



Annual Report

2016 - 2017



Mission

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

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

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

Board of Directors



CONTENTS

2	BOARD AND MANAGEMENT REPORTS	2	BOARD OF DIRECTORS
		4	FINANCIAL PERFORMANCE OF A DECADE AT A GLANCE
		5	FINANCIAL INDICATORS-GRAPHS
		6	CHAIRMAN & MANAGING DIRECTOR'S MESSAGE
		7	DIRECTORS' REPORT
		35	REPORT ON CORPORATE GOVERNANCE
		43	MANAGEMENT DISCUSSION AND ANALYSIS
58	STANDALONE FINANCIAL STATEMENTS	58	INDEPENDENT AUDITORS' REPORT
		62	BALANCE SHEET
		63	STATEMENT OF PROFIT & LOSS
		64	STATEMENT OF CHANGE IN EQUITY
		65	CASH FLOW STATEMENT
		67	SIGNIFICANT ACCOUNTING POLICIES
		74	NOTES TO ACCOUNTS
		121	COMMENTS BY CAG
122	CONSOLIDATED FINANCIAL STATEMENTS	122	CONSOLIDATED INDEPENDENT AUDITORS' REPORT
		125	CONSOLIDATED BALANCE SHEET
		126	CONSOLIDATED STATEMENT OF PROFIT & LOSS
		127	CONSOLIDATED STATEMENT OF CHANGE IN EQUITY
		128	CONSOLIDATED CASH FLOW STATEMENT
		130	CONSOLIDATED SIGNIFICANT ACCOUNTING POLICIES
		139	CONSOLIDATED NOTES TO ACCOUNTS
		193	COMMENTS BY CAG
		194	SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/JOINT VENTURES
196	OFFICES, AUDITORS AND BANKER	196	OFFICES
		196	AUDITORS
		196	BANKERS

Board of Directors

Chairman & Managing Director



Mr. Rajeev Mehrotra

Whole Time Directors



Mr. Arbind Kumar
Director Projects



Mr. Ajay Kumar Gaur
Director Finance



Mr. S. B. Malik
Director Technical
(Upto 30th Nov., 2016)



Mr. Mukesh Rathore
Director Technical
(From 1st Dec., 2016)

Govt. Nominee Official Directors



Mr. R. S. Kochak
(Upto 31st July, 2016)



Mr. R. N. Misra
(From 31st Oct., 2016)



Mr. A. P. Dwivedi

Non-Executive (Independent) Directors



Dr. Vidya Rajiv Yeravdekar
(From 1st Apr., 2016)



Mr. Anil Kumar Goel
(From 1st Apr., 2016)



Mr. Satish Sareen
(From 1st Apr., 2016)

Senior Executives



Mr. Rajiv Milind
ED-Corporate Services



Mr. R. K. Tyagi
ED-Business Development



Mr. Alok Garg
ED-Highway & Ports



Mr. Pradeep Gupta
ED-Industrial Engineering



Mr. Puneet Kumar
ED-Expotech



Mr. Pankaj Agrawal
ED-Quality Assurance



Mr. Rakesh Chopra
ED-P&C



Mr. Sanjib Kumar Biswas
ED-Rail Infra



Mr. P. K. Gupta
ED-Urban Infra



Mr. Y. K. Sharma
GGM-Airport



Mr. P. T. Mittal
Company Secretary & GM (Legal)

FINANCIAL PERFORMANCE OF A DECADE AT A GLANCE

(₹ in Crore)

Particulars	07-08	08-09	09-10	10-11	11-12	12-13	13-14	14-15	15-16#	16-17
Total Income (including other income)	661	672	623	881	934	1076	1246	1166	1278	1509
Expenditure (including increase/decrease in stock)	481	522	457	518	678	731	860	710	762	1021
Operating Margin	100	16	99	180	158	222	233	305	324	283
Depreciation	9	11	12	12	14	16	20	26	32	32
Profit Before Tax	180	150	166	363	256	345	386	456	516	488
Profit After Tax	104	94	112	244	164	245	264	306	339	331
Dividend	21	20	23	49	33	50	53	62	77	146
General Reserve	499	570	655	836	961	1095	1297	1528	1778	1834
Fixed Assets (Gross Block) (Property, Plant & Equipment and Intangible Assets)	171	183	202	237	253	281	324	352	422	449
Inventories	16	22	37	78	62	26	17	7	11	47
Foreign Exchange Earnings	258	137	94	242	310	342	444	189	233	422
Share Capital	40	40	40	40	40	100	100	100	100	200
Capital Employed	435	501	538	689	602	781	853	1122	1506	1656
Government Investment*	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Net Worth	539	610	695	876	1001	1195	1397	1628	1878	2034
Profit Before Tax to Capital Employed (in %)	41	30	31	53	43	44	45	41	34	29
Operating Margin to Capital Employed (in %)	23	3	18	26	26	28	27	27	22	17
Profit After Tax to Share Capital (in %)	260	235	280	610	410	245	264	306	339	166
Expenditure to Income (in %)	73	78	73	**66	73	68	69	61	60	68
Number of Employees	2924	3048	3002	3134	3294	3247	3226	3227	3153	3200
Income per Employee	0.23	0.22	0.21	0.28	0.28	0.33	0.39	0.36	0.41	0.47
Foreign Exchange Earning per Employee	0.09	0.04	0.03	0.08	0.09	0.11	0.14	0.06	0.07	0.13
Current Ratio	1.45	1.36	1.33	1.29	1.23	1.32	1.32	1.52	1.57	1.58
Investments	69	54	62	112	143	318	231	238	274	373

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

** Excluding extraordinary and exceptional items.

Financial information for 2015-16 has been re-adjusted inline with Ind AS.

1 Crore = 10 Million

1 US\$ = ₹ 63.92 (31.03.2017)

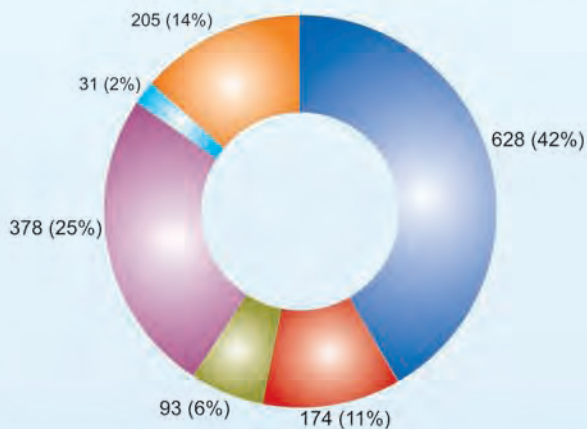


RITES Limited

Annual Report
2016 - 2017

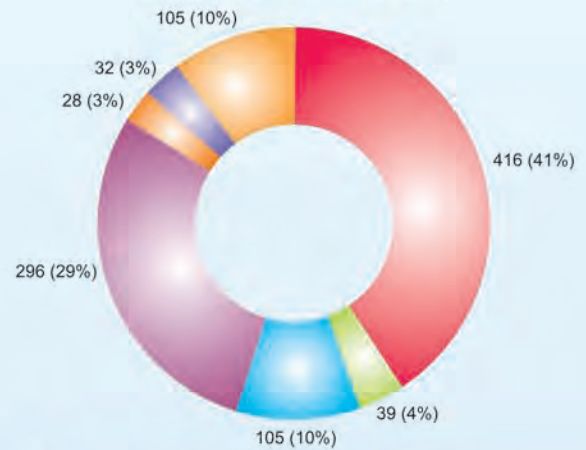
FINANCIAL INDICATORS

Earning (₹ 1509 Crore)



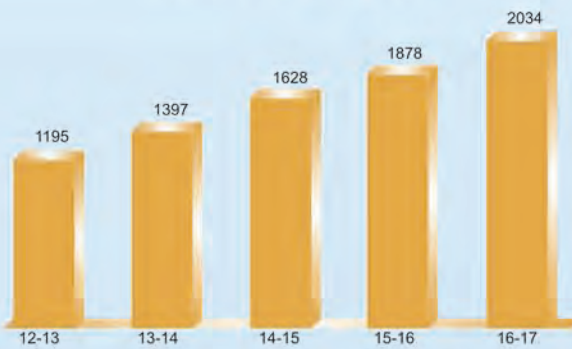
- Consultancy Fee
- Quality Assurance
- Lease Services
- Export Sales
- Trunkey Construction Projects
- Other Income

Spending (₹ 1021 Crore)



- Staff Cost
- Travel
- Supplies & Services
- Cost of Export Sales
- Cost of Trunkey Construction Projects
- Depreciation & Amortisation
- Other Expenses

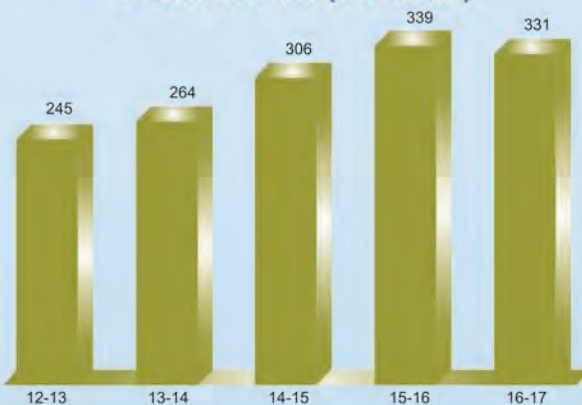
Net Worth (₹ in Crore)



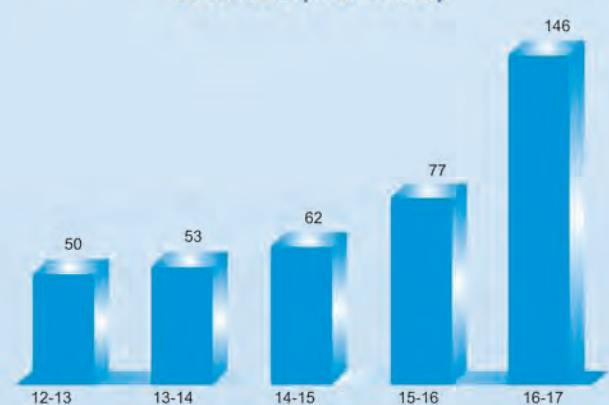
Turnover (₹ in Crore)



Profit After Tax (₹ in Crore)



Dividend (₹ in Crore)



Financial information for 2015-16 has been re-adjusted inline with Ind AS.



CHAIRMAN & MANAGING DIRECTOR'S MESSAGE

Dear Shareholders,

It gives me immense pleasure to welcome you all to the 43rd Annual General Meeting of the Company.

The Financial Year 2016-17 was a remarkable year in terms of business growth. Your Company has recorded 18% increase in its total income of ₹ 1509 crore in FY 2016-17 as compared to ₹ 1278 crore in 2015-16. Despite provisioning for expenses on account of pay revision, company

has been able to achieve Profit After Tax (PAT) of ₹ 331 crore which is slightly lower than PAT of ₹ 339 crore during the last financial year. It has, for the first time, crossed ₹ 1500 crore benchmark in total income.

The last year ended with the highest ever order book of ₹ 3731 crore. In view of the healthy order book and huge investments taking place in infrastructure projects in India, I am confident that the accelerated growth will continue in years to come.

Your Company has been consistently rated as "Excellent" in its MOU performance and during the year under review, Company has once again delivered an outstanding performance and has met the parameters for being rated as "Excellent" in its evaluation under MOU for the year 2016-17. The continued support of all the stakeholders and dedicated efforts of our employees are worth appreciating.

The audited accounts of the Company for the financial year 2016-17 along with the Directors' Report and Report of Auditors and Comments of Comptroller and Auditor General of India thereon, have already been circulated to you and with your permission, I take them as read.

Your company has made 2 bonus issues during the year, increasing its Paid-Up Capital from ₹ 100 crore to ₹ 200 crore. The Authorized Capital has also been increased from ₹ 200 crore to ₹ 300 crore.

While we continue to focus on consulting business, we have also started doing construction of railway infrastructure projects and electrification works since last year. You will be happy to note that the productivity of the employees in terms of turnover per employee has more than doubled to ₹ 47 lakhs during the last decade. I hope that we will continue to work with the same spirit of higher productivity per person in the times to come.

I would like to share some of our key engagements and achievements during 2016-17. We are happy to share that recently we have signed our biggest export order of ₹ 680 crore with Sri Lanka Railways for the supply of state-of-the-art broad gauge locomotives and DMU train sets.

RITES successfully completed a large contract with Bangladesh Railway for supply of 120 BG LHB coaches made at RCF Kapurthala and export of 6 MG 1350 HP locomotives to Senegal.

We have started shipment of locomotives made at DLW Varanasi to Myanmar Railways against contract for supply of 18 Meter Gauge 1350 HP diesel electric locomotives.

RITES has signed MOU with Mauritius Government for providing PMC services for implementation of light rail transit system project and development of port at Port Louis. Your company has for the first time secured overseas project for light rail transit system and it is going to be a challenging project and likely to open up more avenues for similar projects overseas.

RITES has taken up on PPP/ JV basis, a rail concession in India namely, Bhuj Nalliya Vayor Rail Project, also involving gauge conversion from MG to BG for 101 kms length and new line of about 25 kms. The concession agreement for the same is going to be signed very soon, with equity stake of RITES as 26%.

RITES has been associated with the National High Speed Railway Corporation for Ahmedabad-Mumbai High Speed Passenger Corridor. The use of LiDAR will allow, the survey of the 508 km corridor to be completed in 12-14 weeks against the normal time of 10-12 months.

Northern Railway has entrusted the work of Corridor Optimization through Digital Elevation Modelling and Geological Appraisal for Bilaspur-Manali-Leh New Broad Gauge railway project covering a distance of about 650 km, which is one of the four strategic border lines.

The airports business grew significantly during 2016-17. Studies for setting up air cargo hub at Delhi and Chennai and business plan for Air Cargo at AAI owned airports have been completed. The studies for development of greenfield airports in Andhra Pradesh and Telangana, re-development of existing airports in Karnataka and West Bengal are in progress. The Project Management consultancy for development of airports at Chitrakoot, Kanpur and Kushinagar is also in progress.

A number of State Governments have engaged RITES for preparation of feasibility and detailed project reports for rail based mass transit systems in important urban areas. These include Jammu and Srinagar by Govt. of J&K,

Gorakhpur and Allahabad by Govt. of U.P., Phase - II of Nagpur Metro by Nagpur Metro Rail Corporation and Additional Corridors of Phase - II by Chennai Metro Rail Corporation. In addition, the General Consultancy assignment for Phase-I of Nagpur Metro has been awarded to consortium including RITES, against stiff Global Competition.

The business of wet leasing of shunting locomotives including operation and maintenance has been well received by domestic non-railway customers. So far 35 client locomotives have been leased out in the span of last 6 years. Demand of shunting locomotives on lease by non-railway customers is growing day by day.

The strategic JV for energy management promoted by RITES and Indian Railways, called Railway Energy Management Company Ltd. (REMCL) for renewable energy projects has successfully made its business presence in power procurement for Railways and renewable energy efficiency projects. In a record time of 10 months, it had commissioned 26 MW Wind Mill in Jaisalmer. Further, 132.5 MW of windmill and 1000 MW of solar power is proposed to be installed in near future.

REMCL implemented several power procurement contracts for Indian Railways under 'Open Access Policy' under the Electricity Act, 2003, resulting in annualized saving of ₹ 1,500 crore per annum to Indian Railways and likely to go up substantially with more power procurement contracts being put under implementation. This has been possible by commercial and legal arrangements facilitated by REMCL without any significant investment. Such procurements of power will also give regular revenue to REMCL for many years to come.

In Quality Assurance, RITES has recorded 29% growth in FY 2016-17 to achieve the turnover of ₹ 174 crore. RITES has enhanced its earning through diversification in new areas of inspection also.

It was a moment of pride on 4th May, 2016, to receive FIEO Gold Trophy in engineering sector as 'Niryat Shree' from Hon'ble President of India, for excellent export performance.

RITES also received the Top Exporters Silver Award for the year 2013-14 from the Engineering Export Promotion Council of India (EEPC) under Ministry of Commerce, in the merchandise category, with the foreign exchange earnings of ₹ 444 crore. We recently received India Pride Award from Dainik Bhaskar Group in the transport sector.

RITES believes that Company too has a responsibility towards the society in which it operates. RITES is committed to contribute for the socio-economic development of its stakeholders and the business decisions of the Company will be in line with its social obligation also. Corporate Social responsibility and sustainability policy adopted by RITES shows its commitment to operate in economically, socially and environmentally sustainable manner. As a responsible corporate citizen, your Company has spent ₹ 9.20 crore on various CSR activities during the year 2016-17.

I express my gratitude to our esteemed Shareholders, my colleagues on the Board of Directors and to the Chairman, Members and Officers of the Railway Board, for their valuable support, advice and co-operation. We are particularly grateful to the Ministries of Railways, Road, Transport and Highways, Commerce, Finance, External Affairs and Urban Development and other Ministries, to the Indian Embassies and Missions abroad, to the foreign mission and embassies in India and Exim Bank for their valuable support and guidance to the Company.

Special mention is warranted for the tireless efforts of RITES team of officers and staff for their performance and enduring contribution in bringing the Company to such a height.

I would like to thank all our esteemed clients for their continued confidence and trust in the capabilities of this company. RITES would continue to serve them with timely, customised and cost effective services to their entire satisfaction.

With its good record of accomplishment and long standing commitment to excellence, I am sure that RITES will meet all the challenges ahead through long term relationship with client organisations and enhanced quality of services.

Together we shall achieve the goals and succeed in our mission.

With Best Wishes

(Rajeev Mehrotra)

Chairman and Managing Director
& Chief Executive Officer

Dated: 28th August, 2017

DIRECTORS' REPORT

Distinguished Shareholders

The Directors of your company have immense pleasure in presenting the 43rd Annual Report of the company together with the audited Financial Statement and Auditors' Report for the year ended 31st March, 2017.

FINANCIAL HIGHLIGHTS

The financial performance of the Company for the year 2016-17 is given below:

(₹ in crore)

Particulars	2016-17	2015-16
Financial Results:		
Total Income	1509	1278
Operating Turnover	1304	1086
Operating Expenditure	1021	762
Other Income	205	192
Profit Before Tax (PBT)	488	516
Income Tax including Deferred Tax	(157)	(177)
Profit After Tax (PAT)	331	339
Appropriations:		
Dividend including Dividend Distribution Tax	176	93
Transfer to General Reserve	155	246

BUSINESS PERFORMANCE

During the year, company has achieved highest ever turnover of ₹ 1509 crore as compared to previous year's turnover of ₹ 1278 crore, higher by 18%. The profit before tax is ₹ 488 crore as against ₹ 516 crore of the previous year. Decline in profitability is mainly because of provisioning of additional liability arising on account of pay revision and enhancement in Gratuity ceiling.

During the year, company was engaged in a number of prestigious domestic projects, which included works for setting up a FIAT bogie frame manufacturing plant at Budge- Budge for RCF- Kapurthala and a wagon manufacturing factory at Kulti, Preliminary Engineering & Traffic Survey (PETS) of Future Corridors for DFCCIL, Authority Engineer Services 4/6 lanning of Vijayawada - Machilipatnam Section in Tamilnadu for TNRDC, External Technical Audit of Agra - Lucknow Expressway - UPEIDA, DPR for 1000+ km of strategically important roads under Bharatmala scheme in Gujarat & West Bengal and BRT in West Bengal, Economic Freight Corridor of National Importance- Punjab & Haryana, Design of State of Art Extra-dosed Cable Stayed Bridge (800 km) long over River Ganga in West Bengal, General Consultancy for Delhi Metro Phase-III, Ahmedabad Metro Phase-I and Nagpur Metro Phase-I, Detailed Design Consultancy for Power Supply & Distribution system for Ahmedabad Metro & Bangalore Metro, Independent Quality Monitor agency for NOIDA-Greater NOIDA Metro & Bangalore Metro, Independent Quality Monitor agency for NOIDA-Greater NOIDA Metro and Nagpur Metro Rail Corporation, Maintenance of Rolling Stock & workshop equipment of MGR system at various locations of NTPC like Rihand, Singrauli, Sipat, Talcher, Kahalgaon & Faraka, Project



Shri Rajeev Mehrotra, CMD RITES meeting with Hon'ble Prime Minister of Mauritius Shri Pravin Jugnauth alongwith Hon'ble Prime Minister of India Shri Narendra Modi

Management Consultancy services for (i) Central university at Pondicherry, Karnataka, Kerala, Gaya, Allahabad, IIT at Kharagpur, NIT at Meghalaya (ii) National Automotive Testing and R&D Infrastructure Project (NATRIP) - Ministry of Heavy Industries (iii) Rail Infrastructure for DVC, NTPC, CIL and others at different locations (iv) Construction of Integrated check posts at Birgunj, Jogbani and Biratnagar along Indo-Nepal border, at Dawki along Indo-Bangladesh border, Moreh along Indo - Myanmar border, engineering consultancy for expansion of Shimla airport, Pantnagar Airport, Greenfield Airports at Singrauli & Gwalior (v) Construction of double line electrified track and related infrastructure for Western Dedicated Freight Corridor for Ph-1, Rewari - Vadodara section (approx. 922 route kms.)

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



Hon'ble Minister of Railways, Shri Suresh Prabhakar Prabhu with Eng. Carlos Mesquita, the Hon'ble Minister of Transport and Communications, Republic of Mozambique and senior Railways and RITES officials



Hon'ble Minister of Railways Shri Suresh Prabhakar Prabhu and CMD RITES with prospective client at "Interaction on Railway Co-operation Opportunities" Meet

- Construction Projects for new railway lines Gooty-Dharmavaram Doubling in South Central Railway Route length (90.2 kms) and Pendra Road - Anuppur third line in South East Central Railway (50.1 kms)- Ministry of Railways.
- Feasibility Study for India's first high-speed rail corridors of (Mumbai- Ahmedabad, Delhi - Chandigarh & Mumbai-Chennai) and final location survey, Geo-tech investigation and GAD for bridges for National High Speed Railway Corporation. To expedite work for this corridor, Aerial LiDAR technology is being used.
- Feasibility Studies, Geotechnical investigations and detailed engineering for Bilaspur-Manali-Leh, new BG Railway Project covering a distance of about 650 kms, which is one of the four strategic border lines along India - China border.
- Design and designer's association services during construction are being provided for a prestigious National Project "Rail cum Road Bridge over river Brahmaputra at Bogibeel near Dibrugarh, Assam" for NF Rly.
- Turnkey execution of the works of setting up of POH facilities for BCN and BLC wagons at Bikaner Workshop, Rajasthan, NW Railway.

Recently, RITES has taken up on PPP/ JV basis, a rail concession in India namely, Bhuj Nalliya Vayor Rail Project, involving gauge conversion, from MG to BG for 101 km length and new line of about 25 km. RITES has 26 % share in the company named "BNV Gujrat Rail Pvt. Ltd." formed for execution of the said project. Also during the year, SAIL RITES JV on 50-50 basis, viz. SRBWIPL, has commenced with repair and manufacturing activities. It completed manufacturing of 20 new wagons and rehabilitation / repairs of 106 wagons.



CMD (RITES) at the 12th CII-EXIM Bank conclave on India- Africa Project Partnership

During the year, company was engaged in a number of prestigious international assignments in export, leasing and consultancy services, which included contract for supply of 120 BG passenger coaches to Bangladesh Railway, leasing of locomotives to CFM, Mozambique, supply of six MG diesel electric locomotives to Senegal. RITES had exported 40 BG passenger coaches to Bangladesh Railways during the Year 2015-16 and balance 80 BG passenger coaches to Bangladesh Railways were exported during the year 2016-17. RITES has also provided warranty maintenance and support services in Bangladesh, Myanmar and Sri Lanka during the year 2016-17, rendered consultancy services for supervision for up-gradation to paved road standard of existing roads in Terai region of Nepal.

OUTLOOK

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



Shri Rajeev Mehrotra, CMD (RITES) received the CEPM fellowship award 2016 from Shri Amitabh Kant, CEO, NITI Aayog for the global corporate leadership in project management at the 24th Global symposium 2016 organized by Centre for Excellence in Project Management (CEPM) and Ministry of Statistics and Programme Implementation, Govt. of India

The Company continued to provide specialized, integrated services under single roof in transport infrastructure sector and export packages for supply of locomotives, coaches, wagons, spare parts and modernization of workshops. The Company is expanding its reach into wagon manufacturing and is also developing potential business avenues in power sector including Green Energy etc. The company is also exploring business opportunities in captive railway systems in India through equity participation with other stakeholders, with the main focus on providing total transportation solution as against pure consultancy assignments. Business of offering shunting locomotives on wet lease including operation & maintenance continued to be well received by domestic Non-Railway clients. 35 locos have so far been put to service in India.

As a matter of diversification (i) RITES and the Indian Railways promoted a Joint Venture Company, Railway Energy Management Company Ltd. (REMCL) for renewable energy projects, bilateral purchases, power trading and energy



Hon'ble Minister of Railways Shri Suresh Prabhakar Prabhu addressing the prospective foreign clients, investors and bankers at "Interaction on Railway Co-operation Opportunities" Meet

efficiency projects etc. In a record time of 10 months, it has commissioned 26 MW Wind Mill in Jaisalmer and also concluded power procurement contracts for 1200 MW in different states (ii) RITES has completed setting up of the state-of-the-Art wagon factory, at Kulti, West Bengal as a 50:50 JVC between RITES and SAIL, a "Make in India" initiative of the Indian Railways. An assured Off-take Agreement has also been signed with Railways, arising out of the commitment made by the Ministry of Railways regarding assured off-take order of 1200 wagons/annum and rehabilitation of a minimum of 300 wagons per annum. (iii) Company has taken up turnkey works for construction and supply, installation and commissioning of Machinery & Plant for upgradation/modernization of Railway Workshops.

