy Services Pvt. Ltd.
Consultancy Services for the supervision of Construction of the East Bank – East Coast Road Linkage Project (Ogle to Eccles (Haags Bosch)) – Phase 1	CB & Associates, Guyana
Consultancy services for Feasibility Study, Detailed Design, Material Investigations, Pre-contract Services and Construction Supervision of Tshesebe-Masunga Road: - PR/5/127/2001-2002	M/s PULA consultant (Pty) Ltd
Project Management Consultancy Services (PMC) for Improvement of Ashuganj River Port – Sarail – Dharkhar - Akhaura Land Port Road as 4-Lane National Highway Project	Modern Engineers Planners & Consultant Ltd, Bangladesh
Detailed Project Report for development of stretches for improving direct connectivity in Indian cities (Lot-8/Package-02) in Telangana, MP and Maharashtra	M/s Geokno India Pvt. Ltd., Hyderabad
Project Management Consultant (Facility, Equipment & Soft Component) for Assam Health System Strengthening Project (Supported by Japan International Cooperation Agency).	M/S Mukesh & Associates
Consultancy Services for High Occupancy Vehicle (HOV) Lane Study on Budaiya Highway	M/s Bahrain Energy Services, WLL M/s RINA Consulting S.P.A
DPR for development of Intermodal Station at Tirupati and Feasibility Report of Commercial Zone at Tirupati	M/s Creative Group M/s Seth & Associates (Associate)
Detailed Project Report (DPR) preparation of various Road/Tunnel projects of Public Works (R& B) Department, UT of Ladakh.	M/s Skylark-Designer and Engineers Pvt Ltd

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

Project Name	Name of entities
Supply, installation and monitoring of Structural Health Monitoring System for Bridge no. 39 & 43 on Katra Dharam Section Udhampur-Srinagar-Baramulla Rail Link Project, Jammu & Kashmir.	M/s PMT infrascience in association with M/s Red Bernard Pvt Ltd
Development of Coaching Depot at Koteganguru in Mysuru Division including Civil, Electrical and Signal & Telecom works between chainage 69170 and Chainage 71620 in Shivamogga - Talaguppa section	Siddhartha Civil Works Pvt Ltd
Station Redevelopment at Kollam junction Railway Station at Kollam, Kerala for Southern Railway	Siddhartha Civil Works Pvt Ltd
Construction of Depot cum Workshop at Challaghatta in Reach-2, Extension of Bangalore Metro Rail Project Phase-2	Power Mech Projects Ltd

56. INDIAN ACCOUNTING STANDARD (IND AS) 115, DISCLOSURES ON REVENUE FROM CONTRACTS WITH CUSTOMERS ARE AS FOLLOWS:

a) Significant management judgments on Revenue Recognition:

Recognized 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.

b) Group 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, the holding Company has contracts with customers for wet leasing which are covered under Indian Accounting standard (Ind AS) 116, Leases

c) 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 customer. Revenue has been recognized by the Company over time basis if any one of the following conditions is met:

- Customer simultaneously receives and consumes the benefits
- Company's performance creates or enhances an asset 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 conditions is met, revenue recognized by the Company on the basis of point in time.

d) Disaggregation Revenue information:

The below presents Disaggregated Revenues from contract with customer for the year ended 31st March, 2023 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.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

(₹ in crore)

Particulars	Consultancy Services		Inspection Fee		Export Sale	Turnkey Construction Projects-Domestic	Power generation	Total
	Domestic	Abroad	Domestic	Abroad				
2022-23	723.52	156.40	384.26	8.67	283.49	884.53	19.83	2460.70
2021-22	648.79	104.27	322.39	2.04	944.59	459.39	21.38	2502.85

e) Company is rendering many project management consultancy services for and on behalf of clients where fee is due to Company for professional services

f) 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.

g) Company provides warranty in the nature of assurance for which provisions are made as per the Indian Accounting standard (Ind AS) 37, Provisions, Contingent Liabilities and Contingent Assets.

h) During the year, impairment of amount receivable from client for services rendered/goods supplied charged to Statement of Profit and Loss amounting to ₹ 24.61 crore (previous year ₹ 10.95 crore), which includes impairment for lease services amounting to ₹ 0.22 crore (previous year ₹ 0.05 crore).

i) Balances of Receivables/Contract assets/Contract liabilities are as under:

(₹ in crore)

Particulars	As on 31.03.2023	As on 31.03.2022
Receivables includes lease receivables of ₹ 50.36 crore (Previous year ₹ 42.36 crore)	1,033.83	844.54
Contract assets	274.52	256.55
Contract liabilities includes lease liabilities of ₹ Nil (Previous year ₹ Nil crore)	19.17	75.55

j) During the year ended March 31, 2023, ₹ 53.63 crore and March 31, 2022, ₹ 82.52 crore of unbilled revenue as of April1, 2022 and April 1st 2021 respectively has been reclassified to Trade receivables upon billing to customers on completion of milestones.

k) During the year ended March 31, 2023 ₹ 59.45 crore and March 31, 2022₹ 195.81 crore of contract liabilities as of April 1, 2022 and April 1,2021 has been recognized as revenue after completion of milestones.

l) The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31, 2023 is ₹ 5543 crore which pertains to various segment of the Holding Company. Holding Company likely to recognize this revenue over a period ranging from one year to three years. The aggregate value of performance obligations that was completely or partially unsatisfied as at March 31, 2022 was ₹ 4621 crore which pertains to various segment of the Company.

m) The Group 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.

n) The Group has recognized unamortized contract assets of ₹ Nil (previous year ₹ Nil crore) on account of costs incurred in fulfilling the contract.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

57. INDIAN ACCOUNTING STANDARD (IND AS-116): DISCLOSURES ON LEASES ARE AS FOLLOWS:

a) Company as Lessee:-

The Group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability. The right-of-use assets are depreciated using the straight-line method from the commencement date over the term of useful life of right-of-use asset.