CAPITAL STRUCTURE

The company has increased its paid up capital from ₹ 100 crore to ₹ 200 crore through Issue of Bonus Shares by capitalizing free reserve and surplus. The Company has also increased its Authorised Share Capital from ₹ 150 crore to ₹ 300 crore during the year under consideration.

DIVIDEND

Your Directors have recommended final dividend of ₹ 78 crore in addition to interim dividend of ₹ 55 crore paid during the year 2016-17. The total dividend pay-out for the year will amount to ₹ 133 crore (i.e. ₹ 6.65 per share) which is 66.5 % of paid up share capital of the company.

FIXED DEPOSITS

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

RESERVES

An amount of ₹ 155.10 crore is proposed to be transferred to General Reserve by appropriation from the profits of the Company for the year 2016-17. Reserves & Surplus will increase from ₹ 1777.96 crore at end of the previous year to ₹ 1833.65 crore as on 31st March, 2017 after capitalization of General Reserve of ₹ 100 crore for issue of Bonus Shares during the year 2016-17.

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

CONSERVATION OF ENERGY

As a consultancy organization, RITES is not a major energy consumer and hence our carbon emissions are minimum. Yet, for the consultancy studies undertaken by RITES, it has been

the practice to pursue the national goal of energy conservation and accordingly, suggestions are given to our clients for measures and methods to conserve energy.

I. Steps taken or impact on conservation of energy;

In Gurgaon, RITES is housed in two large buildings (ROC-I&II) where energy saving measures have been implemented and energy audits conducted regularly. RITES has been awarded Gold LEED certification by Indian Green Building Council for one of its offices. Real time air conditioning temperature is monitored and corrections are done to suit comfort of occupants. VFD's and VRF system have been installed for precise temperature control which in turn help to conserve energy. The neon signs installed in the premises are LED operated. All new lighting installations are with T5 or CF lamps.

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

For both the buildings, solar power panels have been mounted on roof tops to generate electricity from solar power.

III. The Capital investment on energy conservation equipments;

During the year Capital investment on energy conservation equipment is Nil.



Welcome of Shri Manoj Sinha, Hon'ble Minister of State for Railways and Minister of Communication (IC) & RITES Directors at Clients' Meet

TECHNOLOGY ABSORPTION

I. The efforts made towards technology absorption:

Being a leading consultancy organization in the field of transportation, RITES keeps itself abreast with the latest technology and knowhow not only in the area of the transportation but also in the technology and technological innovation that bring better efficiency and economic benefits to the sector. To achieve this, the company continuously strives to procure and absorb the best and the latest technological innovations in areas of its business by continuously updating its software and knowledge base by sponsoring and encouraging its employees to become members of National / International Institutions for improving their professional standing and commitments, to compete with the domestic and international competitors, to improve the quality of service to the client and to actively participate in national and international seminars and conferences, perusal of information and technological updates available on internet, study of periodicals, etc.



Shri Rajeev Mehrotra, CMD (RITES) received the Governance now PSU Award 2016 for value growth and competitiveness in Mini Ratna category. Shri Ram Vilas Paswan, Union Minister of Consumer Affairs, Food and Public Distribution and Shri Babul Supriya, the Honorable State Minister for Heavy Industries and Public Enterprises honoured the best performing Public Sector Undertakings (PSUs) for playing an important role towards economic and social development in India.

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

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

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

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

IV. The expenditure incurred on Research Development

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

During the year, RITES has undertaken the work of providing technical consultancy to BEML for Static and Fatigue Testing of the Bogie Frame. These tests were conducted as per International/European UIC standards. These tests are mandatory for newly designed Bogie Frame or any Bogie Frame being manufactured by a new manufacturer. The real challenge was to ensure the point of application of loads and their direction that would emulate the forces the way they

would occur in field under actual operation/usage. RITES has now proven experience for testing of Bogies as per International Standards.

Under the Guidance of Prime minister's "स्वच्छ भारत अभियान" with directives from Railway Board, RITES has prepared a technical feasibility report for best suitable technologies to handle MSW in environment friendly way at IR railway stations. Segregation of degradable & non-degradable waste and Biomethanation process is recommended for processing of biodegradable waste in this report which is recommended by MoUD. Based on these recommendations, Railway Board awarded work on the bid process and project management for setting up of solid waste management plants at various stations to RITES.

FOREIGN EXCHANGE EARNINGS AND OUTGO

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

Total foreign exchange earnings during the year under review were ₹ 422.03 crore (previous year ₹ 233.45 crore) and foreign exchange outgo were ₹ 31.84 crore (previous year ₹ 13.43 crore) respectively. This resulted in net foreign exchange earnings of ₹ 390.19 crore (previous year ₹ 220.02 crore).

PRESIDENTIAL DIRECTIVE

In April, 2016, A Presidential Directive was received from Ministry of Railways regarding payment of dividend for the financial year 2015-16 & 2016-17 at the rate of 40% of Profit After Tax (Inclusive of interim Dividend of 2015-16 & 2016-17).

VIGILANCE

During the Financial Year 2016-17, RITES' Vigilance has carried out activities related to complaint handling, CTE type inspections, surprise inspections, check on property returns and other miscellaneous activities. A total of 39 complaints were received during the year, in addition to, those pending investigation from the last Financial Year. A total of 49 investigation reports were completed during the year 2016-17. Further a total of 27 no. of surprise checks were carried out during the year at manufacturer's premises at Mumbai, Kolkata, Pune, Chandigarh and Jalandhar. In addition, 08 no. of CTE type inspections were carried out at Birgunj (Nepal), Marwah (Chhattisgarh), Kolkata, Allahabad, Vishakhapatnum, Delhi Cantt., Raichur (Karnatka), and Mohali (Punjab). RITES' Vigilance also scrutinized 252 no. of annual property returns during the year 2016-17, as per directives of the CVC.

Vigilance Awareness Week was observed during last week of Oct., 2016. This year the concept of E-pledge was floated by Commission to promote integrity and honesty. The E-pledge was uploaded on the RITES' Website and the employees of RITES were administered the E-pledge. Seminar on public participation to eradicate corruption was held at Northern Region, Laxmi Nagar, Project Office, Kolkata and inspection unit, Kolkata. This programme was attended by the representative of vendors and RITES contractors. RITES also organized debate competition in various schools and professional colleges located in Gurgaon.

In order to share the experiences gained during the various checks by vigilance, interactive sessions on common irregularities during project implementation and material inspection were held by CVO with officials of regional project offices and inspection units at Kolkata, Chennai, Delhi and Mumbai.



Hon'ble Minister of Railways Shri Suresh Prabhakar Prabhu and Shri. A.K. Mital, Chairman Railway Board interacting on railway opportunities

During the year, 03 no. of structured meetings were held by CVO, RITES with Management in line with CVC's prevailing instructions. During these meetings, the status of complaints received, investigation completed, status of departmental inquiries, delay in completion of inquiries, preparation of list, system improvements and their implementation, use of technological initiatives etc. were discussed.

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

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

Your Directors draw attention of the members to Note 2.41 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)

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

Particulars of loans, guarantees given or investments made along with the purpose for which the loan is proposed to be utilized by the recipients are provided in the standalone financial statement (Please refer to Note 2.8, 2.9, 2.10, 2.17 & 2.18 of the standalone financial statement).

RISK MANAGEMENT UNDER SECTION 134(3) (n) OF COMPANIES ACT, 2013

With the appointment of new Independent Directors on the Board of the Company w.e.f 01.04.2016, Board of Directors in their 221st meeting held on 3rd June, 2016 reconstituted Risk Management Committee comprising of Shri Anil Kumar Goel, Independent Director, as Chairman, Shri R.S Kochak, Govt.

Nominee Director, Shri A.P. Dwivedi, Govt. Nominee Director and Shri Ajay Kumar Gaur, Director Finance, as members.

Since, Shri R.S Kochak, Govt Nominee Director superannuated on 31/07/2016 and Shri R.N Misra Additional Member (PU), Rly Board has been appointed as Government Nominee Director of RITES w.e.f. 31/10/2016. Shri R.N.Misra, Additional Member (PU), Rly Board & Govt Nominee Director of RITES was inducted as member of the Risk Management committee vice Shri R.S.Kochak.

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

In this respect Company has also constituted Treasury Risk Management Committee and assistance is also taken from an external consultant/economist as and when required. During the year one meeting of the Risk Management Committee was held on 20th February, 2017.

PROPAGATION OF HINDI

In pursuance of Official Language policy of the Govt. of India (Ministry of Home Affairs, Deptt. of Official Language) and the directions received from Railway Board from time to time, all round efforts were made to accelerate the progressive use of Hindi in official work of the Company. Important documents, such as Annual Report, MOU, minutes of various meetings, Circulars, Office Orders and Questionnaire of Committees of Parliament were prepared and issued in bilingual form. Rajbhasha Fortnight was organized smoothly in RITES corporate office from 1st September to 14th September, 2016. 'HINDI DIWAS' message by CMD/RITES was issued timely to all the officials of RITES located all over India. Competitions like; Noting and Drafting, Essay and Elocution were organized during this period and Hindi workshop, Table Training and inspections of different departments were also conducted. On this occasion, a special seminar and Quiz program was organized in collaboration with Business Standard on September 9, 2016. 24 winners of different competitions were awarded cash award and certificates by CMD/RITES. Rajbhasha Fortnight was organized in various project and inspection offices.

During the year inspections regarding Progressive use of Hindi and workshops/table training in different Departments/Offices were conducted. Various incentive schemes regarding the use of Hindi were implemented. 50% Hindi books were purchased



Annual General Meeting in progress

in the library. The quarterly meetings of Official Language Implementation Committee (OLIC) were held regularly in which progress of various items of Annual Programme of the Deptt. of Official Language Department, Ministry of Home Affairs were discussed and reviewed. Representative of RITES also participated in OLIC, Railway Board.



The MOU signed by Shri Rinkesh Roy, Chairman on behalf of Paradip Port Trust & Shri Arbind Kumar, Director Projects on behalf of RITES Ltd.

RITES bagged 'Rajbhasha Gaurav' first prize for excellence in implementation of Rajbhasha policy and Rajbhasha activities. The award was given in 'Rajbhasha cum Prize distribution function' organized by Town Official Language Implementation Committee, Gurgaon.

MEMORANDUM OF UNDERSTANDING

The company meets parameters for 'Excellent' rating in its performance evaluation under the MOU signed with the Ministry of Railways for the year under consideration (2016-17). However, communication from DPE in this regard is expected in due course.

SCHEDULED CASTE, SCHEDULED TRIBES AND OTHER BACKWARD CLASSES

The company continued to give utmost importance to implementation of the policies and directives of the Government of India in matters relating to reservations in employment for candidates belonging to SC/ST/OBC and differently abled categories. During the year 2016-17, Special recruitment drive was launched to fill up the shortfall of SC/ST Candidates, 181 employees were inducted against regular posts, out of which 99 belong to SC/ST/OBC/differently abled category. Similarly during the year 110 employees were inducted against contractual position, out of which 71 belong to SC/ST/OBC/ differently abled category.

In the year 2016-17, pre promotion training has been given to employees belonging to these categories. To ensure the welfare of such employees, the company has appointed Liaison officers for SC/ST/OBC and differently abled employees.

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

ISO 9001-2008 CERTIFICATION

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

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

CORPORATE GOVERNANCE & MANAGEMENT DISCUSSION AND ANALYSIS

"Report on Corporate Governance" and "Management Discussion and Analysis" containing Division-wise Performance forms an integral part of the Directors' Report and have been placed at Annexure "A" & "B" respectively.

EXTRACT OF THE ANNUAL RETURN AS PER SECTION 92 (3) OF THE COMPANIES ACT, 2013 HAS BEEN PLACED AT Annexure -II

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURE

There is no employee in the company falling under the category of employee required to be reported under the provisions of Rules 5 (2) and 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

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

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

DECLARATION BY AN INDEPENDENT DIRECTOR(S) UNDER SECTION 149(6) OF COMPANIES ACT 2013

As per Notification issued by Ministry of Corporate Affairs dated 5/06/2015, the provisions of the said section shall not apply to Govt Company.

BOARD OF DIRECTORS AND NUMBER OF MEETINGS OF THE BOARD

The Board of the Company comprises of 9 Directors viz 4 functional Directors including Chairman & Managing Director, two Government Nominee Directors and 3 Independent Non-Official Directors. The composition of the Board is in consonance with the Guidelines issued by DPE. As on 31st March, 2017, Company has Nine (9) Directors including four Functional Directors, two Government Nominee Directors and three Independent Directors. The Board met seven (7) times during the year 2016-17.

The following Directors held office during the year:

Whole-time Directors:

Shri Rajeev Mehrotra	Chairman and Managing Director
Shri Arbind Kumar	Director Projects
Shri Ajay Kumar Gaur	Director Finance
Shri Mukesh Rathore	Director Technical (from 01/12/2016)
Shri S.B.Malik	Director Technical (up to 30/11/2016)

Government Nominee Directors:

Shri R.N.Misra	Director (from 31/10/2016)
Shri A.P. Dwivedi	Director
Shri R.S. Kochak	Director (upto 31/07/2016)

Independent Directors:

Dr. Vidya Rajiv Yeravdekar (From 01/04/2016)
 Shri Anil Kumar Goel (From 01/04/2016)
 Shri Satish Sareen (From 01/04/2016)

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

Shri Rajeev Mehrotra Chairman and Managing Director (CEO)
 Shri Arbind Kumar Director Projects
 Shri Ajay Kumar Gaur Director Finance (CFO)
 Shri Mukesh Rathore Director Technical (from 01/12/2016)
 Shri S.B.Malik Director Technical (up to 30/11/2016)
 Shri.PT.Mittal Company Secretary & GM (Legal)

AUDIT COMMITTEE OF DIRECTORS

Audit Committee was last constituted by Board of Directors in their 219th meeting held on 8th January, 2016 with Shri R.S Kochak, Government Nominee Director (Chairman), Shri A.P Dwivedi, Government Nominee Director and Shri S.B Malik, Director Technical as members with the condition that the Committee will be re-constituted, once the Independent Directors are in position.

Thereafter, with the appointment of Independent Directors on the Board of the Company w.e.f 01.04.2016, Board of Directors in their 221st meeting held on 3rd June, 2016 constituted Audit Committee comprising of Shri Anil Kumar Goel, Independent Director as Chairman, Dr. Vidya Rajiv Yeravdekar, Independent Director, Shri Satish Sareen, Independent Director, and Shri Arbind Kumar, Director Projects as members. The Company had Audit Committee with Independent Directors forming majority. Audit committee met three times during the year 2016-17.

NOMINATION AND REMUNERATION COMMITTEE (SECTION 178 OF THE COMPANIES ACT, 2013)

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

As per Guidelines on Corporate Governance for CPSEs 2010 issued by DPE in May, 2010, each CPSE is required to constitute a Remuneration Committee comprising of atleast three Directors, all of whom should be Part-time Directors (i.e Nominee Directors or Independent Directors). The Committee should be headed by an Independent Director. Remuneration Committee will decide the annual bonus/variable pay pool and policy for its distribution across the executives and non unionized supervisors, within the prescribed limits.

Further, as per Section 178 of Companies Act, 2013 & Rule 6 of {Companies (Meetings of Board & its Powers)} Rules, 2014, Company is required to constitute a Nomination & Remuneration committee, which shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance. The Nomination and Remuneration Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

However, as per Notification dt 5th June, 2015 issued by

Ministry of Corporate Affairs, the provision of Section 178 shall not apply to Government Company except with regard to appointment of Senior Management & Other employees.

The expression "senior management" means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

As per rule 2(k) of the Companies (Specification of definitions details) Rules, 2014 Executive Director means a whole time director which includes Director in the whole time employment of the Company as defined in clause (94) of section 2 of the Act."

In view of the same, with the appointment of Independent Directors on the Board of the Company w.e.f 01.04.2016, Board of Directors in their 221st meeting held on 3rd June, 2016 constituted Nomination and Remuneration Committee comprising of Shri Satish Sareen, Independent Director as Chairman, Dr. Vidya Rajiv Yeravdekar, Independent Director, Shri Anil Kumar Goel, Independent Director and Shri R.S. Kochak, Government Nominee Director, RITES as members. Since R.S.Kochak superannuated on 31/07/2016 and Shri R.N.Misra, Additional Member (PU) has been appointed as Govt Nominee Director of RITES w.e.f. 31/10/2016. The Board of Directors in their meeting held on 25th November, 2016 reconstituted Nomination and Remuneration committee comprising of Shri Satish Sareen, Independent Director as Chairman, Dr. Vidya Rajiv Yeravdekar, Independent Director, Shri Anil Kumar Goel, Independent Director and Shri R.N.Misra, Government Nominee Director, RITES as members.

The said committee is also to decide the annual bonus/variable pay pool and policy for its distribution across the executives and non unionized supervisors, within the prescribed limits as was being earlier decided by Remuneration Committee.

DIRECTORS' RESPONSIBILITY STATEMENT UNDER THE COMPANIES ACT, 2013

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

- In the preparation of the annual accounts the applicable accounting standards have been followed and there is no material departure from the same.
- 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;
- 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;
- The directors have prepared the annual accounts on a going concern basis; and
- 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
- 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.



CMD RITES inspecting RITES stall at CSR Fair

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

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

KNOWLEDGE MANAGEMENT SYSTEM

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

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

ENVIRONMENTAL PROTECTION:

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

rules pertaining to the environmental protection are being followed in the projects.

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

CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY

Corporate Social Responsibility and Sustainability policy is our commitment to operate in economically, socially and environmentally sustainable manner that is transparent and ethical. It encourages engagement with the stakeholders in determining their needs and expectations. The stakeholders include employees, shareholders, investors, customers, clients, business associates, civil society groups, Centre/State/local government, communities, environment and society at large. A total of ₹ 9.20 crore was spent during 2016-17 against the annual budget of ₹ 9.20 crore. Good image of RITES has been generated among the community. The underprivileged and economically weaker sections have also benefitted from the activities.

The CSR projects / activities taken up by RITES are in accordance with the sectors as defined in the Schedule VII of Companies Act, 2013. Key projects taken up during FY 2016-17 are as follows:

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

1. Providing 6 Number of School buses to Mewat Model Schools Society, Nuh, Mewat, Haryana.



School buses provided by RITES to Mewat Model Schools Society

RITES has provided 6 buses for transport facility to school children to Mewat Model Schools Society to increase the enrolment; especially for girls, and to provide quality

education in Mewat under "Beti Bachao Beti Padhao Abhiyan". The Mewat Model Schools Society is providing free transport facility to the girl's students, and the enrolment of girls' students is bound to increase as a result of this initiative.

2. Empowerment through Computer Courses for Disadvantaged Girls in Gurgaon, Haryana through Kundan Welfare Society.

RITES has provided Computers, Printers & Study Material to Govt. Girls Senior Secondary School Bhimnagar,



CMD (RITES) addressing the gathering at RITES Annual Day

Gurgaon, and imparted computer education to 45 girls through Kundan Welfare Society Gurgaon. Objective of the project is to encourage educational pursuits of Disadvantaged Girls and improving their living condition through education and social awareness, and to promote empowerment through education. This initiative aims to enable the beneficiary girls in achieving self-respect and self-reliance, which fosters hope and confidence in pursuing fulfilling lives.

3. Financial support for Tribal (Indigenous) children in Bhubaneswar, Odisha through Kalinga Institute of Social Science (KISS), Bhubaneswar.

RITES has provided Financial assistance to Kalinga Institute of Social Science, Bhubaneswar for social transformation of 50 tribal children by way of Education, Vocational training, Health Care, Food, Lodging, Sports, etc.



Financial assistance to Kalinga Institute of Social Science, Bhubaneswar

This initiative will benefit the Tribal (Indigenous) children in developing advanced livelihood in future.

4. Providing Equipments for Laboratory in vocational cum Skill Development Training Centre or backward area of Southern Rajasthan to generate alternative employment opportunity for Rural youth and Women through Vishvas Sansthan, Udaipur, Rajasthan.

RITES has provided Tools and Equipments for Skill development training such as Consumable Kits, Trainees Tool Kits, Shop Tools, Instruments and Machinery for the Laboratory to Vocational cum Skill Development Training Center, Vishvas Sansthan, Udaipur, Rajasthan.

Objective of this is socio-economic upliftment of the rural community through Skill Development and Vocational Training of the women and economically weaker sections of Rajasthan, covering the Districts of Banswara, Dungarpur, Udaipur which have been identified as backward areas by the Planning Commission. This Institute will help to generate alternative employment opportunity for Rural Women and Youth. Focus will be on training and skill development resulting in meaningful employment.

5. Recruitment & Retention of Voluntary blood donation for safe blood transfusion through education in the backward district of West Bengal - 24 Parganas, West Bengal.



Shri Ved Prakash, GGM (P&A) and Surinder Kumar, JGM (Rajbhasha) RITES receiving the Narakas Rajbhasha Gaurav award for PSU excellence in Rajbhasha implementation from Dr. Bipin Bihari, Secretary (Rajbhasha Deptt.)

RITES has through Association of Voluntary Blood Donors, West Bengal spread awareness regarding the importance of blood donation, as well as encouraged volunteers to donate blood. Objective of the Association is to spread awareness, distribute course material and conduct programs regarding the importance of blood donation, as well as encourage volunteers to donate blood. This is achieved through Education Programme, District Level Certificate Course for Blood Donor Motivators and University / College Level Certificate Course, Blood Donation camps, Publications & Exhibitions.

6. Sponsorship of 4 Children's homes and 30 youths for employment linked higher education to children of SOS Children's Villages of India

RITES has taken initiative for Sponsoring 4 children's



CMD RITES and DF RITES distributing sweatshirts to children of SOS Village at Bhawana Delhi

homes and 30 youth for employment linked higher education to Children of SOS Children's Villages of India, Bhawana, Delhi. RITES also distributed Sweatshirts to Children and Sarees to the assigned mothers of these orphan Children.

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

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

7. Setting up Bio-Digester Public Toilets in Varanasi, U.P.

RITES has set up bio-digester Public Toilets in Varanasi, (UP) at Sakka and Teliyanalla ghat, Varanasi through usage of technology to set up affordable, and sustainable models for city wide deployment of such infrastructure.



Planting of a sapling by Shri Ravindra Gupta, Member Rolling Stock at RITES Bhawan

Since permanent structure cannot be constructed at the ghats, mobile/portable toilets with Bio-digester technology have been set up at this location. To conform to CPCB norms of effluent, reed bed technology has been adopted for the Bio-digester.

8. Construction of Public Toilets in Varanasi, U.P.

RITES has set up Public Toilets, through Varanasi Nagar Nigam, at Machhodri Park & Beniyabagh in Varanasi.



Public Toilet Complex in Varanasi, U.P., under RITES CSR

The project will provide sanitation facilities in the areas of Varanasi, which will reduce the incidences of health issues leading to healthy community and overall development of the people living in and visiting these areas.

9. Distribution of Assistive Devices to Persons with Disabilities (PwDs)

RITES has joined hands with ALIMCO to provide assistive devices to Persons with Disabilities (PwDs) in Ajmer, Rajasthan and Ghazipur, U.P. Various assistive aids such as wheelchairs (Adult & Child), joystick operated wheelchairs, Motorized tricycles, hearing aids, MSIED Kit, crutches, walking sticks, BTE Digital type hearing Aid, Tablet for Blind etc. have been provided to Persons with Disabilities.



Shri Manoj Sinha, Hon'ble Minister of State for Railways and Minister of Communication (IC) with the beneficiaries at Ghazipur, U.P.

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

10. Surgery for Congenital Heart Disease for children

RITES has joined hands with Balaji Heart Hospital & Diagnostic centre, Mumbai, Maharashtra in noble cause of Paediatric Cardiac Surgery for infants born with Congenital Heart Disease.

About 78,000 infants born with congenital heart disease in India die every year because of inadequate health care facilities in the country. RITES provided funds for Cardiac Surgery of four children.

By this Initiative of RITES, four lives have been saved bringing smiles on the faces of the relatives and parents of the patients.

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

11. Development and Maintenance of Green cover along sector roads and backside of RITES Bhawan, Gurgaon, Haryana.

RITES has taken up tree plantation and maintenance of Green cover along sector roads and backside of RITES Bhawan, Gurgaon, Haryana. The project covers plantation of new trees/plants/shrubs and maintenance of existing plants.



Maintenance of Tree Plantation and Preservation of Green Cover, along RITES Bhawan, Gurgaon, Haryana

The project promotes conservation of the environment for the benefit of the general public of this financial and industrial city situated in the National Capital Region. It also contributes towards beautification of the city.

12. Solar Street Lighting System in villages of Ghazipur, Bhadohi & Phoolpur District of UP and Palamu District of Jharkhand.

RITES has installed Solar Street Lighting Systems in villages of Ghazipur, Bhadohi & Phoolpur District of UP and Palamu District of Jharkhand. Objective of the project is to provide solar powered street lighting system to the villages,



Solar Street Lighting System

where power outages are very high. The village streets are ill lit due to which villagers are at a constant danger of mis-happenings in night. Installation of solar street lights will benefit the villagers.

13. Installation of 100 KWp Grid Interactive SPV Power Plant at Jodhpur Railway Station Building, Rajasthan.

RITES has completed the project of installing 100 KWp Grid Interactive Solar Photovoltaic (SPV) Power Plant at Jodhpur Railway Station Building, Rajasthan through CEL. Beneficiaries of the project will be the passengers and visitors to the station.



CMD (RITES) addressing the session during 12th CII-EXIM Bank Conclave on India Africa Project Partnership

14. Painting scenes of the 1857 Revolt on the walls of Ghaziabad (UP) Railway station.

RITES, through Cs Disha Foundation, undertook to recreate the scenes of The Revolt of 1857 on the walls of platform no 3 & 4 at Ghaziabad (UP) railway station. This Initiative will not only remind the people using the Ghaziabad railway station of the country's glorious history but also motivate them to keep the Railway Station clean.

This work is believed to be the first of its type in India.

SECTOR: Contribution or funds provided to technology incubators located within academic institutions which are approved by the Central Government.

15. Awareness to promote cashless transaction through various digital payment modes in Udaipur, Rajasthan.

RITES undertook training and awareness campaign for



Awareness Campaign to Cashless Transaction in District of Udaipur, Rajasthan

general public by involvement of banks, self-help groups and Vishvas Sansthan, an NGO in Udaipur, Bhilwara & Rajsamand District of Rajasthan targeting about 5000 families from 50 villages. The campaign included Training of Trainers, General Awareness and training of Merchants, Women Self Help Groups, Students and Rural population.

SECTOR: Rural Development Project

16. Farmer & Agriculture Awareness Program in 05 Villages of Tehsil Kishangarh, District Ajmer.



Farmer & Agriculture Awareness Program in Kishangarh Tehsil of Ajmer District, Rajasthan

RITES has taken initiative for Farmer & Agriculture Awareness Program through an NGO WARDS with the objective to create awareness about Govt. Policies for farmers, welfare measures announced from time to time, newer trends in agricultural reforms, weather forecasts, Implementation of Kisaan Beema, use of computers and Internet, and encouraging the farmers for Saving Habits, etc among farmers of 5 villages in Kishangarh Tahsil of Ajmer District, Rajasthan.

The required information in respect of CSR initiatives taken by RITES during the year 2016-17 in the prescribed format has been placed at Annexure-III.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

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



A visit of Hon'ble Minister of Railways, Shri Suresh Prabhakar Prabhu at RITES pavilion in the Integrated Transport and Logistics Summit, Vigyan Bhawan, New Delhi



A visit of Hon'ble Minister of Road Transport and Highways Shri Nitin Gadkari, Hon'ble Ministers of State for Road Transport & Highways and Shipping Shri Pon Radhakrishnan and the Hon'ble Minister of State for Chemical & Fertilizers Shri Mansukh L. Mandaviya along with the railway officials at RITES pavilion in the Integrated Transport and Logistics Summit, Vigyan Bhawan, New Delhi

A good number of professionals are already part of RITES team and it is growing every year. The focus is on inducting enriched professionals at various levels including the fresh incumbents such as Graduate Engineer Trainees and Management Trainees. RITES boasts of rich talent pool comprising of experienced and fresh graduates hired from IITs, NITs, IIMs, XLRI and MDI etc.

In the financial year 2016-17, 181 employees have joined on regular posts out of which 99 are from SC/ST/OBC/PWD categories and 11 have joined through campus recruitment drives. 110 employees have joined against contractual posts out of which 71 are from SC/ST/OBC/PWD categories.

There is a continuous need for trained and experienced manpower from Railway, Road, Port and Metro sectors. The willing officers out of those who come on deputation are considered for permanent absorption apart from a few being taken directly on the requirement of the company and the public interest. During the year, 68 officers from Railways and other Government departments have joined RITES on deputation basis.

In-house training programs aimed at improving the functional and technical skills across levels of employees were organized during the financial year. Professional programs, workshops and seminars conducted by reputed and prestigious agencies were carefully identified in line with business needs of RITES and suitable officers were nominated for such programs. Besides, RITES also organized customized training exclusively for RITES officials through experts and knowledge partners. Also, behavioural and personality development training programs were conducted focusing on developing attitudinal and soft skills. Employees were sensitized on labour law compliances through appropriate programs/ workshops to comply with statutory obligations in labour deployment. Employee physical and financial wellness programs covering stress management, lifestyle diseases and financial planning were among the other trainings organized during the year. A total 9056 training mandays have been achieved during the financial year.

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



Eng. Carlos Mesquita, the Hon'ble Minister of Transport and Communications, Republic of Mozambique with RITES CMD, Director Finance, Director Technical and senior RITES officials

The scheme for membership of National and International Institutions has been introduced, with reimbursement of entry fee and annual membership fee for professional bodies and Life membership in National Institutes for all regular employees.

During the financial year, 250 employees have been promoted to higher posts and placement in higher grade on completion of longer years of service has been granted to 20 employees.

In order to ensure data and information security as well as fostering the idea of business continuity, the HR function has taken a leap forward to keep the records in digitized format. The personnel files along with other important files have been scanned and kept in digitized format. Transparency in the process along with the ease of operation is one of the key objectives. Electronic Performance Management System has been successfully executed, enabling paperless and transparent system of filling the Annual performance Appraisal reports online with quality and in a defined time period. The internal systems and procedures have been reviewed in accordance with ISO requirements.

RITES has adequate and robust welfare schemes in place. Subsidised canteen facility, health cover, medical scheme, annual health check up plans, post retirement medical scheme, post retirement pension scheme, performance related pay, allowances and option of self lease/company lease accommodation are namely a few of the welfare measures adopted by the company. Besides, RITES also organizes annual day, annual picnic and annual sports day.

To encourage educational excellence in the wards of all non-executive staff, merit scholarship/cash awards are given to their wards, where they score 70% marks (boys) and 65% marks

(girls) in their 10th, 12th standard Board exams. Wards of employees' up to the level of Manager are also given merit scholarship/cash wards where their children are pursuing higher education and scored 65% marks (girls) and 70% marks (boys).

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

For the financial year 9 employees were awarded as "Employees of the Quarter" and 1 employee was awarded as "Employee of the Year".

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

IMPLEMENTATION OF RIGHT TO INFORMATION (RTI) ACT, 2005

Right to Information (RTI) Act, 2005 has empowered the Indian citizens to access information from the public authorities, resulting in transparency and accountability to the working of the authorities.



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

A proviso for submission of RTI applications/first appeals online along with payment of application / additional fees through internet banking, debit / credit cards and RuPay cards, has been provided on RITES website. This resource enables the citizens to file an application / first appeal with ease and receive information faster by reducing the time taken on postal transit. Information on the designated Fast Appellate (FAA), Public Information Officers (PIO) and Assistant Public Information Officers (APIOs) is also available on the RITES portal.

Designated Public Information Officer (PIO) has been entrusted with the responsibility of providing information to citizens under the Act; the Assistant Public Information Officers (APIOs) at Regional Project/Inspection Offices are entrusted with the responsibility to receive the tendered



Signing of MOU between Ministry of Railways & RITES Ltd. for FY 2017-18

applications/appeals under Section 5(2) of the Act and to forward these to the PIO at the Corporate Office, Gurgaon.

During the year 2016-17, office of the Public Information Officer (PIO), received 273 new applications seeking information under the RTI Act, 2005, whereas the Office of the First Appellate Authority (FAA) received 70 first appeals. RITES also complied with the decision of the Hon'ble Central Information Commission (CIC) in four second appeals.

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

EXHIBITIONS:

The Company participated in specialized trade exhibitions to explore new avenues of partnerships and innumerable cross-border business opportunities. The Increasing outreach of information on RITES service spectrum and experiences through its multi-media presentations and colorful display of its panels offered a strong platform positive for a dialogue and better understanding with clients.

These various expositions provided an opportunity to share our ideas and technologies with the policy makers, businessmen, academicians and prospective clients in the new global scenario. The company participated in various expositions such as:

- i. Integrated Transport and Logistics Summit at Vigyan Bhawan on May 3-5, 2017 organized by The Confederation of Indian Industry (CII) in cooperation with FICCI
- ii. Global Exhibition on Services (GES) 2017 - Railway Pavilion organized by The Confederation of Indian Industry (CII) held on 17-20 April 2017 at India Expo Mart, Greater Noida.
- iii. 12th CII-Exim Bank Conclave on India Africa Project Partnership : 9-10 March 2017

AWARDS:

Company received following awards for its performance during the year 2016-17:

- i. EEPCC Silver Trophy for top Exporter
- ii. PSU excellence award by Indian Chamber of Commerce
- iii. India pride Award 2016- Dainik Bhaskar
- iv. Golden Pheasant National Quality Award- 2017
- v. QCI-D.L. Shah Quality Award - 2016 at 11th National Quality Conclave held at New Delhi.

AUDITORS

The Comptroller & Auditor General of India appointed the following as Statutory & Branch Auditors for the year 2016-17.

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

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

SECRETARIAL AUDITOR

The Board has appointed Mr. Akhil Rohatgi, Practising Company Secretary, to conduct Secretarial Audit for the financial year 2016-17. The Secretarial Audit Report for the financial year ended March 31, 2017 has been placed at Annexure-IV.

Regarding the observations of the Secretarial Auditor in his Report that the Company has not been registered under 'Shop and Establishment Act', the necessary action is under process.

GENERAL

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

1. Details relating to deposits covered under chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under any Scheme save and except ESOS referred to in this report.
4. Neither the Chairman and Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
5. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

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

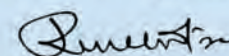
APPRECIATION

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

ACKNOWLEDGEMENTS

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

For and on behalf of Board of Directors



(Rajeev Mehrotra)

Chairman and Managing Director
& Chief Executive Officer

Place: Gurgaon
Dated: 4th July, 2017

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 2016-17.

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	6
	RITES (Afrika) (Pty) Limited	RITES Infrastructure Services Limited (RISL)	Railway Energy Management Company Limited (REMCL)	Companhia Dos Caminhos De Ferro De Beira, SA, (CCFB), Mozambique	SAIL-RITES Bengal Wagon Industry Private Limited (SRBWPL)	BMV Gujarat Rail Pvt. Ltd
(a) Name(s) of the related party and nature of relationship	Wholly Owned Subsidiary	Wholly Owned Subsidiary	Subsidiary (RITES shareholding 51% Indian Railway shareholding 49%)	Joint Venture of RITES, IRCON & Govt. of Mozambique (RITES shareholding 26%)	Joint Venture of RITES & SAIL (RITES shareholding 50%)	Joint Venture of RITES (26%), Shapoorji Pallonji Roads Pvt. Ltd. (67.5%) and PCM Cement Concrete Pvt. Ltd. (6.5%)
(b) Nature of contracts/ arrangements/ transactions	Supply of technical manpower for the purpose of construction supervision of road & airport projects in Botswana/ Rwanda.	Planning, design and construction of bus terminal at Malpatpur, Puri, Orissa.	Services of experts on man month basis for carrying day to day activities of the subsidiary company.	Dispute of CCFB, Mozambique has been amicably settled with Govt. of Mozambique (GOM).	•Execution of Civil, electrical and Mechanical works required for setting up wagon manufacturing factory at Kulti with a production capacity of 1200 wagons per annum and rehabilitation of 300 wagons per annum. •Short term loans	Development and maintenance of the Rail network of 126 km (Bhuj Naliya Vayor) under Western Railways in Gujarat state
(c) Duration of the contracts / arrangements/ transactions	Ongoing-standing arrangements.	From September, 2013 to be completed by July 2015.	Ongoing till subsidiary does not have its own employees.	i. Dispute of CCFB, Mozambique has been amicably settled with Govt. of Mozambique (GOM)	•Completion period of phase-I and Phase-II was 12 months from release of mobilization advance or handing over of encumbrance free land whichever is later. Phase -III all balance works within 18 months from the date of payment of advance or handing over of encumbrance free land, whichever is later. •Till the equity portion of SAIL was available and then the short term loan was converted into equity.	25 years from Effective date after signing of Concession Agreement

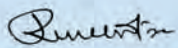
Particulars	1	2	3	4	5	6
	RITES (Africa) (Pty) Limited	RITES Infrastructure Services Limited (RISL)	Railway Energy Management Company Limited (REMCL)	Companhia Dos Caminhos De Ferro De Beira, SA, (CCFB), Mozambique	SAIL-RITES Bengal Wagon Industry Private Limited (SRBWIFL)	BNV Gujarat Rail Pvt. Ltd
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	RITES shall provide manpower at mutually agreed monthly rates. However, salary and related expenses incurred by RAPL on RITES personnel shall be adjusted from the amount payable to RITES.	Built up cost of project plus 7.5% of built up cost.	Expert services are charged on man month rates as being charged to other clients	i. Dispute of CCFB, Mozambique has been amicably settled with Govt. of Mozambique (GOM).	•Built up cost of project plus 9% of built up cost. •For short term loans interest rate was same as that of Dena Bank, but rate of interest shall not be lower than the prevailing yield of 1 year, 3 year, 5 year or 10 year Govt. Security closest to the tenor of the loan till the equity portion of SAIL is also available and then the short term loan was converted into equity.	RITES will provide advisory/ consultancy services during project implementation at mutually agreed terms and rates.
Transactions during the year	• Consultancy Fee: ₹ 0.21 crore.	• Construction Turnkey Projects: ₹ 0.03 crore. • Recoverable /Advances: ₹ (6.92) crore.	• Consultancy Fee: ₹ 4.80 crore. • Recoverable /Advances: ₹ 0.48 crore. • Investment in Equity: ₹ 10.20 crore.	No Transaction during the year.	• Construction Turnkey Projects: ₹ 3.06 crore. • Loans given: ₹ 7 crore. • Interest on loans given: ₹ 0.14 crore. • Investment in Equity: ₹ 1.73 crore. • Recoverable/ Advances: ₹ 0.08 crore.	Investment (equity) ₹ 0.01 crore
(e) Date(s) of approval by the Board, if any: -	Not applicable	Not applicable	Not applicable	Not applicable	BOD approved the proposal on 25/11/2016	223rd BoD meeting held on 16.09.2016
(f) Amount paid as advances, if any:	NIL	NIL	NIL	NIL	NIL	NIL

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

Particulars	1	2	3	4	5	6
Name(s) of the related party and nature of relationship	Sh. Rajeev Mehrotra Chairman and Managing Director & Chief Executive Officer	Sh. Arbind Kumar Director Projects	Sh. Ajay Kumar Gaur Director Finance & Chief Finance Officer	Sh. S.B. Malik Director Technical (up to 30/11/2016)	Sh. Mukesh Rathore Director Technical (From 01/12/2016 to 31/03/2017)	Sh. P.T. Mittal Company Secretary & GM (Legal)
Remuneration for the year 2016-17 (₹)	82,17,147	72,53,550	63,66,544	70,32,702	12,53,666	37,74,209

* The above remuneration includes PRP for FY 2013-14 (20%), FY 2014-15 (100%) and FY 2015-16 (75%) in respect of Directors / Key Managerial Personnel except Shri Mukesh Rathore, who assumed the charge of Director Technical from 1.12.2016.

Place: Gurgaon
Date : 4th July, 2017


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

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2017

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

I. REGISTRATION & OTHER DETAILS:

1.	CIN	U74899DL1974GOI007227
2.	Registration Date	26th April, 1974
3.	Name of the Company	RITES LIMITED
4.	Category/Sub-category of the Company	Company Limited by Shares/Union Govt Company
5.	Address of the Registered office & contact details	Registered office: SCOPE Minar, Laxmi Nagar, Delhi-110092 Ph - 011-22024610
6.	Whether listed company	No
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Not Applicable

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

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Export Sales		29%
2	Consultancy		48%
3	Quality Assurance		13%

III. Particulars of Holding, Subsidiary and Associate Companies

S. No.	Name and Address of the company	CIN/GLN	Holding / Subsidiary / Associate	% of Shares held	Applicable Section
1	RITES Infrastructure Services Ltd (Wholly owned subsidiary of RITES Ltd) Registered office: SCOPE Minar, Laxmi Nagar Delhi-110092	CIN: U45200DL2010GOI202067	Wholly Owned Subsidiary (Under Liquidation)	100%	Under Section- 2(87) of the Companies Act, 2013
2	Railway Energy Management Company Ltd (REMC) Registered office: SCOPE Minar, Laxmi Nagar Delhi-110092	CIN: U93000DL2013GOI256661	Subsidiary	51%	Under Section- 2(87) of the Companies Act, 2013
3	RITES Afrika (PTY) Limited, Botswana	-	Wholly Owned Subsidiary-Abroad	100%	Under Section- 2(87) of the Companies Act, 2013
4	SAIL- RITES Bengal Wagon Industry Private Ltd, Registered office: SCOPE Minar, Laxmi Nagar Delhi-110092	CIN: U35200DL2010PTC211955	JVC of SAIL & RITES	50%	Under Section- 2(6) of the Companies Act, 2013
5	BNV Gujarat Rail Private Limited Registered Office : Venus Amadeus, 301-305, 3rd Floor, Jodhpur Cross Road, Satellite, Ahmedabad-380015, Gujarat	CIN: U60300GJ2016PTC094761	JVC of RITES, Shapoorji Pallonji Road Infra Pvt. Ltd. and PCM Cement Concrete Pvt. Ltd.	26%	Under Section- 2(6) of the Companies Act, 2013
6	RICON, India	-	Unincorporated Joint Venture	51% (Share of interest)	-
7	Companhia Dos Caminhos De Ferro De Beira, SA, (CCFB), Mozambique	-	Joint Venture	26%	Under Section- 2(6) of the Companies Act, 2013
8	Geoconsult ZT GmbH- RITES, India	-	Unincorporated Joint Venture	39.40% (Share of interest)	-
9	Geoconsult -RITES (JV)	-	Unincorporated Joint Venture	37.50% (Share of interest)	-
10	RMAC, Saudi Arabia	-	(under Liquidation)		Company under Liquidation (Equity money received)

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

I) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter's									
(1) Indian									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	9.998 Cr.	0.002 Cr.	10 Cr.	100%	9.998 Cr.	10.002 Cr.	20 Cr.	100%	100
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A)	9.998 Cr.	0.002 Cr.	10 Cr.	100%	9.998 Cr.	10.002 Cr.	20 Cr.	100%	100
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B) (1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B) (2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B) (1)+ (B) (2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	9,998 Cr.	0,002 Cr.	10 Cr.	100%	9,998 Cr.	10,002 Cr.	20 Cr.	100%	100

II) Shareholding of Promoters-

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholder's Name	Shareholding at the beginning of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	President of India	99980000	99.98	-	President of India	199960000	99.98	-	-
2	Sh. A K Mital Chairman Railway Board, Rly Board	9000	0.009	-	Sh. A K Mital Chairman Railway Board , Rly Board	18000	0.009	-	-
3	Sh. S Mookerjee Financial Commissioner, Rly Board	9000	0.009	-	Shahzad Shah Financial Commissioner, Rly Board	18000	0.009	-	-
4	Sh. V.K.Gupta, Member Engineering, Rly Board	500	0.0005	-	Sh. A K Mittal Member Engineering, Rly Board	1000	0.0005	-	-
5	Sh. Hemant Kumar Member (Rolling Stock), Rly Board	500	0.0005	-	Sh. Ravindra Gupta Member (Rolling Stock) Rly Board	1000	0.0005	-	-
6	Sh. H.K. K ala, Additional Member Planning, Rly Board	500	0.0005	-	Sh.B.B.Verma, Additional Member Planning, Rly Board	1000	0.0005	-	-
7	Sh. A.P.Dwivedi, Executive Director (PSU & HS) Rly Board	500	0.0005	-	Sh. A.P.Dwivedi, Executive Director (PSU & HS) Rly Board	1000	0.0005	-	-
8	Total	10,00,00,000	100%	-	Total	20,00,00,000	100%	-	-

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

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

S. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	10 crore	100%	10 crore	100%
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.): - Bonus Shares	25/11/2016 (5 crore) 24/03/2017 (5 crore)	100%	10 crore	100%
	At the end of the year	20 crore	100%	20 crore	100%

IV) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

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

V) Shareholding of Directors and Key Managerial Personnel:

S. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Shri A.P. Dwivedi, ED (PSU & HS), Rly. Board	500	0.0005	500	0.0005
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): Bonus Shares	25/11/2016 & 24/03/2017 250 shares / 250 shares			
	At the end of the year				
	Shri A.P. Dwivedi, ED (PSU & HS), Rly. Board	1000	0.0005	1000	0.0005

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

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

VII) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

S. No.	Particulars of Remuneration	Name of MD/WTD/ Manager					Total Amount
		Sh. Rajeev Mehrotra, CMD & CEO	Sh. Arbind Kumar, DP	Sh. Ajay Kumar Gaur, DF & CFO	Sh. S.B. Malik, DT (up to 30/11/2016)	Sh. Mukesh Rathore, DT (From 01/12/2016 to 31/03/2017)	
1.	Gross salary	₹	₹	₹	₹	₹	₹
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	34,34,851	28,08,984	29,74,389	20,02,783	8,50,786	1,20,71,793
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	54,306	7,53,422	34,842	1,43,817	2,22,331	12,08,718
2.	Stock Option	-	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-	-
4.	Commission - as % of profit - others, specify	-	-	-	-	-	-
5.	Others, please specify-Performance Linked Incentives (PRP- 13-14 (20%), 14-15 (100%), 15-16 (75%))	37,01,751	25,71,311	23,57,000	19,89,141	-	1,06,19,203
	- Post Employment Benefits	6,09,057	5,64,258	5,26,571	13,65,860	1,80,549	32,46,295
	- Other Employment Benefits	4,17,182	5,55,575	4,73,742	15,31,101	-	29,77,600
	Total (A)	82,17,147	72,53,550	63,66,544	70,32,702	12,53,666	3,01,23,609
	Ceiling as per the Act	-	-	-	-	-	-

B. Remuneration to other directors

S. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Dr. Vidya Rajiv Yeravdekar	Shri Anil Kumar Goel	Shri Satish Sareen	
		₹	₹	₹	₹
1.	Independent Directors				
	Fee for attending board / committee meetings				
	• Board Meeting	1,50,000	1,70,000	1,70,000	4,90,000
	• Audit Committee	55,000	55,000	55,000	1,65,000
	• CSR committee	57,500	75,000	75,000	2,07,500
	• Nomination & Remuneration Committee	52,500	52,500	52,500	1,57,500
	• Risk Management	20,000	20,000	20,000	60,000
	• Project Investment	-	17,500	17,500	35,000
	• Independent Director Meeting	20,000	20,000	20,000	60,000
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	3,55,000	4,10,000	4,10,000	11,75,000
2.	Other Non-Executive Directors	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	3,55,000	4,10,000	4,10,000	11,75,000
	Total Managerial Remuneration	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-

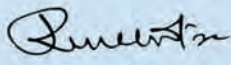
C. Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD

S. No.	Particulars of Remuneration	Key Managerial Personnel	Total Amount
		Shri PT Mittal, Company Secretary & GM (Legal)	
1.	Gross salary	₹	₹
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	24,23,068	24,23,068
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission		
	- as % of profit	-	-
5.	Others, specify -Performance Linked Incentives (PRP) 13-14 (20%), 14-15 (100%), 15-16 (75%)	7,45,963	7,45,963
6.	Others, please specify - Post Employment Benefits	4,56,455	4,56,455
	- Other Employment Benefits	1,48,723	1,48,723
	Total	37,74,209	37,74,209

VIII) PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

Place : Gurgaon
Date : 4th July, 2017


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

CSR projects for FY 2016- 17

1. Average net profit of the company of the last three financial years).(Ref ANNEXURE 1)
2. Prescribe net Expenditure (two per cent of the amount as in item 1 above).(Ref ANNEXURE 1)
3. Details of CSR spent for the financial year:
 - (i) Total amount to be spent for the financial year: as per the table below
 - (ii) Amount unspent, if any: NIL

1	2	3	4	5	6	7	8
S. No.	CSR project or activity identified.	Sector in which the project is covered	Projects or programs (1) Local Area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (Amount ₹ in Lakhs)	Amount spent on the projects or programs Sub: (1) Direct expenditure on the projects or programs (2) Overheads (₹ in Lakhs)	Cumulative expenditures upto the reporting period (₹ in Lakhs)	Amount spent: Direct or through implementing agency (₹ in Lakhs)
Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;							
1.	Distribution of assistive devices to Persons with disabilities (PwDs)	-do-	Ajmer, Rajasthan	30.00	17.48	17.48	Through implementing agency
2.	Construction of Toilets in Madan Mohan Malviya College Ghazipur, UP	-do-	Ghazipur, Uttar Pradesh	18.92	18.92	36.40	Through implementing agency
3.	Contribution of funds for Passenger amenities at Nagaon Railway Station of Lumding Division, Assam	-do-	Lumding, Assam	25.00	10.00	46.40	Through implementing agency
4.	Toilets and 100 seats for Basti Railway Station	-do-	Basti, Uttar Pradesh	5.00	5.00	51.40	Through implementing agency
5.	Construction of Public toilets in Varanasi, UP	-do-	Varanasi, Uttar Pradesh	3.15	3.15	54.55	Through implementing agency
6.	Construction of Public Toilets in Varanasi, UP (Bio-Digester) & maintenance for 1 year	-do-	Varanasi, Uttar Pradesh	12.38	11.75	66.30	Through implementing agency
7.	Surgery for Congenital Heart Disease for children	-do-	Mumbai, Maharastra	12.00	12.00	78.30	Through implementing agency
8.	Swach Bharat Kosh	-do-	PAN India	175.00	175.00	253.30	Govt. of India
Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;							
9.	Enrolment of Voluntary Blood Donors for Safe Blood Transfusion TCSRough Education - 24 Parganas, West Bengal. West Bengal.	-do-	24 Pargana, West Bengal	12.50	12.50	265.80	Through implementing agency
10.	Setting up 15 production cum training centres in 15 Panchayat in districts in Rajasthan : upgrading infrastructure, providing equipment & running expense for 3 months	-do-	Udaipur, Rajasthan	40.00	40.00	305.80	Through implementing agency
11.	Stickers for bio-toilets for Railways	-do-	PAN India	1.50	1.58	307.38	Through implementing agency
12.	Sponsorship of 50 tribal (indigenous) children through Kalinga Institute of Social Sciences, Bhubaneswar	-do-	Bhubaneswar, Odisha	14.98	14.98	322.36	Through implementing agency
13.	Construction of Vocational training / skill development institute for in privileged children of rural areas (Vrindavan / Mathura, UP)	-do-	Mathura, Uttar Pradesh	41.50	40.50	362.86	Through implementing agency
14.	Rehabilitation of children victims of social violence for national integration	-do-	Jammu & Kashmir	15.00	15.00	377.86	Through implementing agency
15.	6 Number of School buses to Mewat Model Schools Society, Nuh, Mewat	-do-	Mewat, Haryana	110.00	109.03	486.89	Through implementing agency