The holding Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The holding Company has no borrowing, as such 3-year SBI MCLR rate 8.70% and 7.30% has been considered as weighted average incremental borrowing rate for calculation of present value of lease liability for the FY- 2022-23 and 2021-22 respectively.

The Group has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

i) The following is the summary of practical expedients applied:

I) The Group has used a single discount rate to a portfolio of leases with similar characteristics.

II) Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application

III) Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

ii) Following are the changes in the carrying value of right of use assets for the year ended March 31, 2023:

(₹ in crore)

Particulars	Category of ROU Assets			Total
	Land	Building	Residential Quarters	
Balance as at April 1, 2022	2.19	14.38	3.58	20.15
Additions		4.95		4.95
Depreciation	(0.52)	(2.92)	(0.25)	(3.69)
Balance as at March 31, 2023	1.67	16.41	3.33	21.41

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2022:

(₹ in crore)

Particulars	Category of ROU Assets			Total
	Land	Building	Residential Quarters	
Balance as at April 1, 2021	2.71	16.00	3.83	22.54
Additions	0.01	1.12	-	1.13
Deletion	(0.01)	-	-	(0.01)
Depreciation	(0.52)	(2.74)	(0.25)	(3.51)
Balance as at March 31, 2022	2.19	14.38	3.58	20.15

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

Depreciation on right-of-use assets is as follows:

(₹ in crore)

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Land	0.52	0.52
Building	2.92	2.74
Residential quarters	0.25	0.25
Total	**3.69**	**3.51**

iii) The following is the break-up of current and non-current lease liabilities:

(₹ in crore)

Particulars	As on 31.03.2023	As on 31.03.2022
Current lease liabilities	0.90	2.27
Non-current lease liabilities	4.52	0.67
Total	**5.42**	**2.94**

iv) The following is the movement in lease liabilities:

(₹ in crore)

Particulars	As on 31.03.2023	As on 31.03.2022
Opening Balance	2.94	4.17
Additions	4.95	1.13
Finance cost accrued during the period	0.46	0.30
Payment of lease liabilities	(2.93)	(2.65)
Adjustment	-	(0.01)
Closing Balance	5.42	2.94

v) The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

(₹ in crore)

Particulars	As on 31.03.2023	As on 31.03.2022
Less than one year	1.25	2.40
One to five years	3.42	0.68
More than five years	2.69	-
Total	**7.36**	**3.08**

The holding Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

vi) During the year ended 31 March 2023, the Group incurred expenses amounting to ₹ 14.96 crore (Previous Year ₹ 12.83 crore) on accounts of short-term leases and leases of low-value assets. For the year ended 31 March 2023 the total cash outflows for leases including short-term leases and low-value asset amounted to ₹ 17.88 crore (Previous Year ₹ 15.47 crore)

vii) ROU Assets includes staff quarters at Liluah Howrah, Kolkata from Indian Railways, for which lease has been expired in the month of March,2009. The extension has been sought from Indian Railways

viii) The Group does not have any lease restrictions and commitment towards variable lease rent as per the contract.

ix) The Group has no commitments towards Leases yet to be commenced as on 31.03.2023.

x) The Group has not sub-leased any of the assets taken on lease.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

b) Company as a lessor:-

i) Operating Lease: As Lessor

I) The holding Company has leasing arrangement of locomotives in domestic market 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.

New & In-Service Locomotives (refer note no. 2)

(₹ in crore)

Particulars	Year ended	
	31.03.2023	31.03.2022
Gross carrying amount	437.39	402.36
Accumulated depreciation	(231.72)	(189.57)
Net carrying amount	205.67	212.79
Depreciation provided for the year	42.15	41.77

II) The holding Company was leased out one flat (super area of 177.37sq.m.) at Asian Games Village Complex, New Delhi and the same has been vacated w.e.f. 01.06.2022 and consequently same has been reclassified as Property Plant and Equipment.