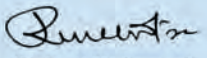
1	2	3	4	5	6	7	8
S No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local Area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (Amount ₹ in Lakhs)	Amount spent on the projects or programs Sub: -Head (1) Direct expenditure on the projects or programs (2) Overheads (₹ in Lakhs)	Cumulative expenditures upto the reporting period (₹ in Lakhs)	Amount spent Direct or through implementing agency (₹ in Lakhs)
16.	Empowerment through Computer Courses for Disadvantaged Girls	-do-	Gurgaon, Haryana	5.00	3.40	490.29	Through implementing agency
17.	Supply of equipment and furniture for Skill cum computer training Centre , Chakia, Motihari, Bihar and running expences for 3 months	-do-	Chakia, Motihari, Bihar	3.08	2.76	493.05	Through implementing agency
" Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups"							
18.	Housing for 20 families in Saddal village, Udhampur district, Jammu & Kashmir	-do-	Udhampur, Jammu & Kashmir	100.00	50.00	543.05	Through implementing agency
19.	SOS children's villages : sponsoring 4 children's homes and 30 youth for employment linked higher education and distribution of clothing etc. on Children's Day 2016	-do-	Kolkata, Bhubneshwar, Faridabad	57.00	56.49	599.54	Through implementing agency
Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;							
20.	Improving Environmental sustainability through Green Cover by Plantation drive on Vijaywada division of South Central Railway	-do-	Vijaywada division of South Central Railway	15.00	10.00	609.54	Through implementing agency
21.	Supporting plantation at Gurgaon Railway Station, Gurgaon for improving Environmental Sustainability through Green Cover	-do-	Gurgaon, Haryana	15.00	15.00	624.54	Through implementing agency
22.	Tree plantation and preservation of green cover along sector road, Gurgaon	-do-	Gurgaon, Haryana	16.50	5.04	629.58	Direct
23.	Providing plant saplings to Railways at Danapur & Dhanbad	-do-	Danapur, Bihar & Dhanbad, Jharkhand	3.20	1.60	631.18	Through implementing agency
24.	Solar Street lights in Ghazipur, U.P. (350 numbers of SLS)	-do-	Ghazipur, Uttar Pradesh	101.25	78.66	709.84	Direct
25.	Solar street lighting for Bhadohi, U.P. (77 numbers of SLS)	-do-	Bhadohi, Uttar Pradesh	22.50			
26.	Solar street lighting in Kishunpur, Palamu district of Jharkhand (40 numbers of SLS)	-do-	Palamu, Jharkhand	10.80			
27.	Solar street lights for Phoolpur, U.P. (85 numbers of SLS)	-do-	Allahabad, Uttar Pradesh	25.00			
28.	Construction of cow shed by Shri Shyam Gaushala Samiti, Bhopalpur, Suratgarh, Rajasthan	-do-	Shree Ganga Nagar, Rajasthan	3.38	3.38	713.22	Through implementing agency
29.	Construction of cow shed by Gausewa Samiti Bishnoi Mandir, Dabla, Rajasthan	-do-	Shree Ganga Nagar, Rajasthan	2.50	2.50	715.72	Through implementing agency
30.	LED lights at Varanasi Railway Station	-do-	Varanasi, Uttar Pradesh	25.00	23.88	739.60	Direct

1	2	3	4	5	6	7	8
S. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local Area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (Amount ₹ in Lakhs)	Amount spent on the projects or programs Sub: -Head (1) Direct expenditure on the projects or programs (2) Overheads (₹ in Lakhs)	Cumulative expenditures upto the reporting period (₹ in Lakhs)	Amount spent: Direct or through implementing agency (₹ in Lakhs)
31.	100KWp Grid Interactive Solar photovoltaic power plant at Jodhpur Railway Station	-do-	Jodhpur, Rajasthan	15.85	15.85	755.45	Through implementing agency
Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts							
32.	Passenger Amenity at certain Railway stations in Danapur Division of Indian Railways	-do-	Danapur, Bihar	50.00	25.05	780.50	Through implementing agency
33.	Getting the scenes of the Revolution of 1857 recreation on the walls of the platform no 3 & 4 at Ghaziabad Railway Station	-do-	Ghaziabad, Uttar Pradesh	5.00	5.00	785.50	Through implementing agency
training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;							
34.	Funds for Development of School Play Ground, at Dawson H. S. & M. P. School, Nagaon, Assam.	-do-	Nagaon, Assam	50.00	50.00	835.50	Through implementing agency
Contribution or funds provided to technology incubators located within academic institutions which are approved by the Central Government and Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;							
35.	Funds for awareness to promote cashless transaction through various digital payment modes in Udaipur, Rajasthan	-do-	Udaipur, Rajasthan	10.00	10.00	845.50	Through implementing agency
36.	Funds for awareness to promote cashless transaction through various digital payment modes in Chakia (Motihari), Bihar	-do-	Chakia, Motihari, Bihar	5.00	5.00	850.50	Through implementing agency
37.	Funds for awareness to promote cashless transaction through various digital payment modes in Pune Maharashtra	-do-	Pune Maharashtra	10.00	10.00	860.50	Through implementing agency
Rural development projects							
38.	Farmer & Agriculture Awareness Program in villages of Kishangarh Tehsil, Rajasthan	-do-	Kishangarh, Rajasthan	25.00	12.15	872.65 = (A)	Through implementing agency

Other CSR Expenditures in FY 2016 – 17

S. No.	Description	Amount ₹ in Lakhs
1.	CSR Compendium	1.31
2.	Photography	0.10
3.	Binding	0.02
4.	5% of CSR Expenditure as Salary	46.00
Total (B) (S. No. 1 to 4)		47.42
Grand Total (Amount in Lakh) = A + B		920.07

Place : Gurgaon
Date : 4th July, 2017


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

Average Net Profit Of The Company of The Last Three Financial Years.

(₹ in crore)

Particulars	2016-17	2015-16	2014-15	2013-14	2012-13
PROFIT BEFORE TAX	487.99	514.57	456.10	386.09	345.07
CSR	9.20	8.28	7.90	5.32	6.44
PBT BEFORE CSR(A)	497.19	522.85	464.00	391.41	351.51
TOTAL OF THREE YEARS (B)	1484.04	1378.26	1206.92		
AVERAGE (C) (B/3)	494.68	459.42	402.31		
2% OF (C)	9.89	9.19	8.05		
ROUND OFF FIGURES	9.90	9.20	8.10		
FOR	2017 - 18	2016-17	2015-16		

2. RITES CSR & Sustainability Policy

- 2.1 Corporate Social Responsibility and sustainability policy is our commitment to operate in economically, socially and environmentally sustainable manner that is transparent and ethical. It encourages engagement with the stake holders in determining their needs and expectations. The stake holders include employees, shareholders, investors, customers, clients, business associates, civil society groups, Center/State/local government, communities, environment and society at large.
- 2.2 RITES shall strive to integrate social and environment concerns in its business processes and work towards providing the best possible solutions for sustainable developmental needs of the society by:
- 2.2.1 Spreading awareness amongst employees about the company's CSR & Sustainability policy, programmes & initiatives and the need and importance of adopting ethical business practices and implementation of CSR & Sustainability agenda of the company.
- 2.2.2 Promoting the cause of Sustainable Development and giving due attention to social and environmental aspects and their impacts in all its activities including the feasibility studies, investigations, detailed designs & DPRs for various developmental projects in transportation & infrastructure sector.
- 2.2.3 Encourage use of renewable energy resources such as solar, wind, biomass & others and reduce its carbon, water and waste foot prints.
- 2.2.4 Engagement with stakeholders in undertaking CSR & Sustainability projects in and around the areas of companies offices/projects and also other backward region/areas with focus on creating the necessary infrastructure which will promote education, health, sanitation and provide connectivity/mobility, skills and preserve natural habitat, water resources, flora and fauna, greenery, environment, heritage and culture.
- 2.2.5 Regular reporting of CSR & Sustainability performance of the company.
- 2.2.6 Creating and enhancing the brand value of the company by adoption of highest standards of Corporate Governance and best management practices and application of its business expertise for the good of the community and society at large.
- 2.3 This policy flows from the Corporate Mission of the company.
- 2.4 CSR Policy relates to the activities to be undertaken as specified in Schedule VII of the sub - section (1) of section 467 of the Companies Act (18 of 2013). Refer Chapter 5.

3. COMPOSITION OF CSR BOARD LEVEL COMMITTEE

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

Shri Satish Sareen	:	Chairman (Independent Director)
Shri Anil Kumar Goel	:	Member (Independent Director)
Dr. Vidya Rajiv Yeravdekar	:	Member (Independent Director)
Shri A. P. Dwivedi	:	Member (Govt. Nominee Director)
Shri Ajay Kumar Gaur	:	Member (Director Finance)

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st March, 2017

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

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by RITES Limited for the financial year ended on 31st March, 2017 according to the provisions of:

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

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India with effect 1st July, 2015.

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

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

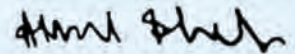
Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation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

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

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

We further report that during the audit period the Company has issued 5,00,00,000 bonus shares of ₹ 10 each aggregating to ₹ 50,00,00,000 on 25/11/2016 and 5,00,00,000 bonus shares of ₹ 10 each aggregating to ₹ 50,00,00,000 on 24/03/2017.

For Akhil Rohatgi & Co.



Akhil Rohatgi
Practicing Company Secretary
FCS No.: 1600, C.P. No: 2317

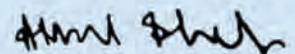
Place : New Delhi
Date : 4th July, 2017

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

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

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

For Akhil Rohatgi & Co.



Akhil Rohatgi
Practicing Company Secretary
FCS No.: 1600, C.P. No: 2317

Place : New Delhi
Date : 4th July, 2017

ANNEXURE - A

REPORT ON CORPORATE GOVERNANCE

Corporate Governance is a set of systems and practices to ensure that the affairs of the Company are being managed in a way which ensures accountability, transparency, fairness in all its transactions and meet its stakeholders aspirations and societal expectations. Corporate Governance is critical for enhancing and retaining investor trust. Corporate Governance facilitates efficient and effective management, sustainable value creation and is all about maintaining a valuable relationship and trust with all stakeholders. It establishes a climate of trust, confidence and creativity amongst its various constituents by making all necessary disclosures, complying with all the laws of land and creation of wealth legally and ethically.

1. Company's Philosophy on the code of Governance

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

RITES believes in promoting the principles of sound Corporate Governance and its essential character is shaped by high standard of transparency, trust and integrity, performance orientation, responsibility, accountability, professionalism, social responsiveness and ethical business practices. RITES lays special emphasis in conducting its affairs within the framework of policies, internal and external regulations in a transparent manner. Corporate Governance has indeed been an integral part of the way we have done business for several years. This emanates from our strong belief that strong governance is integral to creating value on a sustainable basis.

2. Board of Directors:

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

Board of the Company comprises of 9 Directors viz 4 functional Directors including Chairman & Managing Director, two Government Nominee Directors and 3 Independent Non-Official Directors.

The composition of the Board is in consonance with the Guidelines issued by DPE.

As on 31st March, 2017, Company has Nine (9) Directors including four Whole Time Directors, two Government Nominee Directors and three Independent Directors.

Whole-time Directors:

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

Government Nominee Directors:

Shri R.N. Misra	Director
Shri A.P. Dwivedi	Director

Independent Directors:

Dr. Vidya Rajiv Yeravdekar	Director
Shri Anil Kumar Goel	Director
Shri Satish Sareen	Director

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 ¹	No. of Committee Membership ²	
				As Chairman	As Member
1.	Shri Rajeev Mehrotra Chairman & Managing Director	Whole Time	1 Nominee Chairman REMCL	Nil	Nil
2.	Shri Arbind Kumar Director Projects	Whole Time	1 Nominee Director REMCL	Nil	Nil
3.	Shri Ajay Kumar Gaur Director Finance	Whole Time	Nil	Nil	Nil
4.	Shri S.B Malik Director Technical (up to 30/11/2016)	Whole Time	Nil	Nil	Nil
5.	Shri Mukesh Rathore Director Technical (From 01/12/2016)	Whole Time	Nil	Nil	Nil
6.	Shri R.S Kochak Director (up to 31/ 07/2016)	Govt Nominee	Nil	Nil	Nil
7.	Shri R.N Misra Director (from 31/10/2016)	Govt Nominee	Nil	Nil	Nil
8.	Shri A.P Dwivedi Director	Govt Nominee	Nil	Nil	Nil
9.	Dr. Vidya Rajiv Yeravdekar Director (from 01/04/2016)	Independent Director	Nil	Nil	Nil
10.	Shri Anil Kumar Goel Director (from 01/04/2016)	Independent Director	Nil	Nil	Nil
11.	Shri Satish Sareen Director (from 01/04/2016)	Independent Director	1	Nil	Nil

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

** Does not include Chairmanship/ Membership in Board of Committees other than Audit Committee and Shareholder's Grievance Committee.

*** None of the Directors on the Board is a member of more than 10 committees or chairman of more than 5 committees across all the companies in which he is a Director.

2.2 Brief Resume of Directors who joined the Board as Whole-time / Part-time Directors during the year 2016-17:

I. Shri R.N Misra: IRSME officer of Indian Railways with 36 years of experience with Railways. He is a graduate in Mechanical Engineering and has a post graduate diploma in Public Policy & Management. He joined Board of RITES on 31.10.2016.

II. Shri Mukesh Rathore: IRSME officer Joined Indian Railways in 1982. He joined RITES in 2000, and worked in its various business divisions and held positions of GM/GGM/ED. He joined RITES Board as Director (Technical) w.e.f 1st December, 2016.

He has rich and diverse experience of over 34 years. He also possesses long and rich experience of working in Africa and handled various projects related to leasing, operation, maintenance and rehabilitation of Railway Locomotives, Passengers Coaches and Freight Wagons of Tanzania Railways.

2.3 Number of Board Meetings:

The Board met seven times during the year 2016-17 to review the working of the Company and discuss the future plans etc.

S. No.	Name and Designation	Board Meetings During the Year		Attendance at the last AGM held on 16th September, 2016
		Held During tenure	Attended	
1.	Shri Rajeev Mehrotra Chairman & Managing Director	7	7	Present
2.	Shri Arbind Kumar Director Projects	7	7	Present
3.	Shri Ajay Kumar Gaur Director Finance	7	7	Present
4.	Shri S.B Malik Director Technical (up to 30/11/2016)	4	3	Present
5.	Shri Mukesh Rathore Director Technical (From 01/12/2016)	3	3	NA
6.	Shri R.S Kochak Director (up to 31/ 07/2016)	2	2	NA
7.	Shri R.N Misra Director (from 31/10/2016)	4	2	NA
8.	Shri A.P Dwivedi Director	7	6	Present
9.	Dr. Vidya Rajiv Yeravdekar Director (from 01/04/2016)	7	6	No
10.	Shri Anil Kumar Goel Director (from 01/04/2016)	7	7	Present
11.	Shri Satish Sareen Director (from 01/04/2016)	7	7	Present

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

3. Code of Conduct:

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

All Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended 31st March, 2017 and a declaration to this effect signed by the Chairman and Managing Director is placed as **Annexure -2** to this report.

4. Committees of the Board of Directors:

4.1 Audit Committee:

Audit Committee was last constituted by Board of Directors in their 219th Meeting held on 8th January, 2016 with Shri R. S Kochak, Government Nominee Director (Chairman), Shri A. P Dwivedi, Government Nominee Director and Shri S. B Malik, Director Technical as members with the condition that the Committee will be re-constituted, once the Independent Directors are in position.

With the appointment of Independent Directors on the Board of the Company w.e.f 01.04.2016, Board of Directors in their 221st meeting held on 3rd June, 2016 constituted Audit Committee comprising of Shri Anil Kumar Goel, Independent Director as Chairman, Dr. Vidya Rajiv Yeravdekar, Independent Director, Shri Satish Sareen, Independent Director, and Shri Arbind Kumar, Director Projects as members.

4.2 The terms of reference of the Audit Committee are broadly as under:

- Oversight of the Company's financial reporting process and the disclosures of its financial information to ensure that the financial statements are correct, sufficient and credible;
- Recommending to the Board regarding the fixation of audit fees;
- Approval of payment to statutory auditors for any other services rendered by them;
- Reviewing, with the management, the annual financial statements 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 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 the legal requirements relating to financial statements;

- Disclosures of any related party transactions; and
- Qualifications in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, right issue, preferential issues etc), the statement of funds utilized for the purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of public or right issue and making appropriate recommendations to the Board to take up steps in this matter;
- Reviewing, with the management, performance of statutory and internal auditors and adequacy of the internal control system;
- Reviewing, the adequacy of the internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the officials heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with Internal Auditors on any significant findings and follow-up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any areas of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the whistle blower mechanism, in case the same is existing;
- To review the follow up action on the audit observations of the C&AG audit;
- To review the follow up action taken on the recommendation of committee on public Undertakings ('COPU') of the Parliament;
- Provide an open avenue of communication between the independent auditor, internal auditor and the Board of Directors;
- Review and pre-approve all related party transactions in the Company. For this purpose, the Audit Committee may designate a member who shall be responsible for pre-approving related party transactions;
- Reviewing with the independent auditor the co-ordination of audit efforts to assure completeness of coverage, reduction of redundant efforts, and the effective use of all audit resources;
- Consider and review the following with the independent auditor and the management;
- The adequacy of the internal controls including computerized information system controls and security, and
- Related findings and recommendations of the independent auditor and internal auditor, together with the management responses.
- Consider and review the following with the management, internal auditor and the independent auditor;
- Significant findings during the year, including the status of previous audit recommendations.
- Any difficulty encountered during audit work including any restrictions on the scope of activities or access to required information.
- Approval of related party transaction.
- Scrutiny of inter corporate loans and investment.
- Valuation of undertaking or assets of the company.
- Evaluation of internal financial control and mismanagement system.
- Monitoring the end use of funds raised through public offers.
- Carrying out any other function as mentioned in the terms of reference of the Audit Committee.

4.3 Meetings of Audit Committee:

The Audit Committee met thrice during the financial year 2016-17 on 26th July, 2016, 25th November, 2016 and 20th February, 2017. The attendance of each member at Audit Committee meetings is as under:

Member	Status	Audit Committee meeting held during the year 2016-17	
		Held during tenure	Attended
Shri Anil Kumar Goel	Chairman	3	3
Shri Satish Sareen	Member	3	3
Dr. Vidya Rajiv Yeravdekar	Member	3	3
Shri Arbind Kumar	Member	3	3

4.4 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 advise.
4. To secure attendance of outsiders with relevant expertise, if it consider necessary.
5. To mitigate conflicts of interest by strengthening auditor independence.

5. Nomination and Remuneration Committee:

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

As per Guidelines on Corporate Governance for CPSEs 2010 issued by DPE in May, 2010, each CPSE is required to constitute a Remuneration Committee comprising of atleast three Directors, all of whom should be Part-time Directors (i.e Nominee Directors or Independent Directors). The Committee should be headed by an Independent Director. Remuneration Committee will decide the annual bonus/variable pay pool and policy for its distribution across the executives and non unionized supervisors, within the prescribed limits.

As per Section 178 of Companies Act, 2013 & Rule 6 of {Companies (Meetings of Board & its Powers)} Rules, 2014, Company is required to constitute a Nomination & Remuneration committee, who shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.

The Nomination and Remuneration Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

However, as per Notification dt 5th June, 2015 issued by Ministry of Corporate Affairs, the provision of Section 178 shall not apply to Government Company except with regard to appointment of Senior Management & Other employees.

The expression "senior management" means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

As per rule 2(k) of the Companies (Specification of definitions details) Rules, 2014 Executive Director means a whole time director which includes Director in the whole time employment of the Company as defined in clause (94) of section 2 of the Act.

In view of the same, with the appointment of new Independent Directors on the Board of the Company w.e.f 01.04.2016, Board of Directors in their 221st meeting held on 3rd June, 2016 reconstituted Nomination and Remuneration Committee comprising of Shri Satish Sareen, Independent Director as Chairman, Dr. Vidya Rajiv Yeravdekar, Independent Director, Shri Anil Kumar Goel, Independent Director and Shri R.S. Kochak, Government Nominee Director, as members. Since Shri R.S Kochak superannuated on 31.07.2016 and Shri R.N

Misra Additional Member (PU) has been appointed as Government Nominee Director of RITES w.e.f. 31.10.2016. Board of Directors in their 224th meeting held on 25th November, 2016 reconstituted Nomination and Remuneration Committee comprising of Shri Satish Sareen, Independent Director as Chairman, Dr. Vidya Rajiv Yeravdekar, Independent Director, Shri Anil Kumar Goel, Independent Director and Shri R.N Misra, Government Nominee Director, as Members. The said committee will also decide the annual bonus/variable pay pool and policy for its distribution across the executives and non unionized supervisors, within the prescribed limits as was being earlier decided by Nomination and Remuneration Committee.

During the year 2016-17 three meetings of Nomination and Remuneration Committee were held on 3rd June, 2016, 24th June, 2016 and 25th November, 2016 respectively. The attendance of the each member of Nomination and Remuneration Committee is as under:

Name	Status	Held during tenure	Attended
Shri Satish Sareen	Chairman	3	3
Dr. Vidya Rajiv Yeravdekar	Member	3	3
Shri Anil Kumar Goel	Member	3	3
Shri R. S. Kochak (upto 31.07.2016)	Member	2	2

Details of Remuneration of Functional Directors of the Company during the year 2016-17 are as under:

Name of Director	Salary	Benefits	Home Concessions & special	Travel expenses related payment (TRF)	Stock option during the year	Total emoluments	Other emoluments	Total
	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
Shri Rajeev Mehrotra Chairman & Managing Director	34,34,851	54,306	0	37,01,751	0	6,09,057	4,17,182	82,17,147
Shri Arbind Kumar Director Projects	28,08,984	7,53,422	0	25,71,311	0	5,64,258	5,55,575	72,53,550
Shri Ajay Kumar Gaur Director Finance	29,74,389	34,842	0	23,57,000	0	5,26,571	4,73,742	63,66,544
Shri S.B. Malik (01.04.16 to 30.11.16) Director Technical	20,02,783	1,43,817	0	19,89,141	0	13,65,860	15,31,101	70,32,702
Shri Mukesh Rathore (01.12.16 to 31.03.17)	8,50,786	2,22,331	0	0	0	1,80,549	0	12,53,666

* includes PRP for FY 2013-14 (20%), FY 2014-15 (100%) and FY 2015-16 (75%) approved and paid during the financial year 2016-17.

During the year 2016-17 the Independent Directors were paid sitting fee of ₹ 17,500/- for attending Committee meetings and ₹ 20,000 for attending Board meeting. However BOD in their meeting held on 25.11.2016 increase the sitting fee from ₹ 17,500 to ₹ 20,000 for attending each Meeting of the Committee and from ₹ 20,000 to ₹ 30,000 for attending each Meeting of the Board of Directors.

Total sitting fees paid to Independent Directors during FY 2016-17

S No.	Name	Amount (₹)
1.	Dr. Vidya Rajiv Yeravdekar	3,55,000
2.	Shri Anil Kumar Goel	4,10,000
3.	Shri Satish Sareen	4,10,000

6. Risk Management Committee: With the appointment of new Independent Directors on the Board of the Company w.e.f 01.04.2016, Board of Directors in their 221st meeting held on 3rd June, 2016 reconstituted Risk Management Committee comprising of Shri Anil Kumar Goel, Independent Director, as Chairman, Shri Satish Sareen, Independent Director, Shri A.P. Dwivedi, Govt. Nominee Director and Shri Ajay Kumar Gaur, Director Finance, as members.

Since Shri R.S. Kochak, Govt Nominee Director superannuated on 31.07.2016 and Shri R.N Misra Additional Member (PU), Rly Board has been appointed as Government Nominee Director of RITES w.e.f. 31.10.2016. Shri R.N. Misra, Additional Member (PU), Rly Board & Govt Nominee Director of RITES was inducted as member of the Risk Management Committee vice Shri R.S. Kochak.

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

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

Risk Management Committee met once during the year on 20th February, 2017. The attendance of the each member of Risk Management Committee is as under:

Name	Status	Held During Tenure	Attended
Shri Anil Kumar Goel	Chairman	1	1
Shri Satish Sareen	Member	1	1
Shri R.N. Misra	Member	1	1
Shri A.P. Dwivedi	Member	1	Not Attended
Shri A.K. Gaur	Member	1	1

7. Project Investment Committee:

With the appointment of new Independent Directors on the Board of the Company w.e.f 01.04.2016, Board of Directors in their 221st meeting held on 3rd June, 2016 reconstituted Project Investment Committee comprising of Dr. Vidya Rajiv Yeravdekar, Independent Director, as Chairperson, Shri Satish Sareen, Independent Director, Shri Anil Kumar Goel, Independent Director, Shri A.P. Dwivedi, Govt. Nominee Director, Shri Ajay Kumar Gaur, Director Finance and the concerned whole time Director as members.