(₹ in crore)

Particulars	Year ended	
	31.03.2023	31.03.2022
Gross carrying amount	-	0.15
Accumulated depreciation	-	(0.10)
Net carrying amount	-	0.05
Depreciation provided for the year	-	0.00

c) The holding Company does not envisage any contraction in demand which could result in significant down-sizing of its business operations

58. INDIAN ACCOUNTING STANDARD (IND-AS) 12, DISCLOSURES ON INCOME TAXES ARE AS FOLLOWS:

The holding Company opted to exercise the option permitted under section 115BAA of the Income Tax Act,1961 as promulgated by the GOI vide the Taxation Laws (Amendment) Ordinance, 2019 and has taken 25.168% (Income tax 22%+Surcharge10%+Higher Education cess 4%) rate of corporate tax in its accounts. However, one of the subsidiary companies (REMC Limited) did not opt the same due to available balances of unutilized MAT Credit and losses due to unabsorbed depreciation. Accordingly, the holding Company has recognized provision for income tax for the year. The holding Company has recognized provision for income tax and measured its deferred tax assets/liabilities during the year.

a) Income tax expense in the consolidated statement of profit and loss comprises:

(₹ in crore)

Particulars	Year ended	
	31.03.2023	31.03.2022
Income Tax Expenses:		
- Current Taxes	202.08	189.88
- Earlier Years (Net)	0.16	11.54
Sub Total - A	**202.24**	**201.42**
Tax on Other Comprehensive Income (OCI)- **B**	1.95	0.25
Tax on Buy Back Expenses- **C**	-	-
Sub Total -D= (A+B+C)	**204.19**	**201.67**
Deferred Tax (Net) – Prior Periods	0.00	(6.47)
Deferred Tax (Net) – Current Years	0.72	1.57
Sub Total- E	**0.72**	**(4.90)**
Total - F=D+E	**204.91**	**196.77**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

Entire deferred income tax for the year ended 31st March, 2023 and previous year ended on 31st March, 2022 relates to origination and reversal of temporary differences.

b) 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	
	31.03.2023	31.03.2022
Profit before Tax	**773.92**	**735.10**
Inter Corporate Dividend	-	-
Profit before Tax	**773.92**	**735.10**
Enacted Tax Rates in India on Normal Income	25.17%	25.17%
Enacted Tax Rates in India on LTCG	22.88%	22.88%
Computed Expected Tax Expense*	**194.78**	**185.01**
Tax effect due to accounting for JVs/Subsidiaries	4.88	0.93
Tax effect of income exempted from non operating income	(6.65)	(3.25)
Tax effect due to deductible temporary differences	(0.13)	0.12
Tax Effect due to Earlier Period Taxes	0.16	5.08
Additional Tax Effect due to Income from House Property and other sources	(1.52)	(0.01)
Tax Effect due to claim of Expenditure not charged to Statement of Profit and Loss	-	-
Tax Effect of Non-Deductible Expenditures for determining taxable Profit	4.14	3.89
Tax effect due to income from Joint Operations	4.01	2.18
Effect of Different Tax Rate under various jurisdiction	3.29	2.57
Tax effect due to OCI	1.95	0.25
Current Tax Expense for the year	**204.91**	**196.77**

*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 are different from rates mentioned herein.

c) REMC Limited - The Company has not opted to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as promulgated by the GOI vide the Taxation Laws (Amendment) Ordinance, 2019 due to available balances of unabsorbed MAT credit and losses on due to un-absorbed depreciation. The turnover of the Company during FY 2018-19 was less than 400 Cr, accordingly, continues to pay tax at the rate of 25% plus surcharge & HEC.

The enacted tax rate of RITES (Afrika) (Pty) Limited is 22% both for the year ended 31stMarch 2023 and previous year ended on 31st March, 2022 respectively.

d) Details of income tax assets and liabilities as of 31st March, 2023 and 31st March, 2022 are as follows:

(₹ in crore)

Particulars	As on	
	31.03.2023	31.03.2022
Income Tax Assets	231.66	239.48
Less: Current income tax liabilities	203.97	190.11
Net Current Income Tax Assets/(Liability) at the end	27.69	49.37

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

e) The gross movement in the current income tax asset/ (liability) for the year ended March 31, 2023 and March 31, 2022 is as follows:

(₹ in crore)

Particulars	Year ended	
	31.03.2023	31.03.2022
Net current income tax Asset/(Liability) at the beginning of the year	49.37	66.10
Current Income Tax on OCI	(1.95)	(0.25)
Current Income Tax on Buy Back expenses	-	-
Income Tax paid	182.51	184.94
Current income tax expense	(202.24)	(201.42)
Net Current Income Tax Asset/(Liability) at the end of the year	**27.69**	**49.37**

f) The tax effects of significant temporary differences that resulted in deferred income tax asset and liabilities are as follows:

(₹ in crore)

Particulars	As on	
	31.03.2023	31.03.2022
Deferred Income Tax Assets:		
Accrued Compensation to Employees	23.32	23.82
Provisions for Doubtful Debts, Security Deposits/EMD, Advances Etc.	38.75	32.52
Provision for Warranty	11.36	11.33
Lease Liability ROU Assets	1.36	0.74
MAT credit available	3.91	14.72
Total Deferred Income Tax Assets – I	**78.70**	**83.13**
Deferred Income Tax Liabilities:		
Depreciation on Property Plant & Equipment and Intangible Assets	47.51	49.65
Interest Accrued on income tax Refund	-	1.51
Donation to PM care Fund	-	-
Unrealized Short-term Gain (Loss) on Mutual Funds	-	0.06
Total Deferred Income Tax Liabilities – II	**47.51**	**51.22**
Deferred Income Tax Assets after set off	31.19	31.91
Deferred Income Tax Liabilities after set off	-	-

i) 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.

ii) 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.