Project Investment Committee met once during the year on 16th September, 2016. The attendance of the each member of Project Investment Committee is as under:

Name	Status	Held During Tenure	Attended
Dr. Vidya Rajiv Yeravdekar, Independent Director	Chairperson	1	Not Attended
Shri Anil Kumar Goel	Member/Chairman	1	1
Shri Satish Sareen	Member	1	1
Shri A.P. Dwivedi	Member	1	1
Shri Arbind Kumar	Member	1	1
Shri A.K. Gaur	Member	1	1

8. CSR Committee:

In order to comply with the Guidelines on CSR issued by DPE and provisions of Section 135 of Companies Act, 2013, with the appointment of new Independent Directors on the Board of the Company w.e.f 01.04.2016, Board of Directors in their 221st meeting held on 3rd June, 2016 reconstituted CSR Committee comprising of Shri Satish Sareen Independent Director as Chairman, Dr. Vidya Rajiv Yeravdekar, Independent Director, Shri Anil Kumar Goel, Independent Director, Shri A.P. Dwivedi, Govt. Nominee Director, and Shri Ajay Kumar Gaur, Director Finance as members.

During the year 2016-17 four meetings of CSR Committee were held on 16.09.2016, 25.11.2016, 17.12.2016 and 20.02.2017 respectively. The attendance of each member of CSR Committee is as under:

Name	Status	Held During Tenure	Attended
Shri Satish Sareen	Chairman	4	4
Dr. Vidya Rajiv Yeravdekar	Member	4	3
Shri Anil Kumar Goel	Member	4	4
Shri A.P. Dwivedi	Member	4	3
Shri A.K. Gaur	Member	4	4

First Separate Meeting of Independent Directors was held during the year on 20th February, 2017. The attendance of each member of Separate Committee is as under:

S. No	Name	Attended the Meeting
1.	Shri Satish Sareen, Chairman	Present
2.	Dr. Vidya Rajiv Yeravdekar, Member	Present
3.	Shri Anil Kumar Goel, Member	Present

9. General Body Meeting:

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

AGM/EGM	Year	Date of holding Meeting	Time	Venue	Special Resolution
EGM	2016-17	21st March, 2017	16:00 HRS	Railway Board, Rail Bhawan, New Delhi	NIL
42nd AGM	2015-16	16th September, 2016	12:00 HRS	Railway Board, Rail Bhawan, New Delhi	NIL
41st AGM	2014-15	10th September, 2015	11:45 HRS	Railway Board, Rail Bhawan, New Delhi	NIL
40th AGM	2013-14	25th September, 2014	12:30 HRS	Railway Board, Rail Bhawan, New Delhi	NIL

10. Subsidiary Companies:

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

RMAC, a local JV Company was formed for carrying out the O&M work of North South Railway network of Saudi Railway Company. The operation contract has been foreclosed in June, 2011 and the Company is under liquidation.

Under the Guidelines on Corporate Governance for Central Public Sector Enterprises 2010, issued by Department of Public Enterprises in May, 2010, Subsidiary Company means only those subsidiaries, whose turnover or net worth is not less than 20% of the turnover or net

worth of the holding company. No subsidiary of RITES comes under the ambit of above mentioned definition of Subsidiary Company. Hence, this is not applicable to RITES Limited.

11. Disclosures:

- During the year, there has been no materially significant related party transaction with the Directors, Management or their relatives that have a potential conflict with the interest of the company.
- Transactions with related parties as per requirements of INDAS 24 'Related Party Disclosures'.
- The company has followed the IND AS in the preparation of financial Statements .
- No penalties imposed or strictures passed against the company by any statutory authorities on any matters related to any guidelines issued by the Government during the last three years.
- There were no instances of non-compliance by the Company.

12. Means of Communication:

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

13. Training of Board Members:

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

14. CEO/CFO Certification:

The certification by Chairman and Managing Director (Chief Executive Officer) and Director Finance (Chief Financial Officer) was placed before the Board of Directors at the meeting held on 26.07.2016 (placed as Annexure-3 to this report).

15. Whistle Blower Policy

Whistle Blower Policy has been formulated and posted on the website of the Company.

16. Compliance

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

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

ATTENDANCE OF BOARD OF DIRECTORS MEETING DURING THE YEAR 2016-17

Name of Directors	221 3rd June, 2016	222 26th July, 2016	223 16th Sep., 2016	224 25th Nov., 2016	225 17th Dec., 2016	226 20th Feb., 2017	227 24th March, 2017	Total 7 meetings
Shri Rajeev Mehrotra Chairman & Managing Director	✓	✓	✓	✓	✓	✓	✓	All
Shri Arbind Kumar Director Projects	✓	✓	✓	✓	✓	✓	✓	All
Shri Ajay Kumar Gaur Director Finance	✓	✓	✓	✓	✓	✓	✓	All
Shri S.B Malik Director Technical (upto 30.11.2016)	•	✓	✓	✓	NA	NA	NA	3 out of 4
Shri Mukesh Rathore Director Technical (from 01.12.2016)	NA	NA	NA	NA	✓	✓	✓	3(All)
Shri R.S Kochak Director (upto 31.07.2016)	✓	✓	NA	NA	NA	NA	NA	2(All)
Shri R.N Misra Director (from 31.10.2016)	NA	NA	NA	✓	•	✓	•	2 out of 4
Shri A.P Dwivedi Director	✓	✓	✓	✓	✓	•	✓	6 out of 7
Dr. Vidya Rajiv Yeravdekar Director (from 01.04.2016)	✓	✓	•	✓	✓	✓	✓	6 out of 7
Shri Anil Kumar Goel Director (from 01/04/2016)	✓	✓	✓	✓	✓	✓	✓	All
Shri Satish Sareen Director (from 01/04/2016)	✓	✓	✓	✓	✓	✓	✓	All

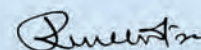
Note:

- ✓ – Meeting attended
- NA – Not applicable (not in position)
- – Meeting not attended

ANNEXURE - 2

DECLARATION BY CHAIRMAN & MANAGING DIRECTOR REGARDING COMPLIANCE WITH THE CODE OF CONDUCT BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL DURING THE YEAR 2016-17

I Rajeev Mehrotra, Chairman & Managing Director, RITES Limited do hereby declare that all the members of the Board of Directors and the Senior Management Team of the Company have affirmed their compliance of the Code of Conduct during the year 2016-17.



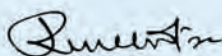
(Rajeev Mehrotra)

Chairman & Managing Director
& Chief Executive Officer

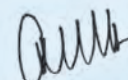
Place : Gurgaon
Date : 5th June, 2017

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

- (a) We have reviewed financial statements and the cash flow statements for the financial year 2016-17 and to the best of our knowledge and belief:
- (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading,
 - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable.
- (b) There are to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
- (d) We have indicated to the Auditors and the Audit Committee:
- (i) That there are no significant changes in internal control system during the year,
 - (ii) That there are no instances of significant fraud of which we have become aware.



Rajeev Mehrotra
Chairman & Managing Director
(Chief Executive Officer)



Ajay Kumar Gaur
Director Finance
(Chief Financial Officer)

Place : Gurgaon
Date : 4th July, 2017

CERTIFICATE

To
The Members
RITES LIMITED

We have examined the compliance of conditions of Corporate Governance by RITES LIMITED for the year ended on 31st March, 2017 as stipulated in the DPE guidelines on Corporate Governance for Central Public Sector Enterprises issued by the 'Department of Public Enterprises', Ministry of Heavy Industries and Public Enterprises, Government of India.

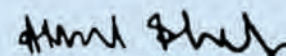
The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression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

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

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

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

For Akhil Rohatgi & Co.



(Akhil Rohatgi)

Practicing Company Secretary

F.C.S : 1600, C.P. No. 2317

Place : New Delhi
Date : 4th July, 2017

MANAGEMENT DISCUSSION AND ANALYSIS

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

i. About the company and the industry

RITES Ltd. a "miniratna", schedule-"A", category-I CPSE, ISO 9001 certified and a multi-disciplinary engineering & consultancy organization provides 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, operation & maintenance, leasing and export of rolling stock. The company also started doing construction of railway infrastructure projects and railway electrification works in addition to modernization of workshop projects undertaken on turnkey basis. The company has also made entry into the field of renewable energy such as solar, and wind energy. RITES has also taken up on PPP/ JV basis, a rail concession in India.

The company has been involved in development of transport infrastructure for the last 43 years and has been contributing as an important transport infrastructure consultancy organization in the nation building. The company has experienced management and technical personnel capable of providing innovative solutions to the clients' requirements and over the years, the company enjoys a key position in conceptualization of transport infrastructure plans for the Government of India and for a number of foreign governments. With the track record of successfully handling of a number of projects in infrastructure in India and abroad, RITES has earned a brand name "The Infrastructure People". RITES has wide international experiences in over 55 countries, including those in South East Asia, Africa, Gulf Region, etc.

Over the past decade, the country's integration into the global economy has been accompanied by economic growth. India has now emerged as a global player and according to economic survey 2017-18, its real GDP growth is projected at 7.15 per cent in fiscal 2018. Infrastructure is one of the major sectors that propel overall development of the Indian economy. For the Indian economy to continue its growth momentum, provision of adequate infrastructure facilities is critical.

The rail infrastructure and its upgradation is emerging as a priority area in several countries. Renewed focus on infrastructure investments in India covering areas of capacity enhancement and modernization are opening up new areas and opportunities of growth for RITES. Also, Indian railways have set an ambitious target of achieving export of ₹ 4000 crore during 2017-2020. A major role for RITES is visualised in this mission.

The government is focusing on increasing number of airports in the country with a view to provide better and cost effective traveling facilities to the people of India. RITES visualizes its greater role in the area of greenfield airports/development of feeder airports. Large investments are taking place in roads and highways sector for building new and upgrading old roads, highways and expressways. Investments in this sector are planned not only by the various governments, but also by multilateral and bilateral organizations in the developing and the underdeveloped regions.



Mr. Rajeev Mehrotra, CMD (RITES) and Mr. Puneet Kumar, Executive Director (Expotech) received the Top Exporters Silver Award for the year 2013-14 from the Engineering Export Promotion Council of India (EEPC) under Ministry of Commerce, in the merchandise category, with the foreign exchange earnings of ₹ 444 crore.

ii. Strength and weakness

RITES has established itself as a reputed organization providing services in the field of transport infrastructure with an excellent record of performance in meeting the client's needs, objectives and expectations. Customer's satisfaction has often resulted into repeat orders. The company has been able to earn loyalty and trust of various clients in government and private sector in India as well as abroad on the strength of in-house availability of highly qualified and experienced technical personnel and access to the pool of technical experts and infrastructure facilities of Indian railways as well as thorough professional approach in handling the projects. Performance in working with international and multi-lateral funding agencies/organizations has also added to its brand name in international scenario. RITES has been a key player in South Asian region by virtue of providing services in multilateral integration projects. The company also contributes to the needs of the country in projects which are sophisticated and highly technical and essential for the rapid growth of economy as well as standard of services being provided in the area of transport infrastructure.

While RITES has expanded its services over the years, it remains highly dependent on skilled manpower/professionals. Hence, it is vulnerable to attrition and other manpower issues in this category. With the government initiatives to create an environment to achieve economic growth, more and more organizations are now stepping in the market, which makes difficult for RITES to prevent staff attrition and recruit desired competencies resulting in manpower resource constraints adversely affecting the performance and development of SBUs/divisions.

iii. Opportunities and threats

Major investments are expected to be made in the coming period in the infrastructure sector, both in the transport and non transport sector, offering scope to strengthen RITES position in existing areas and explore/develop new areas of business. With positive scenario for investment in railways and other infrastructure sector, the company is poised for a sustained growth in the coming years.

Continuous focus of the government for the development of excellent transport as well as other infrastructure provides greater business opportunities to the company to work towards achieving higher milestones in terms of performance. Development of transport sector has special focus on

dedicated freight corridors, high speed passenger corridors, railway sidings, port connectivity projects, in-plant track & related activities, metro rail, regional rail/rapid transit system, upgradation & development of national highways and state highways, multimodal transportation hubs, development of green field and brown field projects pertaining to ports, development of feeder airports and airports in north-east region. These would provide continuous opportunities to RITES for its business.

There is a threat from increasing competition from wide range of players viz. PSU (of different fields) & Indian companies, International consultants and small groups of consultancy firms. Scale of projects being tendered, is becoming comprehensive and larger, attracting International/large Indian companies putting a squeeze on RITES chances of securing consultancy business. Getting out priced particularly due to low quote in non-QCBS tenders involving small domestic consultants and foreign consultants utilizing foreign experience and local staff also pose a threat to its business. Loss of experienced personnel to multinational companies, foreign consultants and private sector organizations who are offering attractive financial packages is also a threat for the company.

iv. Risks and concerns

Several projects get held up in the infrastructure sector due to lack of promoter interest, inability to acquire timely regulatory clearances and land, lack of funds and difficulty in obtaining credit/funds for infrastructure projects. In view of increased globalization and opening up of cross border businesses, there is a greater risk of competition from foreign companies in consultancy projects. RITES continued to have an upper hand in the market concerning preparation of feasibility studies/detailed project reports (DPRs), detailed engineering etc. for railway sector. However, RITES faces competition in the field of O & M and project management consultancy (PMC) services from small players. RITES also faces competition from foreign players in key areas of railway infrastructure.

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

The business of export of rolling stock is cyclical in nature and largely dependent on lines of credit offered by Government of India (GOI) to various countries in Asia and Africa. Difficulties are also faced in the manufacture of customized rolling stock in Indian railways (IR) production units for export by the company. RITES global operations are exposed to international legal, tax and economic risks.

The company's employees and projects are exposed to various kinds of risks including risk of life in some dangerous geographical areas in India and abroad. Therefore, the company takes necessary steps to mitigate such risks by taking insurance policies and protecting lives. Foreign currency risk also exist, which are managed through measures as in currency risk management policy.

v. Internal control systems and their adequacy

RITES has effective internal control and audit systems for maintaining efficiency in operations and compliances of applicable relevant laws and regulations. The organization has well structured policies and guidelines, which are well-documented with pre-defined powers to facilitate execution of business. Detailed finance & accounts manual is in place to

guide and strengthen the internal checks and controls. On regular basis, experienced professionals firms and in-house audit teams headed by qualified personnel are conducting exhaustive internal audits. The internal control and audit systems are being reviewed periodically by the management. corrective & preventive measures, whenever necessary are being taken up from time to time as a part of continuous improvement system.

Detailed guidelines on construction project management are in place & reviewed constantly by contract policy cell. Legal cell of the company facilitates to further improve due diligence process for diverse nature of contracts / agreements entered into with various clients / vendors / partners. Checks and controls are also ensured through in-built authorization/validation process and audit trail established in SAP-ERP.

Risk management system

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

Treasury risk and liquidity management

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

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

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

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

vi. Financial performance

RITES has achieved all time highest turnover during the year 2016-17. The company recorded total income of ₹ 1509 crore compared to ₹ 1278 crore in the previous year. However, on account of provisions made in respect of revision of pay scale and allowances recommended by the pay commission, profit after tax for the year 2016-17 is ₹ 331 crore against ₹ 339 crore in the previous year. Continuous satisfactory performance to win confidence of clients and efforts on business development has contributed in closing the year with a record order book of ₹ 3731 crore, which is also the highest so far. During the financial year, the company has earned an operating turnover of ₹ 1304 crore as against ₹ 1086 crore of previous year with addition of ₹ 218 crore. The net-worth has also grown from ₹ 1878 crore to ₹ 2034 crore. During the year the company has spent ₹ 9.20 crore towards corporate social responsibilities against ₹ 8.28 crore in the previous year.

vii. Segment-wise performance

During the year, consultancy services including quality assurance services contributed 62% of the total operating income, export sales contributed 29%, leasing income contributed 7% and balance 2% was contributed by turnkey construction projects.

(₹ in crore)

Particulars	2015-16		2016-17	
	Operating Income	%	Operating Income	%
Consultancy Services				
-Domestic	749	69	774	60
-Abroad	13	1	28	2
Turnkey Construction Projects	39	4	31	2
Export	186	17	378	29
Leasing (Domestic & Abroad)	99	9	93	7
Total	1086	100	1304	100

Operational performance

viii. Business outlook

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

RITES continued to build on its competencies in core infrastructure sectors i.e. transport and urban infrastructure, while simultaneously expanding activities into a wider range of services viz. turnkey works of construction & upgrading / modernization of railway workshops and wet leasing of locomotives in domestic markets. RITES continued to attract sizeable business both from the Indian railways (IR) and the non-IR clients.

The government of India has set development of infrastructure sector as one of the prime objective to accelerate the growth momentum and has been investing in upgradation of transport infrastructure with aim of capacity addition and technology infusion. The government has also created incentives for private sector to join in the nation building. The government has announced an increase in total outlay for financial year 2017-18, which stands at ₹ 3.96 lakh crore, for infrastructure as it is the key driver to accelerate growth momentum. Further the Ministry of Railways is implementing ideas generated during "Rail Vikas Shivar" for bringing strategic shifts in improving rail operations, infrastructure, passenger experience, market share, efficiency, safety and modernization through adoption of new technologies. Intense activity in the infrastructure sector is yielding a strong demand for consultancy and project management services.

Indian Railways have set an ambitious target of achieving export of ₹ 4000 crore during 2017-2020. RITES has to play a major role in this mission, being the only PSU entrusted with the export on behalf of Indian railways, to achieve this target.

Other positive scenario is emerging as projects in area of port and mine connectivity, railway electrification, last mile connectivity and production of rolling stock have started coming up. In India, wet leasing of locomotives has also been well received by non-railway customers.

RITES, having core expertise in infrastructure sector, has aligned its processes to adapt and respond to the highly competitive market place to strive for business opportunities arising from various government initiatives.

RITES has taken up a rail concession project on PPP route namely, Bhuj Nalliya Vayor Rail Project, involving gauge conversion, from MG to BG for 101 km length and new line of about 25 km. RITES has 26 % share in the company formed namely "BNV Gujrat Rail Pvt. Ltd."

Asian and African regions, the key overseas markets of RITES, are also likely to witness significant investments in the infrastructure sector in coming period.

OVERSEAS BUSINESS

RITES provides export services as "The Total Package" for supply of locomotives and rolling stock, equipments for workshops/railway systems and modernization of workshop to foreign railway organizations including leasing of rolling stock, rehabilitation and maintenance services for the same.



Mr. B.A.P. Ariyaratne, General Manager, Sri Lanka Railways and Mr. Puneet Kumar, Executive Director, RITES Ltd, signing contract agreements for locomotives and DMU train sets in Presence of Ms. Suja K. Menon, First Secretary, (E&C), Indian High Commission in Colombo

In a major breakthrough, RITES has secured major contracts from Sri Lanka Railway for supply 10 Broad Gauge diesel electric locomotives and 6 Broad Gauge diesel multiple unit train sets, each train set comprising of thirteen coaches. During the year, RITES successfully completed a large contract with Bangladesh Railway for supply of 120 BG LHB coaches made at RCF Kapurthala and export of 6 MG 1350 HP locomotives to Senegal.

RITES is shortly going to start shipment of locomotives made at DLW Varanasi to Myanmar Railways against contract for supply of 18 Meter Gauge 1350 HP diesel electric locomotives.

The rail infrastructure and its upgradation are emerging as a priority area in several countries providing scope for RITES to secure overseas projects/export orders.

RITES signed MOU with the Mauritius Government for providing construction supervision services for implementation of light rail transit system project and DPR for development of Trident port. Both these projects are challenging and RITES will strive to do its best to get more such projects.

RITES also provided overseas consultancy services for pre-contract services and construction supervision of Tshesebe to Masunga road in Botswana.

DOMESTIC BUSINESS

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

RITES has been associated with the National High Speed Railway Corporation for Ahmadabad-Mumbai high speed passenger corridor, India's first high-speed rail corridor under implementation. To expedite work for this corridor, Aerial LiDAR technology is being used. RITES is also carrying out geotechnical and geophysical investigations for the various tunnels as well as other structures en-route.

Northern Railway has entrusted work of corridor optimization through digital elevation modelling and geological appraisal for

Bilaspur-Manali-Leh new broad gauge railway project covering a distance of about 650 km, which is one of the four strategic border lines. It would be a challenging railway projects, due to its steep, young mountains with poor geology, large number of tunnels and deep viaducts, landslide and under severe, sub-zero weather conditions.

In line with its plan to achieve higher turnover, RITES has secured two main line electrification works of 376 Rkm on turnkey basis from Indian Railways during current year.

RITES has been associated with studies for Dedicated Freight Corridors (DFC) of about 10,000 km length since 2005. During the year, final report of the Preliminary Engineering-cum-Traffic Study (PETS) of East-Coast DFC (1,122 km) between Kharagpur and Vijayawada and study for the Southern Corridor (885 km) between Chennai and Goa were completed. RITES is also providing project management consultancy services for the construction of double line electrified track and related infrastructure for Western Dedicated Freight Corridor (1477 KM) Dardri-Rewari-JNPT Mumbai as a member of consortium led by Japanese companies.

Design and designer's association services during construction are being provided for a prestigious project named "Rail cum Road Bridge over river Brahmaputra at Bogibeel near Dibrugarh, Assam" for NF Rly. This state-of-the-art bridge, 4.94 Km long is declared as National Project comprises of 125 m long fully welded composite steel truss spans being launched by innovative push launching technique.

A number of State Governments have engaged RITES for preparation of feasibility and detailed project reports for rail based mass transit systems in important urban areas. In addition, the general consultancy assignment for phase-I of Nagpur Metro has been awarded to consortium against stiff global competition.

In rolling stock design segment, RITES is undertaking various studies/assignments for Indian Railways such as Self Propelled Accident Relief Train (SPART) on IR system, setting up of design, development and testing centre at RWF (Bangalore), setting up of waste energy plants for IR, fatigue testing of metro bogies at BEML, consultancy study for setting up of emission standards for IR diesel locomotives.

RITES airports business grew significantly during current year. Studies for setting up air cargo hub at Delhi and Chennai and business plan for Air Cargo at AAI owned airports have been completed during the year. Further various government departments have awarded consultancy assignments for development of (Greenfield/re-development) airports. RITES visualize more business in the field of airport segment.

The business of wet leasing of shunting locomotives including operation and maintenance has been well received by domestic non-railway customers. So far 35 client locomotives have been leased out in the span of last 6 years. Demand of shunting locomotives on lease by non-railway customers is growing day by day.

In ropeway sector, RITES is undertaking PMC for project of national importance like passenger ropeways of 800 PPH (passenger per hour) for Shri Mata Vaishno Devi Shrine at J&K and 250 PPH at Namchi, Sikkim.

In quality assurance, RITES has enhanced its earning through diversification in new areas of inspection and recorded 25% growth in turnover during current year.

RITES is providing comprehensive consultancy services in highways/road transport and also focusing on new areas of business like road safety audit, bridge condition surveys and

proof consultancy services. RITES also continued to provide services for projects in areas such as ports and water resources; procurement for various government departments for international/ national government funded projects; financial/transaction advisory for sectors such as railways including metro projects, airports; project management and design consultancy for development/ expansion/upgradation of apex educational/ institutional buildings etc.

RITES has taken up on PPP/ JV basis, a rail concession in India namely, Bhuj Nalliya Vayor Rail Project, involving gauge conversion, from MG to BG for 101 km length and new line of about 25 km.

Railway Energy Management Company Limited (REMCL), a joint venture company promoted by RITES and Indian Railways has implemented several power procurement contracts during the year for Indian Railways under 'Open Access Policy' under the Electricity Act, 2003, resulting in annualized saving of ₹ 1,500 crore per annum to Indian Railways.

REVIEW OF BUSINESS UNITS/ DIVISIONS

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

RAIL INFRASTRUCTURE DIVISION

Railway infrastructure division provides consultancy in transportation & economics, electrical engineering, signal & telecommunications, project management consultancy for rail based transportation system and Dedicated Freight Corridor, track & survey, geotechnology, civil engineering design through conceptualization and design. This division operates through a number of strategic business units (SBU) at Corporate Office.

TRANSPORT & ECONOMICS UNIT

This unit has expertise in transportation system design, planning of rail infrastructure and transport economics. The unit carries out studies for integrated transportation systems, logistics management, inter-modal planning and containerized multimodal transport for all modes of transportation viz. railways, highways, ports & waterways etc. The unit has undertaken projects both in India and abroad for various government / multilateral funding agencies and other organizations.

The projects pertaining to PETS survey for Dedicated Freight Corridors and detailed project report for Bangalore suburban rail project have been successfully completed during the year.

The unit has also been awarded various other important projects like techno-economic feasibility study for development of integrated multimodal logistics hub (IMLH) at Nangal Chaudhary in Haryana (DMICDC), audit of train operations of Allahabad Division of N.C. Railway (the Ministry of Railways), development of rail infrastructure facilities for handling 22 MTPA of traffic at JSW integrated steel plant at Vijayanagar (JSW Steel Ltd), techno-economic pre-feasibility study for improvement of rail connectivity to Gopalpur Port (Odisha, Shapoorji Pallonji Pvt. Ltd.) and pre-feasibility study for steel freight corridor (Mecon Ltd.)

ELECTRICAL ENGINEERING UNIT

The unit provides PMC services, quality assurance and surveillance inspections in the field of railway electrification, electric substations, building electrification, air conditioning, illumination systems, installation of lifts; stand-by power supply arrangement / DG sets, rural electrification etc. Presently, the unit is executing PMC work of railway electrification of sidings



RE Siding work for SAIL, Rourkela Steel Plant

for various clients e.g. TISCO, SAIL, NTPC, SCCL, BCCL, SECL, MUNCL & RINL.

Projects under execution include consultancy for railway electrification of NTPC sidings at Nabinagar, Meza Road, Lara and coal companies at Singreni, Kusmunda, Patherdih, and Main line electrification on SECR and SCR, which shall be more than 800 Tkm. This unit is also taking up electrical part of works of various railway projects undertaken by RITES.