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for the year ended 31st March, 2023

g) The gross movement in the deferred income tax account for the year ended March 31,2023 and previous year ended on March 31, 2022 are as follows:

(₹ in crore)

Movement during the year ended 31.03.2023	As on 31.03.2022	Recognised in Profit and Loss	Recognised in OCI	As on 31.03.2023
Tax Effect of items constituting deferred Tax Liabilities				
(i) Property, Plant & Equipments	49.65	(2.14)	-	47.51
(ii) Interest accrued on income tax refund	1.51	(1.51)	-	-
(iii) Unrealised Short term Gain (Loss) on Mutual Funds	0.06	(0.06)	-	-
Total-A	**51.22**	**(3.71)**	**-**	**47.51**
Tax Effects of Items Constituting deferred Tax Assets				
(i) Provisions for Leave Encashment of Employees	23.50	(0.93)	-	22.57
(ii) Provision for superannuation Medical	0.19	0.48	-	0.67
(iii) Other Employee Benefits	0.13	(0.05)	-	0.08
(iv) Prov. For Doubtful Debts & Advances	32.52	6.23	-	38.75
(v) Provision for warranty	11.33	0.03	-	11.36
(vi) Lease Liability for ROU Assets	0.74	0.62	-	1.36
(vii) MAT credit available	14.72	(10.81)	-	3.91
(viii) Business Loss	-	-	-	-
Total-B	**83.13**	**(4.43)**	**-**	**78.70**
Deferred Tax (Assets)/Liabilities (A-B)	**(31.91)**	**0.72**	**-**	**(31.19)**

The composition of deferred assets relating to temporary differences during the year ended 31st March, 2022 is primarily on account of Property Plant and Equipment, Trade Receivable, Compensation to Employees, MAT credit Entitlement etc.

The gross movement in the deferred income tax account for the year ended March 31,2022 and previous year ended on March 31, 2021 are as follows:

(₹ in crore)

Movement during the year ended 31.03.2022	As on 31.03.2021	Recognised in Profit and Loss	Recognised in OCI	As on 31.03.2022
Tax Effect of items constituting deferred Tax Liabilities				
(iv) Property, Plant & Equipments	52.29	(2.64)	-	49.65
(v) Interest accrued on income tax refund	-	1.51	-	1.51
(vi) Unrealised Short term Gain (Loss) on Mutual Funds	0.05	0.01	-	0.06
Total-A	**52.34**	**(1.12)**	**-**	**51.22**
Tax Effects of Items Constituting deferred Tax Assets				
(ix) Provisions for Leave Encashment of Employees	21.25	2.25	-	23.50
(x) Provision for superannuation Medical	0.32	(0.13)	-	0.19
(xi) Other Employee Benefits	0.17	(0.04)	-	0.13
(xii) Prov. For Doubtful Debts & Advances	33.60	(1.08)	-	32.52
(xiii) Provision for warranty	-	11.33		11.33
(xiv) Lease Liability for ROU Assets	1.05	(0.31)	-	0.74
(xv) MAT credit available	22.96	(8.24)	-	14.72
(xvi) Business Loss	-	-	-	
Total-B	**79.35**	**3.78**	**-**	**83.13**
Deferred Tax (Assets)/Liabilities (A-B)	**(27.01)**	**(4.90)**	**-**	**(31.91)**

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for the year ended 31st March, 2023

The composition of deferred assets/liabilities relating to temporary differences during the year ended 31st March, 2022 is primarily on account of Property Plant and Equipment, Trade Receivable, Compensation to Employees, MAT credit Entitlement etc.

59. INDIAN ACCOUNTING STANDARD (IND-AS) 1: DISCLOSURES ON PRESENTATION OF FINANCIAL STATEMENTS ARE AS FOLLOWS:

a) Reclassifications and comparative figures

Certain reclassifications have been made to the comparative period's financial statements to enhance the comparability with the current year's financial statements.

i. Items of statement of Cash Flow before and after reclassification for the year ended 31.03.2022

(₹ in crore)

Particulars	Before Reclassification	Reclassification	After Reclassification
Net Cash flow on account of client fund activity	-	64.07	64.07
Net Increase/(Decrease) In Cash and Cash Equivalents	(68.79)	64.07	(4.72)
Cash & Cash Equivalent at the Beginning of the year	118.50	694.94	813.44
Cash & Cash Equivalent at the end of the year	49.71	759.01	808.72

The above reclassification has been made to disclose net cash flow on account of client fund activities.

b) Subsequent Event –Dividend in case of Holding and its Indian subsidiary

The Board of Directors of holding Company has proposed a sum of ₹ 144.18 crore (₹ 6 per share to 24.03 crore equity shares) as final dividend for FY 2022-23 subject to approval of shareholders in Annual General Meeting. If approved, the dividend would result in a cash outflow of ₹ 144.18 crore.

The Board of Directors of the subsidiary Company (REMC Limited) proposed a final dividend of ₹ 31.50 crore (₹ 3 per share to 10.50 crore equity shares) in respect of the financial year 2022-23 subject to approval of shareholders in Annual General meeting. If approved, the dividend would result into cash outflow of ₹ 31.50 crore.

60. DISCLOSURE AS PER REGULATION 34(3) OF LISTING AGREEMENTS WITH THE STOCK EXCHANGE

(₹ in crore)

Particulars	Financial Year	Outstanding balance	Maximum amount due during the year
Investment in Subsidiaries			
(i) REMC Limited	31.03.2023	35.70	35.70
	31.03.2022	35.70	35.70
(ii) RITES (Afrika) (Pty) Limited., Botswana	31.03.2023	0.01	0.01
	31.03.2022	0.01	0.01
Investment in Joint Ventures			
(i) SAIL-RITES Bengal Wagon Industry Private Limited	31.03.2023	24.00	24.00
	31.03.2022	24.00	24.00
(ii) Indian Railway Stations Development Corporation Limited	31.03.2023	48.00	48.00
	31.03.2022	48.00	48.00
Investment in Associates			
(i) Elicius Energy Private Limited	31.03.2023	0.00*	0.00*
	31.03.2022	0.00*	0.00*

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

(₹ in crore)

Particulars	Financial Year	Outstanding balance	Maximum amount due during the year
Loans & advances to Subsidiaries			
(i) REMC Limited	31.03.2023	-	-
	31.03.2022	-	-
(ii) RITES (Afrika) (Pty) Limited., Botswana	31.03.2023	-	-
	31.03.2022	-	-
Loans & advances to Joint Ventures			
(i) SAIL-RITES Bengal Wagon Industry Private Limited	31.03.2023	-	-
	31.03.2022	-	3.45
(ii) Indian Railway Stations Development Corporation Limited	31.03.2023	-	-
	31.03.2022	-	-
Loans & advances to Associates			
(i) Elicius Energy Private Limited	31.03.2023	-	-
	31.03.2022	-	-

*Please refer note no 62 (i)

61. CAPITAL MANAGEMENT

The Group's objective for capital management is to maximize shareholders value, safeguard business continuity and support the growth of the Group. The Group determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are primarily being met through operating cash flows generated.

62. OTHER DISCLOSURES:

a) Ministry of Railway (MoR) vide letter dated 18.10.2021 has decided in principle for closure of one of the Joint ventures of the Group i.e. Indian Railway Stations Development Corporation Limited (IRSDC), in which the holding company has an investment of ₹ 48 Crore (net of capital reserve). Closure activities are underway and Board of IRSDC has decided to transfer the assets & liabilities of IRSDC to Rail Land Development Authority on slump sale basis (excluding investment in Subsidiary & Associate of IRSDC) for consideration not less than book value. Financial statements of IRSDC has been prepared on liquidation basis. As at 31.03.2023, IRSDC has reported a net worth of ₹ 225 Crore, out of which 24% share i.e. ₹ 54 crore belongs to holding company, therefore Group does not perceive any impairment in the value of investment in IRSDC.

b) Assets and liabilities are classified between current and non-current considering 12 months period as operating cycle.

c) Information on Corporate Social Responsibility expenditure

i) In case of holding Company:

I) Gross amount required to be spent including advances given during the year 2022-23 ₹ 14.10 crore (previous year 2021-22 ₹ 13.87crore).

II) Expenditure incurred including advance on CSR during the year on:

(₹ in crore)

Particulars	Amount Paid		Unspent Amount		Total	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
(i) Construction/acquisition of any asset		-	-	-		-
(ii) On purposes other than (i) above*	14.10	9.63	-	4.27	14.10	13.90
Total	**14.10**	**9.63**		**4.27**	**14.10**	**13.90**

* Includes following expenditure on account of admin overhead and capacity building

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

(a) Salary Expenses ₹ 0.62 crore (previous year ₹ 0.45 crore)

(b) Other Expense ₹ 0.05 crore (previous year ₹ 0.01 crore)

III) Details of unspent CSR amount of ongoing project in compliance with the provision of Section 135(6) of the Act

(₹ in crore)

Unspent CSR	Opening carrying amount	Addition during the year	Used during the year	Closing Carrying amount
As at 31.03.2023	4.27	-	2.43	1.84
As at 31.03.2022	-	4.27	-	4.27

IV) Nature of CSR Activities: The primary focus of CSR activity is on creation of necessary infrastructure, and avenues for employment and income generation, and empowering the people by inclusion in economic mainstream and facilitating sustainable development of marginalized and under privileged sections of the society in and around areas of Company's operations and in backward regions or such other areas as may be defined by the Board. These infrastructure assets then can be taken over by local community/ NGOs/ SHGs for day-to-day operations and maintenance

ii) In case of subsidiary Company (REMC Limited):

I) Gross amount required to be spent during the year 2022-23 is ₹ 1.01 crore (previous year 2021-22 ₹ 0.91crore).

II) Expenditure incurred including advances on CSR during the year on:

(₹ in crore)

Particulars	Amount Paid		Unspent amount		Total	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
(a) Construction/acquisition of any asset	-	-	-	-	-	-
(b) On purposes other than (i) above*	1.01**	0.81	-	0.10	1.01	0.91
Total	**1.01**	**0.81**	**-**	**0.10**	**1.01**	**0.91**

*Includes following expenditure on account of admin overhead and capacity builds:

(a) Salary Expenses ₹ 0.05 crore (previous year ₹ 0.04 crore)

(b) Other Expense ₹ Nil (previous year ₹ Nil)

** The Company has booked a CSR expenditure of ₹ 0.50 Lakh based on the bills submitted by the vendor and therefore included in the current liability of the company. The same has been paid to the vendor on 2nd May 2023.