During the year unit has secured main line Electrification works of 376 Rkm on turnkey basis from Indian Railways for Vijaypur - Makshi section (188 Rkm) and for Ringas-Jaipur-Sawai Madhopur section (188 Rkm.)

The unit is also exploring consultancy assignments in roof top solar energy installation from various Ministries/Govt. departments. At present consultancy assignment for Grid connected roof top solar energy is being undertaken for Assam Rifles.

SIGNALLING & TELECOMMUNICATIONS UNIT

This unit provides consultancy and construction management services for railways, power plants, cement plants, steel plants, refineries, port trust, coal sectors etc. Scope of work range from concept to commissioning of the modern signal & telecommunication projects including post commissioning operation and maintenance services. The services spectrum includes planning, preparation of feasibility report, detailed project report, detailed engineering, project management & construction supervision in the domain of modern railway signalling system, security surveillance & access control systems, intelligent highway traffic management systems, optical fibre communication networks, digital radio communication, satellite communication based networks, SCADA, Mobile Radio Communication etc.



Relay Room

During the year, the unit has completed PMC works of Tippler Yard at NTPC, Simhadri and two In-Plant Yards at MPPGCL, Khandwa.

Project management consultancy works under execution include provision of signalling & telecommunication system in in-plant yards at NTPC (Mauda & Khargone), Tata Steel (Kalinganagar), Steel Plant (Rourkela & Bokaro), CSPGCL (Marwa), MSPGCL (Chandrapur & Koradi), CCL (Piparwar), RINL (Visakhapatnam), SECL (Junadiah & Kusmunda), MUNPL (Meja) and SCCL (Singareni). This unit has also taken up signalling & telecommunication part of works of various railway projects undertaken by RITES, including on EPC basis.

Works secured by this unit during the year include PMC work for implementation of EACS system at ONGC, annual operation & maintenance work at MPPGCL, Khandwa and PMC work for In-plant yard at SECL, Junadiah.

TRACK & SURVEY UNIT

This unit specializes in conducting studies for various stages of railway infrastructure starting from pre-feasibility stage, passing through feasibility, preliminary engineering-cum-traffic studies, final local surveys, detailed project reports and detailed engineering. spectrum of services include green field



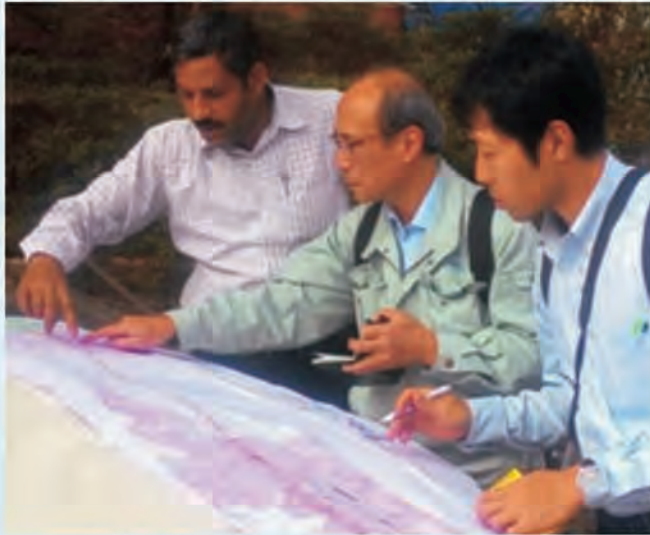
Verification of alignments with Geologists of GSI for Bilaspur-Manali-Leh Broad Gauge Railway Line

railway lines for mixed traffic, doubling/tripling/quadrupling of existing lines, high speed railway lines, heavy haul lines and port connectivity lines for bulk material transport.

The high speed railway studies, pre-feasibility study for Delhi-Chandigarh-Amritsar (460km) have been completed while feasibility study for Mumbai-Chennai route (1300km), which is part of proposed Diamond Quadrilateral network of HSR Corridors, is progressing well on schedule.

This Unit is using aerial LiDAR technology to expedite work on India's first high-speed rail corridor between Mumbai and Ahmedabad. The use of Light Detection and Ranging, or LiDAR will allow the survey of the 508 km corridor to be completed in 12-14 weeks against the normal 10-12 months, which will help the National High Speed Railway Corporation (NHSRC) start ground work on the dream project by year 2018. Besides LiDAR survey, this unit is also carrying out geotechnical and geophysical investigations for the first under sea tunnel in India besides eight mountain tunnels as well as other structures en-route for NHSRC. Final alignment design and GAD of critical bridges will also be prepared by the Unit for JIC Consortium (a consortium of Japanese consultants).

Northern Railway has entrusted the work of corridor optimization through digital elevation modelling and geological appraisal for Bilaspur-Manali-Leh new broad gauge railway project covering a distance of about 650 km, which is one of the four strategic lines along Indo-China border. This line will cross the Himalayan range at a height of 5,370m to cross Taglang La Pass, which is the highest point for a railway in the history of the world. The scope of work includes development and optimization of alternative corridors using Quantm software for 1 in 40, 1 in 60 and 1 in 80 ruling gradients. The study will provide recommendations for the best corridor and the corresponding ruling gradient on the basis of multi-criteria analysis.



JIC Team visit to Mumbai Tunnel for HSR (Mumbai-Ahmedabad)

On the front of Dedicated Freight Corridors (DFCs), Final Reports of the Preliminary Engineering-cum-Traffic Study (PETS) of East-Coast DFC (1,122 km) between Kharagpur and Vijayawada and Southern Corridor (885 km) between Chennai and Goa were completed during the year.

GEO TECHNOLOGY UNIT

The Unit provides consultancy services in engineering geology, soil/rock mechanics, foundation engineering, geophysical survey, ground water and allied fields including diamond core drilling of exploratory bore holes, in-situ and laboratory tests etc. This unit has already carried out geo-technical investigations for a number of prestigious projects in the country and earned recognition as a prime organization that provides total consultancy for complete geotechnical/geological/geophysical investigations.

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

This unit is presently carrying out detailed geotechnical investigation along the stretch of realignment from km 61.001-km 91.00 of USBRL Project, geo technical investigation for Bhanupali-Bilaspur-New Beri BG rail line project, geo technical investigation for Byrnihat - Shillong New BG rail link project, geo technical investigation for various project sites of RPO-Lucknow as well of RPO-Kolkata. The Unit has successfully completed geotechnical investigation for Chennai Metro Rail Project. The unit is also providing geotechnical, geological & geophysical services to DFCCIL for the prestigious project of proposed four dedicated freight corridors throughout the country.



Geo-technical Investigation for Railway siding at Khargone for NTPC

DEDICATED FREIGHT CORRIDOR - SPECIAL PROJECT UNIT

This Unit provides project management consultancy services in respect of construction of double line electrified track and related infrastructure. The Unit is working for Western Dedicated Freight Corridor (1477 KM) Dadri-Rewari-JNPT Mumbai as a member of consortium consisting of Nippon Koei Co. Ltd., Japan, Oriental Consultants Global Co. Ltd. Japan, Japan Transportation Consultants Inc, Nippon Koei India Pvt. Ltd., Oriental Consultants India Pvt. Ltd. and RITES Ltd.

CIVIL ENGINEERING DESIGN UNIT

The unit provides engineering design services involving planning, design, bidding documents and designer support for rail bridge, rail-cum road bridge, road over/under bridge, approach structures like rail/road viaduct, suspension bridge, cable stayed & extra dose bridge on various modes of operation including PPP, EPC etc. It also provides consultancy for river engineering works involving hydraulic model study, design of river training & protection measures. Detailed design and construction supervision services for various road & rail tunnels are also undertaken.

Design and designer's association services during construction are being provided for "Rail cum road bridge over river Brahmaputra at Bogibeel near Dibrugarh, Assam" for NF Rly. This state-of-the-art bridge 4.94 Km long (1x33.4 m + 39x125 m + 33.4 m), is declared as National Project.

A detailed project report (DPR) for construction of 3 important river bridges across rivers Gowthami (3.5 km long), Vyantheyra (1.55 km long) and Vasishtha (1.3 km long) and feasibility



Recently completed 4.56 km Long Rail cum Road Bridge at Patna

report for construction of 2.8 km long 6-Lane road bridge with provision of 2- lane metro track over River Brahmaputra are under progress.

Detailed engineering including designer's support during construction of 17 ROBs on GZB-MGS section of E D F C & proof checking services for 8 ROB's on Hyderabad Metro for L&T Hyderabad Metro projects are also under progress.

The unit has undertaken bridge projects dedicated corridor for old, differently abled persons during Kumbh and Magh Mela at Sangam, Allahabad, Hanging bridge near Rajrappa Mandir across river Bhairavi, new road rail link between Sagar Island and Kakdwip in West Bengal through an over bridge for NHIDCL and detailed engineering for 4 Important locations for Nagpur Metro Rail Corporation.

The Unit has recently completed bridge consultancy project for Jubilee Rail bridge on Bandel-Naihati section of Eastern Railway consisting 415m long three span (1x32.65m+1x150m+1x32.65m) double track continuous bow shaped arch steel truss and detailed engineering & designer's support during construction of 4.56km (1x64m +36x123m +1x64m) long rail cum road bridge on river Ganga at Dighaghat, Patna in Bihar.

For tunnel and river engineering services, the unit is providing consultancy for a prestigious project of national importance i.e. consultancy services for Jiribam - Tupul section of new railway line project in Manipur for NF Railway which includes tunnel works such as detailed design consultancy and construction supervision for tunnels T-10 (3.3km), T-11(0.8km), T-11B(0.4km), T-11C(0.5km) and tunnel T- 6B (0.25km). breakthrough has been achieved for tunnel T11 and T11B during the current year. Besides, the work of detailed engineering for 1.5km long Marugutti tunnel on Bidar-Gulbarga new BG Line Project for South Central Railway (SCR) is under progress. Breakthrough of Marugutti Tunnel (1500m) was achieved in December, 2016.

Recently undertaken tunnel and river engineering projects by this unit includes river morphological analysis and design of river training and bank protection works for UDRP for the Govt. for Utrakhand, instrumentation, monitoring and design of remedial works as per requirement for vulnerable locations for two monsoon seasons in Lumding -Silchar BG rail line for NF Railway" and DPR for two tunnels on Kadapa-Bangalore new



Construction of Portal of Tunnel - T11

BG line - Pendlimarri - Rayachoti Section (Phase-II) for South Central Railway.

Consultancy project for undertaking feasibility study for tunnel in Nagpur city for NMRCL has been completed during the year. Rail road bridges comprising of PSC, specialized steel, steel-concrete composite with single/continuous spans catering to forces due to LWR / CWR have been planned, designed & detailed to Euro norms for USBRL project in fragile and highly seismically sensitive Himalayan Region in J&K. Designs for slope stability with soil nails/ground anchors are also being undertaken along with large height reinforced earth embankments.

REGIONAL PROJECT OFFICES (RPOs)

North

This Regional Project Office (RPO) covers Haryana, Punjab, Rajasthan and other northern states and provides consultancy services for preparation of detailed project reports (DPR), detailed engineering & project management including planning and design for projects of flyovers, roads, railway sidings, inland containers depots, buildings etc. Some important railway projects in East Coast Railway and SEC Railway have also been assigned to this Unit.

This RPO undertakes projects from conceptual stage to its completion & commissioning which includes preparation of DPR, estimates, tendering, execution, budgetary management and quality assurance etc.

Major ongoing projects of this unit consists of the construction of "third line of Pendra Road - Anuppur section (50.10 km) of Bilaspur Division of South East Central Railway" on EPC basis, DPR for heavy haul corridor between salegaon and Paradip port for IPRCL, DPR & PMC for railway siding at Ghatampur for Neyveli Lignite Corporation Ltd.

Lucknow

This RPO is presently having projects in Uttar Pradesh, Madhya Pradesh and a part of Bihar. The unit provides services from concept to commissioning viz. consultancy, design and drawing, project management, procurement & quality assurance for development of projects in the field of rail infrastructure.

The major works in hand include rail connectivity between various mines of Northern Coalfields Limited and Indian Railway, rail connectivity to Power Plants at Nabinagar and Meja & feasibility studies and detailed project report for various power plants of UPRVUNL/NTPC. RPO is involved in augmentation of rail infrastructure in almost all the NCL mines in Singrauli area.

During the year, wagon tippers were commissioned which are operational at NTPC, Rihandnagar and Vindhyannagar and NCL Dudhichua siding for coal loading through rapid loading silos and wharf wall loading platform.

Nagpur

This RPO covers Maharashtra, a part of Chhattisgarh and Madhya Pradesh and has executed major project management consultancy assignments in the area of construction of railway siding for MSRDC Nagpur, NTPC Mouda, CSPGCL Marwa, MSPGCL Chandrapur/ Koradi, SAIL Bhilai, SECR Bilaspur, CONCOR at Mihan Nagpur, CONCOR Naya Raipur and NTPC Inplant, Kharagone.

It has completed two major ROB projects at Itwari & Maskasath at Nagpur and renovation of railway siding at Chirimiri for SECL Bilaspur. During the year, the project of railway siding at Parli near Nanded of M/s MSPGCL has been commissioned.

Contract secured during the year include feasibility study & detailed project report for 7 no.s of ROB/RUB at Central



Cable stayed bridge at Santra Market, Nagpur

Railway Nagpur Division from MSRDC Mumbai, PMC of RUB/ROB across the Railway line from PWD Rajnandgaon/ PWD Raipur/ Nagar Palika Nigam Korba/TDNP Pune, construction of railway siding at Sipat/Korba and SECL Bilaspur from NTPC, turnkey execution of Bhilai augmentation of End unloading rail rake from SECR Bilaspur and one major project from NTPC for construction of railway siding system from Nimarkheri station to plant entry for Khargone STPP (2X660MW).

RPO SOUTH

During the year this unit commissioned various sidings for the clients such as CONCOR (Private Freight Terminal) at Visakhapatnam, for Kamarajar Port Ltd, Ennore (Container



Flagging off first train at PFT at Visakhapatnam by CMD CONCOR in Feb' 17

Yard Terminal) and for BPCL Railway Sidings at Desur - Karnataka Irumpanam - Kerala.

Other projects handled during the year include finalization of civil engineering tenders and commencement of physical work, railway works taken on EPC basis, Gooty-Dharmavaram doubling, completion of stacking yard at ICD/White fields, Bangalore for CONCOR; commissioning of one block of engineering college at Karwar for VTU; commissioning of dormitory buildings for Navodaya Vidya Schools in Karnataka at Doddaballapura, Tumkur, Hassan, Dharwad & Koppal; commissioning of First Grade Colleges at 30 locations for the Govt. of Karnataka.

Kolkata

This RPO covers eastern part of India viz. West Bengal, Jharkhand, part of Bihar and the North East. It provides

consultancy services for development of rail infrastructure for different industries, steel, power and mining sectors belonging to various clients in central/ state government departments and PSUs. This RPO has diversified and developed expertise in infrastructure projects like water work projects of civil authorities, namely KMC, KEIP, KMDA.

The work of Piparwar Railway siding was awarded by CCL. It is one of the most difficult works due to extreme nature of terrain and law & order situation. Siding from Mc.Cluskiganj station of



M R Bangur, Kolkata

East Central Railway to Piparwar loading point for a length of 30.5 Km is ready for coal loading of CCL Piparwar & Ashoka Mines. Despite several constraints viz. land dispute, poor law & order situation, the unit has been able to make the siding operational which is about to be commissioned.

Bhubaneswar

This RPO covers South Eastern part of India viz. Odisha and also part of Andhra Pradesh. The unit is generally involved in developing rail infrastructure for different industries, like steel, aluminium, power and mining sectors of NALCO, MCL, RINL, SAIL, CONCOR, Visakhapatnam Port Trust (VPT), Paradip Port Trust (PPT) and Tata Steel. It has diversified and developed expertise in Infrastructure projects like box pushing and road over bridge on railway's running main line. It is also providing PMC services for construction of Research Centre of Institute of Life Sciences (ILS). It has got in-house expertise in preparation of FSR & DPR for rail infra projects.



Unloading by Wagon Tippler at Tata Steel Ltd., Kalinganagar

Raigarh

The RPO works in areas covering a part of Chhattisgarh and a part of Odisha state. This unit provides services related with development of railway infrastructure for different industries in power, steel & mining sector. This RPO was set-up to cater the needs of two mega projects (i) For preparation of DPR & construction management services for NTPC-Lara, near Raigarh for a double line MGR of 67 KM and (ii) To provide services as owner Engineers for OPGC MGR at Banharpalli for a single line MGR of 45 KM.

During the year, this unit has completed the DPR works of NTPC-Lara duly approved by Indian Railways & tendering work is almost completed. OPGC-MGR work has been awarded to agency on EPC contract basis & construction is in full swing.



BR. No-70 at Inplant Yard of PKG-IIA

The unit has got complete in-house expertise for taking up rail infra projects at inception stage on concept to commissioning basis. The unit is exploring opportunities to generate business in Chhattisgarh & Odisha states, particularly around Raigarh where many industries are coming up in power, steel & mining sector.

BUILDING AND AIRPORT DIVISION

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

CONSTRUCTION PROJECT MANAGEMENT UNIT

The division is providing project management consultancy for buildings and infrastructure projects. Over the period this unit has also developed expertise in third party quality assurance areas. Its clients include Central / State Govt. Organization, PSU's, Universities, Institutions of national importance, Autonomous Bodies, Private Sector etc. at various locations in India and abroad.

This division has expertise, resources and technical competence to undertake projects from conceptual stage to its completion & commissioning which includes preparation of CPR/DPR, estimates, tendering, execution, budgetary management, quality assurance etc. Besides project management consultancy services, this division also carries out third party inspection, technical audit, quality surveillance of building works.



Admin Building - CONCOR at MMLP Khatuwas

The major works under execution for project management consultancy services are re-modelling work at Varanasi yard, establishment of academic complex for Universities such as Jawahar Lal University at Delhi, Delhi University (North & South Campus), Central University; at Pondicherry; south Bihar at Gaya; at Kerala; at Gulbarga, University of Allahabad, Guru Ghasidas Vishwavidyalaya Campus (GGV) at Bilaspur / Chhattisgarh, IIT Kharagpur, NIT Meghalaya Campus at Sohra/Shillong, Marketing Development cum Business park (MDBP) for NSIC at New Delhi, Construction of 1200 seated Auditorium / convention centre at National Agriculture Science Centre, construction of Unified Academic Campus of Bose Institute Kolkata, construction of police stations & residential quarters for Delhi Police at Thirteen locations in Delhi. The unit is also providing construction supervision for multi modal logistic parks at Kathuwas (Rajasthan) and Pant Nagar (Uttarakhand).

Besides, division also provide third party Inspection for building and infrastructure works related to Greater NOIDA, GDA, YIEDA, HPDA, USIDC, SAPMB, HUDA, DDA, Delhi Jal Board, Border Fencing and Roads (Ministry of Home Affairs).

AIRPORT UNIT

This unit offers specialized consultancy services in the area of planning, design and construction management of airport, underground structure and integrated check post at international borders. During the year, this division continued to scale peaks by securing prestigious projects for development of airport/ infrastructure.

Projects secured during the year include two prestigious projects for development of infrastructure for Ministry of External Affairs, development of greenfield international airport at Bhiwadi, Rajasthan for Airports Authority of India, runway improvement works at Meerut and Aligarh in Uttar Pradesh, Malda in West Bengal, airport development work at Nagarjunasagar in Andhra Pradesh.

Projects completed during the year include studies for setting up air cargo hub at Delhi and Chennai, preparation of a business plan for development of Air Cargo at AAI owned airports, evaluation of PCN for runway 10-28 at IGI Airport Delhi, rehabilitation of runway works at Shravasti and Palia, Integrated Check Post at Petrapole.

The projects undertaken during the year include study for development of greenfield airports at Bhogapuram (International), Dagadharti and Oravakallu, in Andhra Pradesh, Kothagudem in Telangana, development of existing airports at Gulbarga, Shimoga in Karnataka, Balurghat in West Bengal and landside development at Lucknow. Studies for Tirupati and Raipur airports are in progress. The project management

consultancy for development of airports at Chitrakoot, Kanpur and Kushinagar in the State of Uttar Pradesh are also in progress.

The ongoing assignments also include PMC for development of Integrated Checkposts at Raxaul, Birgunj, Jogbani, Biratnagar, Rupedia along Indo-Nepal Border, Dawki along Indo-Bangladesh border and Moreh along Indo-Myanmar



Sub Grade MDD Testing at Apron area

border. The engineering consultancy assignments for development of ICP at Nepalgunj and Bhairahwa are in progress.

TRANSPORT INFRASTRUCTURE DIVISION

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

PORTS AND WATER RESOURCES UNIT

This unit provides consultancy services for ports and harbours, water resources engineering and inland water transport (IWT). During the year, this unit has secured prestigious consultancy projects like design of terminals for cargo and tourist movement from Muktyala to Vijayawada along River Krishna (NW4) at new Capital Amaravati City, Independent Engineer services work for development of iron ore berth on BOT basis at Paradip Port, DPR for development of Inland Water Transport in Mizoram.

This unit has completed the projects for upgradation of DPR for rehabilitation of KKS Harbour, Srilanka. Submitted the final reports on techno economic feasibility study for development of greenfield port at Narsapur and Ramayapatnam in Andhra Pradesh for INCAP, Govt of Andhra Pradesh and design of dykes to divert water towards intake of Makeup Water Pump House (MUWPH) at Bongaigaon for NTPC.



DPR for Rehabilitation of Kanakesanthurai, Harbour, Srilanka

HIGHWAYS UNIT

This unit provides comprehensive road transport consultancy as well as project management services covering all aspects of highways viz. expressways, national highways, state highways, and rural roads including bridges/viaducts and tunnels in relation to conceptual & detailed design, construction supervision, operation and maintenance, planning/management of networks, improvement/up-gradation, safety audits etc. It is well equipped to carry out a variety of services viz. survey, investigation, traffic studies, feasibility studies, detailed project reports, construction supervision, independent engineer, project advisory, external technical audits and authority's engineer etc. The unit is pioneer in conducting safety audit of expressways and highways during design, construction and maintenance stages. The unit has been providing services since mid-eighties in India and abroad namely Afghanistan, Bangladesh, Botswana, Bhutan, Cameroon, Ethiopia, Ghana, Malaysia, Mozambique, Myanmar, Nepal, Tanzania, Uganda, United Arab Emirates and Zambia.

During the year, the unit provided overseas consultancy services for pre-contract services and construction supervision of Tshesebe to Masunga road in Botswana. In India, the unit provided consultancy services for feasibility study and DPR of selected roads for NH connectivity to backward, religious & tourist (BRT) places under Bharat Mala scheme in West Bengal; project management including feasibility study and DPR of selected roads for upgradation to 2/4 lane NH configuration



Proposed State-of-Art Extra-dosed cable stayed bridge over river Ganga in West Bengal

under Bharat Mala scheme in Gujarat and West Bengal; feasibility study and DPR of 412 km ADB funded TNRSP-II project in Tamil Nadu; DPR for 303 km NH sections in Nagaland; project preparation of Package III: Mogra-Kampa-Barojaguli in the Hooghly and Nadia districts of West Bengal including a state-of-art Extra-dosed cable stayed bridge over river Ganga; DPR for construction of traffic dispersal system along Kona Expressway for upgraded Santragachi Railway Station and newly constructed Santragachi Bus Terminus in West Bengal; collection and analysis of major/minor bridges condition and inventory data by MBIU on all NHs in Rajasthan and Andhra Pradesh; external technical audit of civil works of Agra to Lucknow Greenfield Expressway project; project advisory for Yamuna Expressway Greenfield Project; Authority's Engineer for supervision of 4-laning of Vijaywada to Machlipatnam section (NH-9) on EPC mode in Andhra Pradesh; project management of National Automotive Testing and R&D Infrastructure Project (NATRIIP) in Indore and Chennai; Independent Engineer for development of Chennai outer ring road in Tamil Nadu; construction supervision of NH sections in Assam; quality assurance services to PWD/Goa; safety audits for NH sections (1469 Km) during development, construction and maintenance stage; Base-line



Agra to Lucknow Greenfield Expressway

Master Plan with SOS for development of state highways in West Bengal etc.

URBAN INFRASTRUCTURE DIVISION

This division has five strategic business units namely: urban transport, urban transport (general consultancy), urban engineering, regional project office, Ahmedabad and urban infrastructure, Mumbai. Brief about these strategic business units is given below:

URBAN TRANSPORT UNIT

This unit provides comprehensive consultancy services in planning of urban and regional transport studies and development of transport sector master plans, including traffic engineering/ management, transport demand modelling, traffic & transportation plans, bus system planning/ operation and planning & design of rail-based mass rapid transit system.

The unit has recently completed DPR for rail based mass rapid transit system in four cities of U.P. viz. Kanpur, Agra, Varanasi & Meerut; MRTS study for Kochi Phase II; listing & mapping of public transport infrastructure & routes for the city of Kolkata (World Bank); multimodal transport integration at six major airports (AAI); Junction Improvement Plan of Jaistambh Junction, Nagpur.

The unit is presently working on DPR for fast corridor on CSTM PNVL Harbour Line, Mumbai; DPR for Jammu and Srinagar metro; DPR for Allahabad metro; Integrated transit corridors development plan for corridors NH24 bypass junction to Ghazipur; road safety audit of pedestrian safety measures at Barapullah; DPR for Line 3 and 4 and Validation for Line 2 of



Launching of Precast pier cap in Noida, Greater-Noida Metro

Navi Mumbai Metro; DPR for Nagpur Metro Phase II and DPR for Chennai Metro Phase-II.

URBAN TRANSPORT (GENERAL CONSULTANCY)

Urban Transport-GC Unit provides consultancy for detailed design and project management for construction of metro railways. During the current financial year, unit has worked on Delhi Metro Phase III Projects, Ahmedabad Metro Phase I, Nagpur Metro Phase I, and Independent Quality Monitor for Noida- Greater Noida Metro.

The unit has also provided detail design consultancy services for power supply and distribution system, 750V DC third rail traction electrification and SCADA System for MEGA (Ahmedabad Metro) and Bangalore Metro, Phase-II.

Other projects handled during the year include: detailed design consultancy services for Gyaspur and apparel pack depot and station buildings (MEGA) (Ahmedabad Metro), Independent quality monitor for Noida- Greater Noida metro and Nagpur metro.

Work of general consultancy for Nagpur metro was awarded to consortium of Systra (Lead Member), RITES Ltd, Aecom Asia Company Ltd, Egis Rail SA.

URBAN ENGINEERING UNIT

The Environmental Engineering unit has in its core staff highly qualified and experienced personnel having specialization in the fields of environmental impact assessment, environmental management plan, social impact assessment, design of water supply, sewerage and drainage systems, solid waste management, ecology and biodiversity.

The unit is NABET accredited for EIA study of airport, ropeway, water resources, building construction, area development (township etc), transportation (highways, railways, metro etc) and solid waste management.

The services of the unit includes environmental impact assessment and management plans, air, noise and vibration monitoring and control, solid waste management, ecological studies (fisheries, forestry and wildlife), social impact assessment studies, preparation of resettlement action plans, environmental audit, environmental guidelines and policy formulation and design of sewerage, drainage & water supply systems.

The projects completed during the year include EIA and SIA study of Dharamshala ropeways, Shimla airport, Pithoragarh airport, East West corridor and Joka to Diamond Park corridor of Calcutta metro, Chennai metro phase 2, Varanasi metro and Guwahati metro.

Works in progress are EIA and SIA study for New Tehri ropeway, Muniari ropeway, Rohtang ropeway, Nagpur metro, Greater Noida heliport, Bhiwadi airport, Singrauli airport and river morphology in Uttarakhand.

REGIONAL PROJECT OFFICE-AHMEDABAD

Regional project office, Ahmedabad is executing consultancy projects in state of Gujarat and neighboring states of Rajasthan, Madhya Pradesh and parts of Maharashtra.

Its clients include Central Government departments, PSUs and private sector. The unit deals in sectors of railway siding, private freight terminals, building works and third party inspection of railway crossing works and other engineering projects.

Major projects executed/under execution by this unit include project management and contract management for; PFT for CONCOR at Varnama and Swarupganj, multi-modal logistic



Multi Model Logistic Park at ICD Khodiyar in Gujarat

park (MMLP) for CONCOR at Khodiyar, detailed engineering and construction supervision of bridges and railway siding at GSFC, Sikka near Jamnagar, construction of road over bridge (ROB) in lieu of level crossing at a number of locations in Gujarat.

Services were also provided for feasibility studies, DPRs and surveys for various railway projects such as rail connectivity and other infrastructural facilities at Old Bedi Port, Jamnagar for Gujarat Maritime Board, rail infrastructural and logistic facilities for IMC at Pipavav Port, railway siding for HPCL at Manmad, Maharashtra, rail siding for Ultratech Cement Ltd. at Wanakbori, Gujarat.

Third party Inspection of railway crossing works and other civil engineering works at various locations in Gujarat were also handled.

URBAN INFRASTRUCTURE, MUMBAI

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

The unit provided PMC services to CONCOR for construction of new Air Cargo Complex at Santacruz Mumbai and commissioned the same during the year. Another milestone was achieved by making operational a new multi modal logistic hub at Tihi, near Indore, Madhya Pradesh.

This unit secured projects of newly formed Indian Port Rail Corporation (IPRCL), a SPV under Ministry of Shipping and is



Launching of 24 M Girder at Vasai ROB under supervision of RITES

providing all support to IPRCL for railway projects including feasibility study, detail project report, project management etc. in western region.

This unit is also providing project management consultancy services for railway crossings works for construction of metro lines, ROB/RUB, subway to local civic bodies like CIDCO, MMRDA, MBMC and MIDC.

EXPOTECH DIVISION

The division offers integrated export packages for rolling stock including leasing, rehabilitation, maintenance and spare part support. It also renders technical consultancy services for workshop modernization, facility planning for rolling stock maintenance, training and technology transfer. During the year, the division handled the projects of supply of the state-of-the-art, stainless steel, modern passenger coaches to Bangladesh Railway; leasing and maintenance of locomotives in Mozambique; supply of MG ALCO locomotives to Senegal and warranty servicing and support activities in Bangladesh, Myanmar and Sri Lanka.

In a major breakthrough RITES has secured major contracts from Sri Lanka Railway for supply 10 broad gauge diesel



Locos for export to Myanmar Railways, ready at DLW

electric locomotives and 6 broad gauge diesel multiple unit train sets, each train set comprising of thirteen coaches.

RITES has completed the contract with Bangladesh Railway for supply of 120 BG passenger coaches. 40 coaches were exported in 2015-16 and balance 80 coaches were exported during the year.

Towards successful completion of another milestone project of supply of twenty six BG diesel electric locomotives to Bangladesh Railway, warranty for ten locomotives was completed in July, 2016 and sixteen locomotives are under warranty at present.

The locomotives leased by RITES to CFM/ Mozambique continued to operate throughout the year. The contract was further extended for two years till August, 2017. The fleet of sixteen locomotives including one locomotive of 3000 HP, one locomotive of 2300 HP and fourteen locomotives of 1350 HP are operating on lease arrangements at two different locations - Maputo and Beira, Mozambique. These locomotives have been providing excellent service to the clients for the last nine years. The company's service teams located at these two locations are providing complete maintenance support to

ensure maximum availability and reliability of locomotives as per the client's requirement.

RITES secured a major contract from Myanmar for supply of 18 meter gauge 1350 HP diesel electric locomotives with several modern features in the year 2015-16. The project is being funded under a Line of Credit extended by the Government of India. Manufacturing of locomotives for export to Myanmar Railway has commenced at DLW, Varanasi. These locomotives shall be exported during year 2017-18.

QUALITY ASSURANCE DIVISION

The division renders third party inspection and vendor assessment in India and abroad to various clients in the government, public and private sectors. In India, the laboratory testing services are also provided by the division. This division has regional offices at Delhi, Chennai, Kolkata, Mumbai & Bhilai and 47 sub-regional offices spread over prominent locations across India. The division does substantial portion of third party inspection for Indian Railways (IR). During the year, the division enhanced its business with the power utilities, metro rail corporations and infrastructure projects in different states. In addition to existing prestigious non-railway sector clients, many new organizations and clients like Kochi Metro Rail Corporation, Lucknow Metro Rail Corporation, Rourkela Steel Plant, BHEL Trichy, Kolkata Metro rail corporation, DFCCIL (own direct inspection as well as through Alstom, Tata Aledsa, GMR), Karnataka urban water supply & sewerage board and various SEBs awarded contracts for third party inspection & related services.

The division is providing third party inspection services at conversion and wet leasing agents to Steel Authority of India Ltd. for inspection of long products, slabs and coils. In addition, the division has been performing inspection of machinery &



Quality Inspection by RITES Engineer

plant, crank shaft, wheels, axles, wheel sets, pistons, piston rings, at various locations abroad like USA, China, Germany, Sweden, Italy, Russia, Ukraine etc. on behalf of IR, Container Corporation of India and a number of wagon manufacturers.

As part of Digital India Initiative, mobile app has been developed for getting real time information on inspection status of the assignment. Inspecting Engineers can also upload their information through this app.

RITES has been awarded ISO/IEC 17020:2012 accreditation for various NABCB Scope sectors including the fabricated metal products, other transport equipments (rolling stock-wagons, coaches, wheels & axles) and pulp, paper & paper

products, thus covering most of the sectors in recognition to standard of service to clients. The laboratories at Eastern & Western regions are accredited to ISO/IEC 17025:2005.

The division has been rendering consultancy services for QMS (ISO 9001), FSMS (ISO 22000), OHSAS 18001, service quality management system (IS 15700) for various prestigious PSUs/ state government organizations. The division has also provided consultancy services to M/s Central Ware Housing Corporation (CWC), Delhi for customer satisfaction survey for Attari warehouse and study on alternative use of low utilization capacity of CWC warehouses.

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

INDUSTRIAL ENGINEERING DIVISION

This division has three strategic business units namely rolling stock design unit, material system management unit and ropeway & industrial engineering unit.

ROLLING STOCK DESIGN UNIT

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

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

Major projects in hand include design and development of special van for carrying milk at higher speed, consultancy study consisting of preparation of technical specification for induction of high speed broad gauge Self Propelled Accident Relief Train



High capacity Rail Milk Tank Van

(SPART) on IR system, setting up of design, development and testing centre at RWF (Bangalore), setting up of Waste to energy plants for IR, fatigue testing of metro bogies at BEML, consultancy study for setting up of emission standards for IR diesel locomotives.

MATERIALS SYSTEM MANAGEMENT UNIT

This unit has been providing comprehensive procurement & logistics management consultancy services in compliance with the guidelines & procedures of International Funding Organisations and National Government. The core competence of the unit to perform a range of services include: In-depth knowledge of procurement policies & procedures of the Government of India, bilateral/multilateral funding agencies, railways & DGS&D, expertise in various fields of materials management and use of state-of-art technology and resources to ensure customer satisfaction and best value for money duly adopting ISO based quality management systems. Major procurement consultancy contracts include EPW and NACO under Ministry of Health and Family Welfare, Government of India.

During the year unit has undertaken consultancy assignments for procurements for Revised National Tuberculosis Control Project (RNTCP), National Vector Borne Disease Control Project (NVBDCP) and National AIDS Control Organisation (NACO) for Ministry of Health & Family Welfare (MOHF&W), Government of India.

The Contract management of on-going contracts have been undertaken during this year, which includes inspection & testing of drugs/equipments, monitoring of supplies, co-ordination with consignees spread all over the country, Processing of suppliers bills for payment & legal issues and reconciliation of funds with MOH&FW.

ROPEWAY & INDUSTRIAL ENGINEERING UNIT

The Ropeway unit provides a wide spectrum of consultancy services ranging from feasibility studies, detailed project reports and project management services for passenger / material ropeways as also for funicular railway projects. During the year, important projects handled by the unit include project management services for passenger ropeways at Namchi, Jammu, Rajgir, Banka, Sholingur and Shri Mata Vaishno Devi (SMVD) shrine, Lakshmi Narsimhaswamy Temple, Rathinageereswarar Temple at Ayyarmalai in Tamilnadu state and material ropeway project of 5 Ton/ Hr capacity at Shri Mata Vaishno Devi Shrine. Besides, the unit undertook feasibility studies for passenger ropeways at Dungeshwari and Pretshila and for funicular railway at Matheran. Traffic and feasibility study for tunnel and design of stores for SMVD shrine were also undertaken by the unit. RITES has been nominated as the project management consultant by the Govt. of Bihar for all its various ropeway projects in the state.

The unit has completed detailed project report for a passenger ropeway between Panchkoti and Bouradi at Tehri, Uttarakhand and ropeway for Urban Transport at Vashi, Mumbai.

The Industrial Engineering unit undertakes feasibility studies, techno-commercial evaluation, detailed project report preparation and project management consultancy for setting up of Industrial units in railway and non-railway sectors. During the year, the unit has undertaken technical consultancy study

for the setting up of a new wagon repair workshop at Dalmianagar, Bihar.

In the recent years, the unit has also undertaken setting up of railway workshops on turnkey basis including execution of civil, electrical & mechanical works. During the year, the unit has successfully completed setting up of FIAT Bogie Manufacturing Plant at Budge Budge and Wagon Manufacturing Factory at Kulti, West Bengal. Also, the turnkey works of setting up of Traction Alternator Factory at Vidisha, Madya Pradesh and augmentation of POH facilities at Bikaner workshop are in hand.

RAILWAY EQUIPMENT SERVICES DIVISION

The division is leading service provider for complete one stop solution in respect of operations and maintenance of railway siding for non-railway customers in power, steel, mining cement, & port sector. The division has secured new and repeat work orders from a number of clients in the recent past. Some of the prominent being NTPC, L&T, Visakhapatnam Port Trust, Dhamra Port Trust, Paradip Port Trust, Tata steel, DVC,



RITES Locomotive at Paradip Port Trust

etc. for loco leasing, operation of their railway systems, maintenance of rolling stock & track etc.

The business of wet leasing of shunting locomotives including operation and maintenance has been well received by domestic non-railway customers. So far 35 locomotives have been leased out in the span of last 6 years to various clients such as Dhamra Port, Visakhapatnam Port Trust, RSP/Rourkela, Paradip Port Trust/Paradip, Tata Steel, Kolkata Port Trust/Kolkata, WBPDC/Bandel, NSPCL/Bhilai, Uttam Galva/Wardha, KTPS/Kolaghat, CLP/Jhajjar, DVC/Andal, APML/Tiroda, DVC/Koderma, KBUNL/Kanti, VIPL/Butibori. Demand of shunting locomotives on lease by non-railway customers is growing day by day.

Apart from wet leasing, the division is also engaged in maintenance of over 120 diesel locomotives & 1200 wagons owned by customers like NTPC, NSPCL, WBPDC, SAIL & APCPL, besides, operating and maintenance of track for some of the clients. RITES is also providing service of conducting higher schedule - M24 of client locos to NTPC Sipat etc.

PRIVATISATION & CONCESSIONS DIVISION

This division has three strategic business units namely

Privatisation and Concessions Unit, Information Technology Unit & Advertisement Revenue Cell.

PRIVATISATION AND CONCESSIONS UNIT

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

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

Beside the above, the unit provided advisory services to Railway Board for selection of Transaction Advisors for re-development of 48 railway stations under 15 zones of IR. The unit is currently undertaking assignment for providing of Advisory Services through management consultant for setting up National Rail Transport University and strategic advisory services for Transformation Initiatives of IR.

During the year, the unit has undertaken the work of transaction advisory services awarded by Indian Railways for developing 3rd line with electrification on PPP mode at Kazipet-Vijayawada section of IR. The unit also provided advisory services to DFCCIL for its project of Dankuni Gamoh project of 282 km to be developed on PPP format.

The unit continued to provide financial advisory part of services for various projects undertaken by other units of RITES in infrastructure sectors such as railway, ports, airports, urban infra, urban transport, etc.

INFORMATION TECHNOLOGY UNIT

Information Technology unit offers consultancy services to railway, non-railway, government and public sector organizations in the field of web based technologies, feasibility study, system analysis, system design, software development, implementation support, identification of hardware & system software requirements, user training and software conversion/porting of computerized commercial applications particularly in the areas of company accounting, payroll, materials management, workshop management, etc. The major on-going projects include centralized apportionment of Indian Railway earnings for passenger from various zones of Indian Railways; development of budget module for preparation of fund management system, Govt. of Tripura, etc. The unit also provides annual maintenance support for various application software developed for clients like Ministry of Railways, IRCON, Govt. of Tripura, etc.

The unit is actively involved in implementation of SAP ERP in the organization to support its business operations, enhance its core capabilities to gain competitive advantage in market. This unit has its own state-of-art data centre equipped with high end blade servers, network equipments, modern surveillance system, fire detection, fire suppression, etc. In order to secure the data a Disaster Recovery facility for its state-of-art SAP data center has been established. The unit also supports the in-house needs of RITES by providing services for hardware

procurement, access to internet and corporate e-mail services, etc. The unit has also successfully implemented e-procurement in RITES. Information Security Management System (ISMS) 27001 has been documented and implemented in few identified activities of the organization.

ADVERTISEMENT REVENUE CELL

Railway Board has approved 55 strategic initiatives across nine core themes identified during Rail Vikas Shivr to be implemented by Indian Railways in the first phase. To dramatically improve non-fare revenues through advertising and real estate development is one of the core themes.

This unit has been created to carry out Pan India Value Assessment of Indian Railway's Assets for revenue enhancement through advertisement. The assignment inter alia includes selection of Professional Media Market Evaluation Agency (PMMEA), value assessment exercise of revenue potential of statics and mobile assets of Indian Railway, preparation of bid documents for e-auction, and bid process management for granting publicity rights through PMMEA.

HRD AND TRAINING UNIT

As a premier consultancy organization, RITES has to constantly update and upgrade its employees' knowledge base with the latest and emerging technologies and know-how, at global level and standards. To ensure this, RITES has taken a number of training initiatives, both in-house and external.

The in-house training programs, aimed at improving the functional and technical skills across levels of employees were organized. Professional programs, workshops and seminars conducted by reputed and prestigious agencies were carefully identified in line with business needs and suitable officers were nominated for such programs. Besides, it also organized customized training exclusively for its officials through experts and knowledge partners. Also, behavioral and personality development training programs were conducted focusing on developing attitudinal and soft skills. Employees were sensitized on labour law compliances through appropriate programs/ workshops to comply with statutory obligations in labour deployment. Employee physical and financial wellness programs covering stress management lifestyle diseases and financial planning were among the other trainings organized during the year.

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

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

Knowledge forum was revived to facilitate knowledge exchange in subject domain of technology and management. Sessions were organized under the aegis of knowledge forum to broaden the knowledge horizon of employees.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RITES LIMITED

REPORT ON THE STANDALONE IND AS FINANCIAL STATEMENTS

We have audited the accompanying standalone Ind AS financial statements of RITES LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of Changes in Equity for the year ended 31st March, 2017, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "standalone Ind AS financial statements"), in which are incorporated accounts of two Offices (consisting of one project office and one inspection office) audited by us and three Branches / Regional Offices (consisting of Project and Inspection Offices) audited by Branch Auditors appointed by the Comptroller and Auditor General of India, New Delhi and we have relied on the same. The Head Office accounts include transactions relating to overseas assignments, which have been incorporated on the basis of periodical statement of expenditure supported by bills received from there. In respect of joint operations in India, the company has incorporated their proportionate shares of income and expenditure in the said joint operations. The gross income and gross expenditure so incorporated amounts to ₹ 2.14 crore and ₹ 2.08 crore respectively, which have resulted into a net profit after tax of ₹ 0.06 crore, related to joint operations. We cannot comment on such figures as the same are audited by other auditors.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE IND AS FINANCIAL STATEMENTS

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

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

AUDITOR'S RESPONSIBILITY

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the

Company's preparation of the Standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Standalone Ind AS financial statements.

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

OPINION

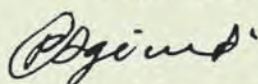
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India (Including the Ind AS), of the financial position of the company as at 31st March, 2017, and its financial performance including other comprehensive income its cash flows and the changes in the equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, (hereinafter referred to as the "the Order"), we give in the Annexure '1' a statement on the matters specified in paragraphs 3 and 4 of the order to the extent applicable.
- In terms of sub section (5) of section 143 of the Act, we give in the Annexure '2' a statement on the directions issued under the aforesaid section by the Comptroller and Auditor General of India.
- As required by Section 143 (3) of the Act, we report that:
 - 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;
 - 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;
 - The balance Sheet, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of changes in equity dealt with by this report are in agreement with the books of account;
 - In our opinion, aforesaid standalone Ind AS financial statements comply with the accounting standards referred to in section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014;
 - On the basis of written representation received from the directors as on 31st March, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017, from being appointed as a director in terms of sub section (2) of section 164 of the Act;
 - With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in the Annexure '3'; and
 - With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to best of our information and according to the explanation given to us:
 - The company has disclosed the impact of pending litigation as at 31st March, 2017 on its financial position in its standalone Ind AS financial statements, Refer para no. 2.46.2 of notes to accounts of standalone Ind AS financial statements.
 - The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company; and

iv. The company has provided requisite disclosures in its standalone Ind AS financial statements as to holding as well as dealing in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the company. Refer to Note 2.65 of the standalone Ind AS financial statements.

**For Agiwal & Associates
Chartered Accountants
FRN 000181N**



**P. C. Agiwal
Partner**

Membership No. 080475

**Place : New Delhi
Date : 4th July, 2017**

ANNEXURES TO INDEPENDENT AUDITORS' REPORT

Annexure '1'

Referred to in paragraph 1 of report on other legal and regulatory requirement's paragraph of our report on even date on the standalone Ind AS financial statement as of and for the year ended 31st March, 2017, we report that:

i. In respect of fixed assets:

- The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
- The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the company and nature of its assets.
- According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds/lease deeds of immovable properties are held in the name of the Company except 3 nos. of leasehold buildings and 8 nos. of Multi-functional Complexes (MFCs) have been constructed on leasehold land where lease deeds are pending for execution (Refer para no. 2.61 of Notes to Accounts of the standalone Ind AS financial statements). Gross block and net block of above said properties are as under:

S. No.	Particulars	Gross Block as on 31.03.2017 (₹ in crore)	Net Block as on 31.03.2017 (₹ in crore)
1	Office building at Central Metro Railway Building, 56, C.R. Avenue, Kolkata	3.46	1.54
2	Physical testing laboratory at 52 A&B, C.R. Avenue, Kolkata	1.24	0.54
3	Office building at DLF Cybercity, Bhubaneswar	5.64	5.64
4	MFC at Guntur	0.67	0.66
5	MFC at Kozhikode	1.25	1.24
6	MFC at Rameshwaram	1.00	0.98
7	MFC at Thrissur	0.92	0.91
8	MFC at Tiruchchirappali	0.75	0.74
9	MFC at Kurukshetra	0.69	0.68
10	MFC at Vadodra	0.24	0.24
11	MFC at Darjeeling	0.48	0.47

ii. In respect of inventory:

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

iii. In respect of loans :-

- As per the information and explanations given to us, the Company has granted unsecured loan to SAIL-RITES Bengal Wagon Industry Pvt. Ltd. (SRBWIPL), a joint venture company. Such loan is listed in the register maintained under Section 189 of the Act and so desired particulars have been placed in the register maintained under the said section.
- In the opinion of Management the terms and conditions of such loans are not prejudicial to the company's interest.
- Loan of ₹ 7 crore has been granted to SRBWIPL during the financial year 2016-17. However, loan of ₹ 1.73 crore outstanding as on 31.03.2016, has been converted into equity in April, 2016. The loan was initially given for short term to meet the construction and financial liabilities with the intention to convert into equity.
- Interest on loan granted during the year 2016-17 is ₹ 0.14 crore which is less than ninety days on 31.03.2017 and will be received in normal course of repayment. However, interest due on loan till 31.03.2016 has been received during the year 2016-17.

iv. In the opinion of management and according to the information and explanations given to us, Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans, investment, guarantees and security.

v. According to the information and explanations given to us, Company has not accepted any deposits in terms of directives issued by Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.

vi. Cost Records under section 148(1) of the Companies Act, 2013 are not required to be maintained by the Company.

vii. According to information and explanations given to us and on the basis of the examination of the records of the company:

- The Company has generally been regular in depositing the amount deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues, wherever applicable, during the year with the appropriate authorities. As explained to us, the company did not have any dues on account of employees' state insurance and duty of excise.


- (b) The company has no undisputed arrears of statutory dues outstanding as at 31st March, 2017 for a period of more than six months from the date they become payable.
- (c) The company has no statutory dues in respect of Income tax/Sales Tax/Service Tax/Custom Duty/Excise Duty/Value Added Tax outstanding as on 31st March, 2017, which have not been deposited with the appropriate authorities on account of any dispute except the followings:

Name of the statute	Nature of dues	Amount (in ₹)	Period to which the amount relates	Forum where dispute is pending
APVAT	Arrears of Sales Tax	71,39,759	01.04.2014 to 30.11.2015	Hon'ble High Court of Andhra Pradesh, Hyderabad
Telangana VAT	Turnover Tax	3,64,174	01.04.2015 to 30.06.2016	Appellate Deputy Commissioner (CT), Secunderabad
Service Tax	Amount of refund from Service Tax	58,47,767	June, 1997 to March, 2000	Hon'ble High Court of Punjab & Haryana, Chandigarh
Income Tax	Interest on late deposit of TDS in Secunderabad	31,990	2009-10 to 2017-18 except 2015-16	TDS, CPC, Faridabad
Income Tax	Interest on late deposit of TDS in Chennai	20,110	2010-11 to 2013-14	TDS, CPC, Faridabad

- viii. The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year.
- ix. The Company did not raise any money by way of initial offer or further public offer (including debt instruments) and term loans during the year.
- x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. Provisions of section 197 read with Schedule V of the Act are not applicable to the Company.
- xii. In our opinion and according to the information and explanations given to us, Company is not a Nidhi company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, Company has not entered into non-cash transactions with directors or persons connected with him.

- xvi. Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Agiwal & Associates
Chartered Accountants
FRN 000181N



P. C. Agiwal
Partner

Place : New Delhi
Date : 4th July, 2017

Membership No. 080475

ANNEXURES TO INDEPENDENT AUDITORS' REPORT

Annexure '2'

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

Referred to in our Independent Auditors' Report on the Standalone Ind AS financial statements for the year ended 31st March, 2017, we report that:

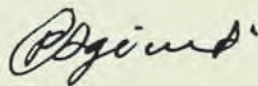
Based on the verification of Records of the Company and information and explanations given to us, we report that:

- a) The title deeds/lease deeds of immovable properties are held in the name of the Company except 3 nos. of leasehold building and 8 nos. of Multi-functional Complexes (MFCs) has been constructed on leasehold land of where lease deeds are pending for execution (Refer para no. 2.61 of notes to accounts of the standalone Ind AS financial statements). Location and Area of above said properties are as under:

S. No.	Location	Area
1	Office building at Central Metro Railway Building, 56, C.R. Avenue, Kolkata	1200 Sqm
2	Physical testing laboratory at 52 A&B, C.R. Avenue, Kolkata	314 Sqm
3	Office building at DLF Cybercity, Bhubaneswar	1290.48 sqm
4	MFC at Guntur	494 sqm
5	MFC at Kozhikode	468 sqm
6	MFC at Rameshwaram	453.28 sqm
7	MFC at Thrissur	520 sqm
8	MFC at Tiruchchirappali	532 sqm
9	MFC at Kurukshetra	540 sqm
10	MFC at Vadodra	494 sqm
11	MFC at Darjeeling	The site for construction/refurbishment of Multifunctional complex at Darjeeling by addition and alteration of existing Railway running room.