III) Details of unspent CSR amount of ongoing project in compliance with the provision of Section 135(6) of the Act Movement of provision of CSR unspent

(₹ in crore)

Unspent CSR	Opening carrying amount	Addition during the year	Used during the year	Closing Carrying amount
As at 31.03.2023	0.10	-	0.10	-
As at 31.03.2022	-	0.10	-	0.10

IV) Nature of CSR Activities: During the year, REMC Limited has spent CSR expenditure on activities like purchase of medical van/Ambulance, procurement of mask, oxygen concentrator, medicine, financial assistance for providing drinking water, infrastructure facilities in school and contribution to PM Cares.

iii) Short fall other than ongoing projects of CSR –Nil (Previous Year- Nil)

iv) Reasons for short fall other than ongoing projects of CSR – Not Applicable.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

d) Salary expenses and Travel expenses included in expenditure on Capital work in progress/Property, Plant & Equipment and expenditure incurred during warranty period are as follows:

(₹ in crore)

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Salary Expenses	7.75	5.10
Travel Expenses	1.03	0.25

e) Incase of group 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)

Sl. No.	Particulars	As on 31.03.2023	As on 31.03.2022
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	48.99	26.40
	- 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.

f) Disclosure of Capital Work in Progress

(i) Ageing as on 31.03.2023

(₹ in crore)

CWIP Project	Less than 1 year	1 year-2 year	2 Years-3 years	More than 3 years	Total*
Projects in progress	51.23	37.97	10.50	0.84	100.54

(ii) Capital Work in Progress Completion Schedule as on 31.03.2023 in case completion is overdue or has exceeded its cost.

(₹ in crore)

Particulars	Capital Work-in-progress to be completed in				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in Progress					
Residential cum Guest House at Plot No. V-37/13 in DLF City, Phase-III, Gurugram	0.54	-	-	-	0.54
RITES Office Building at Kolkata	90.17	-	-	-	90.17
National Control Centre, Bhikaji Cama Place Delhi	5.75	-	-	-	5.75
Total	**96.46**	**-**	**-**	**-**	**96.46**

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for the year ended 31st March, 2023

(iii) Ageing Schedule as on 31.03.2022

(₹ in crore)

CWIP Project	Less than 1 year	1 year-2 year	2 Years-3 years	More than 3 years	Total*
Projects in progress	45.55	11.29	1.04	0.23	58.11

(iv) Capital Work in Progress Completion Schedule as on 31.03.2022 in case completion is overdue or has exceeded its cost.

(₹ in crore)

Particulars	Capital Work-in-progress to be completed in				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in Progress					
Renovation of flats & Guest House at Nestle Apartments,P.B.Marg,Near Bombay Dyeing, Lower Parel-Mumbai	0.68	-	-	-	0.68
Residential cum Guest House at Plot No. V-37/13 in DLF City,Phase-III,Gurugram	3.92	-	-	-	3.92
Total	**4.60**	**-**	**-**	**-**	**4.60**

*Refer Note no.3 for Capital Work in progress schedule.

g) 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 ₹ 1.32 crore, the physical testing laboratory at 52 A&B, C.R. Avenue, Kolkata of ₹ 0.46 crore, office building at DLF Cybercity, Bhubaneshwar of ₹ 5.43 crore and building at Liluah, Howrah of ₹ 1 only.

h) In case of Holding Company, land for office building at Gomati Nagar Extension, Lucknow allotted by Lucknow Development Authority (LDA) having a total cost of ₹ 4.22 crore is yet to be registered in the name of the holding Company due to dispute of stamp duty. However, physical possession of the land has been with the holding Company w.e.f. 27th June 2019.

i) 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 on 31.03.2023	As on 31.03.2022
Investment in joint venture and associates applying equity method.	7		
Elicius Energy Private Limited		17736.00	17736.00
Share of profit/(loss) of joint venture and associates	41		
Elicius Energy Private Limited		0.00	2006.00
Non-current investment	8.1		
(i) Moru Mahal Co-operative Society Limited		250.00	250.00
(ii) Amit Industrial Premises Co-operative Society Limited		500.00	500.00
(iii) Regent Chambers Premises Co-operative Society Limited		500.00	500.00

j) Balances shown under trade receivable, advances and trade payables including Indian Railway are subject to confirmation / reconciliation/ adjustment, if any. The Group has been sending letters for confirmation to parties. However, the Group does not expect any material dispute w.r.t. the recoverability/payment of the same.

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.

k) 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. 8,9 & 17.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

l) Group has not advanced or loaned or invested funds (either from borrowed funds or share premium or any other sources or kind of funds) in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or provide any guarantee, security or like on behalf of the Ultimate Beneficiaries.

m) Group has not received any fund from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that Group shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

n) The Code on Social Security, 2020 ("the Code") relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020.The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the code becomes effective.

o) During the year holding company has created a joint venture namely MMG-Metro Management Group Ltd. in Israel with 24.50% share. The other two joint venture partners are Poran Shrem Engineering and Appraisal Ltd (Israel company) with 51% share and DMRC Limited with 24.50% share. During the year the company/holding company has not made any capital contribution. Accordingly, the group company has not shown any investment in the joint venture and not considered for consolidation. However, group company has committed to subscribe 2450 number of ordinary shares of NIS (New Israel Shekel) 1/- each.

63. OTHER DISCLOSURE OF GROUP

a) In case of SAIL-RITES Bengal Wagon Industry Private Limited, Company has following borrowing facilities:-

i) Term Loan:-

(₹ in crore)

Bank name	Sanction Amount	Outstanding as on 31.03.2023	Current portion	Non-Current portion	Repayment Term
SBI	72.00	7.16	7.16	-	Repayable in 30 quarterly installments of ₹ 2.40 crore each with total period of 10 years after moratorium period of 3.5-year 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.

ii) Other Borrowings:

(₹ in crore)

Particulars	31.03.2023	31.03.2022
Cash credit from SBI	28.18	17.58
Total	**28.18**	**17.58**

b) In case of REMC Limited, the outstanding Term Loan has been repaid in May 2022. The company had borrowed the term loan of ₹ 120.59 crore from Indian Bank for setting up 26 MW Windmill plants at Jaisalmer, Rajasthan in financial year 2015-16. The entire amount of loan was borrowed during the financial year 2015-16. During the current year company has incurred interest cost of ₹ 0.24 crore (Previous Year ₹ 2.11 crore)

c) 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).

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

(Amount in ₹)

Currency	31.03.2023		31.03.2022	
	Closing rate	Average rate	Closing rate	Average rate
1 Pula (Botswana)	6.203884	6.233732	6.529754	6.542856

(Source: Oanda.com)

64. 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 31.03.2023

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	Amt (₹ in crore)	As % of consolidated net assets	Amt (₹ in crore)	As % of consolidated net assets	Amt (₹ in crore)	As % of consolidated net assets	Amt (₹ in crore)
Holding Company								
RITES Limited	96.13	2503.04	97.88	530.54	102.48	5.79	97.92	536.33
Subsidiaries								
Indian								
REMC Limited	9.04	235.37	10.89	59.04	-	-	10.78	59.04
Foreign								
RITES(Afrika) (Pty) Limited	0.14	3.61	0.14	0.78	-	-	0.14	0.78
Minority Interests in all subsidiaries	(4.43)	(115.34)	(5.34)	(28.93)	-	-	(5.28)	(28.93)
Joint ventures(investment as per equity method)								
Indian								
SAIL-RITES Bengal Wagon Industry Private Limited	1.19	30.98	0.03	0.16	-	-	0.03	0.16
Indian Railways Stations Development Corporation Limited	2.07	53.83	0.15	0.81	-	-	0.15	0.81
Associates (investment as per equity method)								
Elicius Energy Private Limited	-	-	-	-	-	-	-	
Adjustment for consolidation	(4.14)	(107.71)	(3.75)	(20.36)	(2.48)	(0.14)	(3.74)	(20.50)
TOTAL	**100.00**	**2603.78**	**100.00**	**542.04**	**100.00**	**5.65**	**100.00**	**547.69**

Information for the year ended 31.03.2022

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	Amt (₹ in crore)	As % of consolidated net assets	Amt (₹ in crore)	As % of consolidated net assets	Amt (₹ in crore)	As % of consolidated net assets	Amt (₹ in crore)
Holding Company								
RITES Limited	96.41	2399.26	96.27	497.10	91.57	0.76	96.26	497.86
Subsidiaries								
Indian								
REMC Limited	8.69	216.24	8.78	45.32	-	-	8.76	45.32
Foreign								
RITES (Afrika) (Pty) Limited	0.12	2.98	0.01	0.07	-	-	0.01	0.07

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

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	Amt (₹ in crore)	As % of consolidated net assets	Amt (₹ in crore)	As % of consolidated net assets	Amt (₹ in crore)	As % of consolidated net assets	Amt (₹ in crore)
Minority Interests in all subsidiaries	(4.26)	(105.96)	(4.30)	(22.21)	-	-	(4.29)	(22.21)
Joint ventures (investment as per equity method)								
Indian								
SAIL-RITES Bengal Wagon Industry Private Limited	1.24	30.82	0.16	0.81	-	-	0.16	0.81
Indian Railways Stations Development Corporation Limited	2.13	53.02	(0.02)	(0.09)	7.23	0.06	(0.01)	(0.03)
Associates (investment as per equity method)								
Elicius Energy Private Limited	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Adjustment for consolidation	(4.33)	(107.72)	(0.90)	(4.63)	1.20	0.01	(0.89)	(4.62)
TOTAL	**100**	**2488.64**	**100.00**	**516.37**	**100**	**0.83**	**100**	**517.20**

65. RECENT ACCOUNTING PRONOUNCEMENTS:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of Financial Statements- This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company does not expect the amendments to have any significant impact in its financial statement.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors- This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company does not expect the amendments to have any significant impact in its financial statement.

Ind AS 12 - Income Taxes- This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company does not expect the amendments to have any significant impact in its financial statement.

For and on behalf of Board of Directors

Rahul Mithal
Chairman & Managing Director
and Chief Executive Officer
DIN: 07610499

Bibhu Prasad Nayak
Director Finance & Chief Financial Officer
DIN: 08197975

Joshit Ranjan Sikidar
Company Secretary
M.No. ACS 32442

As per our report of even date attached
For **PAWAN PURI & ASSOCIATES**
Chartered Accountants
Firm Registration No. 005950N

(SIMRANPREET SINGH)
Partner
Membership No. 518262

Place : Gurugram
Date : 18th May, 2023

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 2023.

The preparation of consolidated financial statements of RITES Limited for the year ended 31 March 2023 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) 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 18 May 2023.

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 2023 under Section 143(6) (a) read with Section 129 (4) of the Act. We conducted a supplementary audit of the financial statements of SAIL RITES Bengal Wagon Industry Private Limited and REMC Limited but did not conduct supplementary audit of the financial statements of Indian Railway Stations Development Corporation Limited for the year ended on that date.

Further, Section 139(5) and 143 (6) (a) of the Act are not applicable to Elicius Energy Private Limited being a private entity and RITES (Afrika) (Pty) Limited, Botswana, being a private entity incorporated in a foreign country under the respective laws, for appointment of their Statutory Auditor and for conduct of supplementary audit. Accordingly, the Comptroller and Auditor General of India has neither appointed the Statutory Auditors nor conducted the supplementary audit of these companies. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory Auditor's report under Section 143(6) (b) of the Act.

For and on the behalf of the
Comptroller & Auditor General of India

Dr. Nilotpal Goswami
Director General of Audit
Railway Commercial, New Delhi

Place : New Delhi
Dated: 16.08.2023

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES, JOINT VENTURES & ASSOCIATES FOR THE YEAR ENDED 31ST MARCH, 2023

(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

1	Sl. No.	1		2	
2	Name of the subsidiary	RITES (Afrika) (Pty) Limited		REMC Limited **	
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	
		31.03.2023 (₹ In crore)	31.03.2022 (₹ In crore)	31.03.2023 (₹ In crore)	31.03.2022 (₹ In crore)
4	Share Capital	0.01	0.01	105.00	105.00
5	Reserves & Surplus	3.61	2.98	130.37	111.24
6	Total Assets	4.96	4.29	270.25	268.43
7	Total Liabilities	1.36	1.30	34.88	52.19
8	Investments	-	-	-	-
9	Operating Turnover	7.80	2.51	114.15	93.10
10	Profit before taxation	0.97	0.14	83.80	64.31
11	Provision for taxation	0.19	0.07	24.76	18.99
12	Profit after taxation	0.78	0.07	59.04	45.32
13	Proposed Dividend	-	-		13.65
14	% of shareholding	100%		51%	

*As on 31.03.2023: 1BWP= ` 6.203884 ; Average Rate 1BWP= ₹ 6.233732, As on 31.03.2022: 1BWP= ₹ 6.529754 ; Average Rate 1BWP= ₹6.542856

** REMCL figures are inclusive of non-controlling interest.

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		Indian Railway Stations Development Corporation Limited	
3	Balance Sheet Date	31.03.2023	31.03.2022	31.03.2023	31.03.2022
4	Shares of Joint Ventures held by the company on the year end:				
4(i)	No.	24,000,000	24,000,000	48,000,000	48,000,000
4(ii)	Amount of investment in Joint Venture (₹ in crore)	24.00	24.00	48.00	48.00
4 (iii)	Extent of Holding/Profit Sharing %	50%	50%	24%	24%
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)	30.98	30.82	53.83	53.02
8	Profit/Loss for the year				
8 (i)	Considered in Consolidation (₹ in crore)	0.16	0.81	0.81	(0.03)
8 (ii)	Not Considered in Consolidation (₹ in crore)	-	-	0.31	-

PART "C" : ASSOCIATES

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associates

1	Name of Associates	Elicius Energy Private Limited	
2	Balance Sheet Date	31.03.2023	31.03.2022
3	Shares of Associate held by the company on the year end:		
3(i)	No.	1573	1573
3(ii)	Amount of investment in Associate (₹)	15730	15730
3(iii)	Extent of Holding/Profit Sharing %	13%	13%
4	Description of how there is significant influence	There is significant influence due to having one Director on the Board of the company. Board consists of four Directors.	
5	Reason why the Associates is not consolidated	Non availability of accounts and materiality	
6	Net worth attributable to shareholding as per latest audited Balance Sheet (₹)		21204
7	Profit for the Year (₹)		2006
7(i)	Considered in Consolidation (₹)		2006
7(ii)	Not Considered in Consolidation		-

For and on behalf of Board of Directors

Rahul Mithal
Chairman & Managing Director
and Chief Executive Officer
DIN: 07610499

Bibhu Prasad Nayak
Director Finance & Chief Financial Officer
DIN: 08197975

Joshit Ranjan Sikidar
Company Secretary
M.No. ACS 32442

As per our report of even date attached

For **PAWAN PURI & ASSOCIATES**
Chartered Accountants
Firm Registration No. 005950N

(SIMRANPREET SINGH)
Partner
Membership No. 518262

Place : Gurugram
Date : 18th May, 2023

Note

RITES
THE INFRASTRUCTURE PEOPLE

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