- b) There are no cases of waiver/write off of debts, loans/ interest etc. other than Bad Debts of ₹ 3.42 crore written off during the year, which have arisen on account of normal business practice.
- c) Company has maintained adequate records in respect of inventories lying with third parties. No assets have been received by the Company as gift from Government or other authorities.

For Agiwal & Associates
Chartered Accountants
FRN 000181N



P. C. Agiwal
Partner
Membership No. 080475

Place : New Delhi
Date : 4th July, 2017

ANNEXURES TO INDEPENDENT AUDITORS' REPORT

Annexure '3'

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

Referred to in our Independent Auditors' Report on the Standalone Ind AS financial statements for the year ended 31st March, 2017, we report that:

We have audited the internal financial controls over financial reporting of RITES Limited ("the Company") as of 31st March, 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Agiwal & Associates
Chartered Accountants
FRN 000181N



P. C. Agiwal
Partner
Membership No. 080475

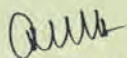
Place : New Delhi
Date : 4th July, 2017

BALANCE SHEET AS AT 31ST MARCH, 2017

(₹ in crore)

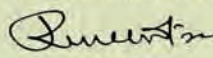
PARTICULARS	NOTE NO.	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 01.04.2015
ASSETS				
NON CURRENT ASSETS				
PROPERTY, PLANT AND EQUIPMENT	2.3	259.12	259.22	201.36
CAPITAL WORK IN PROGRESS	2.4	4.19	7.06	9.55
INVESTMENT PROPERTY	2.5	1.25	1.29	1.33
INTANGIBLE ASSETS	2.6	1.73	3.10	4.79
INTANGIBLE ASSETS UNDER DEVELOPMENT	2.7	1.58	1.58	0.75
FINANCIAL ASSETS				
INVESTMENTS	2.8.1	179.76	217.82	236.31
LOANS	2.9	9.65	10.32	100.68
OTHER FINANCIAL ASSETS	2.10	239.57	195.97	176.72
DEFERRED TAX ASSETS (NET)	2.11	40.13	41.88	59.01
OTHER NON CURRENT ASSETS	2.12	130.19	98.59	140.09
		<u>867.17</u>	<u>836.83</u>	<u>930.59</u>
CURRENT ASSETS				
INVENTORIES	2.13	46.59	11.41	6.66
FINANCIAL ASSETS				
INVESTMENTS	2.8.2	193.04	56.01	-
TRADE RECEIVABLES	2.14	457.58	529.90	367.61
CASH AND CASH EQUIVALENTS-OWNED FUND	2.15.1	241.26	236.71	249.08
CASH AND CASH EQUIVALENTS-CLIENTS FUND	2.16.1	333.37	190.35	199.36
OTHER BANK BALANCES-OWNED FUND	2.15.2	609.42	457.61	452.69
OTHER BANK BALANCES-CLIENTS FUND	2.16.2	1,659.09	1,627.98	1,139.08
LOANS	2.17	11.42	7.17	12.20
OTHER FINANCIAL ASSETS	2.18	177.13	188.13	141.86
CURRENT TAX ASSETS (NET)	2.19	10.35	38.66	1.62
OTHER CURRENT ASSETS	2.20	49.91	82.45	28.69
		<u>3,789.16</u>	<u>3,426.38</u>	<u>2,598.85</u>
TOTAL ASSETS		<u>4,656.33</u>	<u>4,263.21</u>	<u>3,529.44</u>
EQUITY AND LIABILITIES				
EQUITY				
EQUITY SHARE CAPITAL	2.21	200.00	100.00	100.00
OTHER EQUITY	2.22	1,833.65	1,777.96	1,532.05
		<u>2,033.65</u>	<u>1,877.96</u>	<u>1,632.05</u>
LIABILITIES				
NON CURRENT LIABILITIES				
FINANCIAL LIABILITIES				
TRADE PAYABLES	2.23	0.06	0.66	2.67
OTHER FINANCIAL LIABILITIES	2.24	108.46	99.62	82.21
PROVISIONS	2.25	112.68	99.86	103.70
OTHER NON CURRENT LIABILITIES	2.26	7.27	2.07	6.41
		<u>228.47</u>	<u>202.21</u>	<u>194.99</u>
CURRENT LIABILITIES				
FINANCIAL LIABILITIES				
TRADE PAYABLES	2.27	82.95	88.52	85.36
OTHER FINANCIAL LIABILITIES	2.28	1,915.20	1,884.68	1,504.35
PROVISIONS	2.29	150.50	104.61	76.68
OTHER CURRENT LIABILITIES	2.30	245.56	105.23	36.01
		<u>2,394.21</u>	<u>2,183.04</u>	<u>1,702.40</u>
TOTAL EQUITY AND LIABILITIES		<u>4,656.33</u>	<u>4,263.21</u>	<u>3,529.44</u>
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FORM AN INTEGRAL PART OF STANDALONE FINANCIAL STATEMENTS	1&2			

For and on behalf of the Board



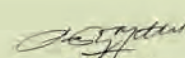
Ajay Kumar Gaur
Director Finance
and

Chief Finance Officer (DIN:05333257)



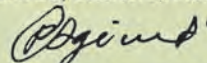
Rajeev Mehrotra
Chairman & Managing Director
and

Chief Executive Officer (DIN:01583143)



P.T. Mittal
Company Secretary and
General Manager (Legal)
M.No. : FCS 2529

As per our report of even date attached
For AGI WAL & ASSOCIATES, Chartered Accountants, FRN 000181N



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

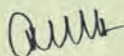
Place : Delhi
Dated : 4th July, 2017

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in crore)

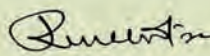
PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2017	YEAR ENDED 31.03.2016
REVENUE			
REVENUE FROM OPERATIONS	2.31	1,303.35	1,086.01
OTHER INCOME	2.32	205.22	191.60
TOTAL REVENUE		1,508.57	1,277.61
EXPENDITURE			
EMPLOYEE BENEFIT EXPENSES	2.33	416.09	340.20
TRAVEL		39.11	35.37
SUPPLIES & SERVICES		104.24	96.29
COST OF EXPORT SALES	2.34	296.10	157.79
COST OF TURNKEY CONSTRUCTION PROJECTS	2.35	27.85	35.26
DEPRECIATION & AMORTISATION EXPENSES	2.3-2.7	32.10	31.91
OTHER EXPENSES	2.36	105.09	65.24
TOTAL EXPENDITURE		1,020.58	762.06
PROFIT BEFORE TAX		487.99	515.55
TAX EXPENSES			
- CURRENT TAX	2.50	(155.42)	(158.98)
- DEFERRED TAX (NET)	2.37	(1.75)	(17.13)
PROFIT AFTER TAX		330.82	339.44
OTHER COMPREHENSIVE INCOME			
ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO PROFIT & LOSS			
- REMEASUREMENTS OF THE DEFINED BENEFIT LIABILITY/ASSET		0.90	(1.32)
- INCOME TAX		(0.31)	0.46
TOTAL OTHER COMPREHENSIVE INCOME (NET OF TAX)		0.59	(0.86)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		331.41	338.58
EARNING PER SHARE (EQUITY SHARE OF ₹ 10/- EACH)- BASIC & DILUTED			
WEIGHTED AVERAGE NUMBER OF EQUITY SHARES USED IN COMPUTING EARNING PER SHARE	2.43	₹ 16.54	₹ 16.97
		200,000,000	200,000,000

For and on behalf of the Board



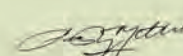
 Ajay Kumar Gaur
 Director Finance
 and

Chief Finance Officer (DIN:05333257)



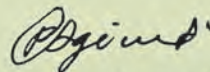
 Rajeev Mehrotra
 Chairman & Managing Director
 and

Chief Executive Officer (DIN:01583143)



 P.T. Mittal
 Company Secretary and
 General Manager (Legal)
 M.No. : FCS 2529

 As per our report of even date attached
 For AGIWAL & ASSOCIATES, Chartered Accountants, FRN 000181N



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

 Place : Delhi
 Dated : 4th July, 2017

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2017

A. EQUITY SHARE CAPITAL

(₹ in crore)

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

(₹ in crore)

BALANCE AS AT 01.04.2015	CHANGES IN EQUITY SHARE CAPITAL DURING THE PERIOD	BALANCE AS AT 31.03.2016
100.00	0.00	100.00

B. OTHER EQUITY

(₹ in crore)

PARTICULARS	RESERVE AND SURPLUS		OTHER COMPREHENSIVE INCOME	TOTAL
	GENERAL RESERVE*	RETAINED EARNINGS	REMEASUREMENT OF DEFINED BENEFITS	
BALANCE AS AT 01.04.2016	1776.93	-	1.03	1,777.96
PROFIT FOR THE PERIOD	-	330.82	-	330.82
REMEASUREMENT OF THE NET DEFINED BENEFIT LIABILITY/ASSET, NET OF TAX EFFECT	-	-	0.59	0.59
CAPITALISATION OF GENERAL RESERVE (ISSUE OF BONUS SHARES)	(100.00)	-	-	(100.00)
INTERIM DIVIDEND (2016-17)	-	(55.00)	-	(55.00)
FINAL DIVIDEND (2015-16)	-	(91.00)	-	(91.00)
CORPORATE DIVIDEND TAX	-	(29.72)	-	(29.72)
TRANSFER TO GENERAL RESERVE FROM RETAINED EARNINGS	155.10	(155.10)	-	-
BALANCE AT 31.03.2017	1,832.03	-	1.62	1,833.65

INTERIM DIVIDEND PER SHARE FOR 2016-17 (₹)	3.67	NUMBER OF SHARES USED IN COMPUTING DIVIDEND PER SHARE	150,000,000
FINAL DIVIDEND PER SHARE FOR 2015-16 (₹)	9.10	NUMBER OF SHARES USED IN COMPUTING DIVIDEND PER SHARE	100,000,000

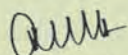
(₹ in crore)

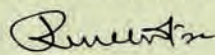
PARTICULARS	RESERVE AND SURPLUS		OTHER COMPREHENSIVE INCOME	TOTAL
	GENERAL RESERVE*	RETAINED EARNINGS	REMEASUREMENT OF DEFINED BENEFITS	
BALANCE AS AT 01.04.2015	1,526.18	-	1.89	1,528.07
EFFECTS OF CHANGES IN ACCOUNTING POLICY OR PRIOR PERIOD ERRORS	(8.90)	-	-	(8.90)
TAX IMPACT DUE TO CHANGE IN ACCOUNTING POLICY	12.88	-	-	12.88
RESTATE BALANCE AT THE BEGINNING OF THE REPORTING PERIOD	1,530.16	-	1.89	1,532.05
PROFIT FOR THE PERIOD	-	339.44	-	339.44
REMEASUREMENT OF THE NET DEFINED BENEFIT LIABILITY/ASSET, NET OF TAX EFFECT	-	-	(0.86)	(0.86)
INTERIM DIVIDEND (2015-16)	-	(45.00)	-	(45.00)
FINAL DIVIDEND (2014-15)	-	(32.00)	-	(32.00)
CORPORATE DIVIDEND TAX	-	(15.67)	-	(15.67)
TRANSFER TO GENERAL RESERVE FROM RETAINED EARNINGS	246.77	(246.77)	-	-
BALANCE AT 31.03.2016	1,776.93	-	1.03	1,777.96

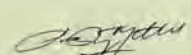
INTERIM DIVIDEND PER SHARE FOR 2015-16 (₹)	4.50	NUMBER OF SHARES USED IN COMPUTING DIVIDEND PER SHARE	100,000,000
FINAL DIVIDEND PER SHARE FOR 2014-15 (₹)	3.20	NUMBER OF SHARES USED IN COMPUTING DIVIDEND PER SHARE	100,000,000

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

For and on behalf of the Board

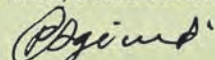

Ajay Kumar Gaur
Director Finance
and
Chief Finance Officer (DIN:05333257)


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


P.T. Mittal
Company Secretary and
General Manager (Legal)
M.No. : FCS 2529

As per our report of even date attached
For AGI WAL & ASSOCIATES, Chartered Accountants, FRN 000181N

Place : Delhi
Dated : 4th July, 2017


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

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2017	YEAR ENDED 31.03.2016
CASH FLOW FROM OPERATING ACTIVITIES			
NET PROFIT BEFORE TAX		487.99	515.55
OTHER COMPREHENSIVE INCOME BEFORE TAX		0.90	(1.32)
ADJUSTMENTS FOR:			
- DEPRECIATION AND AMORTIZATION		32.10	31.91
- LOSS/(PROFIT) ON SALE OF ASSETS (NET)		(0.02)	(0.10)
- INTEREST FROM FDS/OTHERS		(103.92)	(128.83)
- INCOME FROM INVESTMENTS		(4.45)	(1.28)
- INCOME FROM INVESTMENT PROPERTIES		(0.99)	(0.99)
- PROFIT FROM SALE OF INVESTMENT		(71.47)	-
- FIXED ASSETS WRITTEN OFF		0.02	0.03
- PROVISION AND IMPAIRMENT EXPENSES		37.49	5.84
EFFECT OF EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN CURRENCY		4.46	(49.79)
OPERATING PROFIT BEFORE CHANGES IN ASSETS AND LIABILITIES		382.11	371.02
CHANGE IN ASSETS AND LIABILITIES:			
ADJUSTMENTS FOR (INCREASE)/DECREASE IN OPERATING ASSETS:			
- INVENTORIES		(35.18)	(4.75)
- TRADE RECEIVABLES		50.17	(158.41)
- LOANS, OTHER FINANCIAL ASSETS AND OTHER ASSETS		92.67	(56.24)
ADJUSTMENTS FOR INCREASE/(DECREASE) IN OPERATING LIABILITIES:			
- TRADE PAYABLES		(6.17)	1.15
- OTHER FINANCIAL LIABILITIES, OTHER LIABILITIES AND PROVISIONS		205.26	500.93
CASH GENERATED FROM OPERATIONS		688.86	653.70
- INCOME TAX PAID		(164.18)	(185.41)
NET CASH FROM OPERATING ACTIVITIES		524.68	468.29
CASH FLOW FROM INVESTING ACTIVITIES			
- PURCHASE/CONSTRUCTION OF FIXED ASSETS		(21.93)	(55.68)
- PROCEEDS FROM SALE OF FIXED ASSETS		0.11	0.18
- INVESTMENTS IN SHARES, BONDS ETC.		38.06	(37.57)
- LOANS TO RELATED PARTIES		(7.00)	(2.00)
- DEPOSITS AND INTEREST ACCRUED NOT CONSIDERED AS CASH AND CASH EQUIVALENTS		(195.84)	(479.23)
- INTEREST INCOME		103.92	128.83
- INCOME FROM INVESTMENTS		4.45	1.28
- INCOME FROM INVESTMENT PROPERTIES		0.99	0.99
NET CASH FROM INVESTING ACTIVITIES		(77.24)	(443.20)
CASH FLOW FROM FINANCING ACTIVITIES			
- DIVIDEND PAID		(146.00)	(77.00)
- DIVIDEND TAX PAID		(29.72)	(15.67)
NET CASH FROM FINANCING ACTIVITIES		(175.72)	(92.67)
EFFECT OF EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN CURRENCY CASH & CASH EQUIVALENTS		(4.46)	49.79
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		267.26	(17.79)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		423.83	441.62
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		691.09	423.83

RECONCILIATION OF CASH AND CASH EQUIVALENTS

(₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2017	YEAR ENDED 31.03.2016
CASH AND CASH EQUIVALENTS-OWNED FUND	2.15.1	241.26	236.71
CASH AND CASH EQUIVALENTS-CLIENTS FUND	2.16.1	333.37	190.35
CASH AND CASH EQUIVALENTS AS PER BALANCE SHEET		574.63	427.06
ADD : INTEREST ACCRUED ON BANK DEPOSITS HAVING MATURITY WITHIN 3 MONTHS FROM ACQUISITIONS' DATE	2.18	-	0.35
ADD : INVESTMENT IN LIQUID FUND PLAN	2.8.2	143.04	-
LESS : BANK BOOK OVERDRAFT-OWNED FUND	2.28	-	-
LESS : BANK BOOK OVERDRAFT-CLIENTS FUND	2.28	(26.58)	(3.58)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		691.09	423.83

SUPPLEMENTARY INFORMATION:

RESTRICTED CASH BALANCE (REFER NOTE NO. 2.15.3)	4.24	6.49
COMPONENTS OF CASH AND CASH EQUIVALENTS (REFER NOTE NO. 2.15.1 & 2.16.1)	574.63	427.06

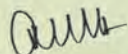
NON CASH TRANSACTIONS - INVESTING ACTIVITIES

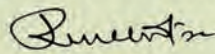
(₹ in crore)

PARTICULARS	YEAR ENDED 31.03.2017	YEAR ENDED 31.03.2016
PROFIT FROM SALE OF INVESTMENT IN JOINT VENTURE	71.47	-
CONVERSION OF LOAN TO INVESTMENT IN EQUITY OF JOINT VENTURE	1.73	7.37
CONVERSION OF LOAN & INTEREST THEREON INTO AMOUNT RECOVERABLE	-	97.30

NOTE: CASH AND CASH EQUIVALENTS CONSIST OF CASH AND BANK BALANCES INCLUDING FDs & INTEREST ACCRUED HAVING MATURITY WITHIN 3 MONTHS FROM THE DATE OF ACQUISITION AND LIQUID INVESTMENTS

For and on behalf of the Board

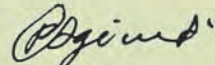

Ajay Kumar Gaur
Director Finance
and
Chief Finance Officer (DIN:05333257)


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


P.T. Mittal
Company Secretary and
General Manager (Legal)
M.No. : FCS 2529

As per our report of even date attached
For AGIWAL & ASSOCIATES, Chartered Accountants, FRN 000181N

Place : Delhi
Dated : 4th July, 2017


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

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

Company Overview

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

The Company is a "Miniratna", Schedule-"A", Category-I CPSE and ISO 9001 certified public limited company incorporated and domiciled in India. The address of its registered office is SCOPE Minar, Laxmi Nagar, Delhi-110092 (India) and address of its corporate office is RITES Bhawan, No. 1, Sector -29, Gurgaon, Haryana-122001 (India). President of India acting through Ministry of Railways and its nominees are holding 100% 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 2.54. Previous periods figures have been regrouped/recasted/rearranged, wherever necessary.

The standalone financial statements are approved for issued by the company's Board of Directors on 4th July, 2017.

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 GENERAL

(a) Statement of Compliance

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

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

These financial statements for the year ended 31st March, 2017 are the first financial statements which the Company has prepared in accordance with all applicable Ind AS. Note No. 2.1 explain the way the Company adopted Ind AS.

(b) Basis of preparation

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

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

(c) Use of estimates and judgements

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

1.2 REVENUE RECOGNITION

1.2.1 REVENUE FROM OPERATIONS

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

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

General Parameters

(a) Revenue is recognized on satisfaction of following conditions:-

- outcome of the transaction can be estimated or measured reliably.
- it is probable that the economic benefits associated with the transaction will flow to the company.
- the costs incurred and cost to complete the transaction can be measured reliably.

(b) When outcome of transaction cannot be estimated reliably, revenue is recognized to the extent of cost incurred which is recoverable else cost incurred is charged to the Statement of Profit and Loss.

(c) When there is uncertainty as to realisability, recognition of revenue is postponed until such uncertainty is removed.

(d) Revenue is measured at the fair value of the consideration received or receivable.

1.2.1.1 Consultancy Fee

Revenue from rendering of services is recognized on the basis of stage of completion of each transaction using appropriate method.

Physical progress, efforts, cost incurred to date bear to the total estimated cost of the transaction, time spent, service performed or any other method that management considered appropriate are used to measure the stage of completion at the end of the reporting period.

Reimbursable and supplies are accounted for on accrual basis.

In Construction Management/Supervision Contracts, revenue is recognised as a percentage of the value of work done/built-up cost of each contract as determined by the Management, pending customer's approval, if any.

Mobilization fee is considered as advance until recognized as revenue based on the stage of completion of activities/transactions as per the terms of contract/work order.

1.2.1.2 Inspection Fee

Inspection fee is accounted for on the basis of inspection certificates issued.

1.2.1.3 Lease Services

Lease income arising from operating leases is accounted for on a straight-line basis over the lease terms. However, reimbursables under the contract are accounted for on accrual basis. Initial direct costs are added to the carrying amount of the leased assets and recognized as an expense over the lease term.

1.2.1.4 Export Sales

Export sales are accounted for on the basis of bills raised where all significant risks and rewards of ownership have been transferred to the buyer wherein company neither retain continuing managerial involvement to the degree usually associated with the ownership nor effective control over the goods exported.

1.2.1.5 Construction Projects

Revenue and costs associated with the construction contracts/projects are recognized as revenue and expenses respectively based on stage of completion of contract/project activities at the end of the reporting period.

Stage of completion of contract for recognition of revenue is based on the proportion of the costs incurred for work performed up to the reporting date bear to the estimated total contract/project costs.

Any expected loss is recognized as an expense immediately.

1.2.2 Other Income

1.2.2.1 Interest income

Interest income is recognized using effective interest method.

1.2.2.2 Dividend

Revenue is recognised when the right to receive the payment is established, which is generally when shareholders approve the dividend.

1.2.2.3 Export incentives

Export incentive is recognized when there is a reasonable assurance that the incentive will be received and all the attached conditions have been complied with.

1.2.2.4 OTHERS

Other income is accounted for on accrual basis except claims/supplementary claims / counter claims/interest on delayed payments / awards in favour of the Company/ sale of tenders/ premium on sale of licenses etc. which are accounted for on final settlement / realization.

1.3 PROPERTY, PLANT AND EQUIPMENT (PPE)

Property, plant and equipment are stated at cost i.e., cost of acquisition or construction inclusive of freight, erection and commissioning charges, non-refundable duties and taxes, expenditure during construction period, borrowing costs, in case of a qualifying asset, upto the date of acquisition/ installation, net of accumulated depreciation and impairment losses, if any.

- (a) Incidental expenditure during construction period including interest charges incurred upto the date of completion, net of interest recovered on mobilisation advance, are capitalized.
- (b) Spare valuing more than ₹ 10 lakh which can be used only in connection with an item of property, plant and equipment and whose use is expected to be irregular are capitalised and depreciated over the useful life of the spares or principal item of the relevant assets, whichever is lower. Other spares are charged off to the Statement of Profit and Loss in the year of purchase.
- (c) Expenditure incurred subsequently relating to property, plant & equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably.
- (d) The initial estimate of the cost of dismantling, removing the item and restoring the site on which PPE is located, the obligation for which is incurred when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during the period, is capitalized as a component of PPE.

1.3.1 Depreciation

- (a) Depreciation on property, plant and equipment are provided on straight line method over their estimated useful life determined by management. Depreciation method, useful lives and residual values are reviewed at the end of each financial year. The useful lives of assets are as prescribed in part C of schedule II of the Companies Act, 2013 except assets indicated in sub paragraphs from (d) to (g) below. In respect of additions to/deductions from the assets during the year, depreciation is charged on pro rata basis.

(b) The estimated useful lives of the various assets, are as under:-

Assets	Useful Life (Years)
i) Furniture	10
ii) Fixture	5
iii) Office Equipment	5
iv) Mobile Hand Set	3
v) Coolers & Air Conditioners	7
vi) Air Conditioning Plant	15
vii) Computer Hardware	3
viii) Server & Networks	6
ix) Survey and Equipments	10
x) Vehicles	8
xi) Buildings on Freehold Land	60
xii) Locomotives-New	15
xiii) Locomotives-In-Service	10
xiv) Coaches-New	15
xv) Coaches-In-Service	10

- (c) Any addition or extension, which becomes an integral part of the existing asset and which results in increased economic benefits, is capitalized and depreciated over the remaining useful life of that asset.
An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset which is calculated as the difference between the net disposal proceeds and the carrying amount of the asset, is included in the income statement when the asset is derecognised.
- (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 other than assets specified at (g) above.

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 amortised assets other than assets specified at (a) above.

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.

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 ASs.

1.8 INVENTORIES

- (a) Inventories are valued at cost on First In First Out (FIFO) basis or net realizable value whichever is less.
- (b) Cost of inventories comprises of costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.
- (c) The diminution in the value of obsolete, unserviceable, slow moving and non-moving stores and spares are assessed periodically and accordingly provided for.
- (d) Consumables are charged to the Statement of Profit & Loss in the year of purchase irrespective of the value.

1.9 EMPLOYEE BENEFITS

1.9.1 Defined Contribution Plans

Pension Scheme/Post Retiral Medical Schemes

Retirement benefit 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 & 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.

- (a) In case of regular employees:
 - (i) Company has set up a Gratuity Trust Fund which is being administered by Life Insurance Corporation of India (LIC) who invests the contribution in the schemes permitted by laws of India.
 - (ii) The company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability.
 - (iii) Gain or loss through re-measurements of net defined benefit liability/(asset) is recognized in Other Comprehensive Income.
 - (iv) The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized in Other Comprehensive Income.
 - (v) Service cost and net interest cost/(income) on the net defined benefit liability/(asset) are recognized in Statement of Profit and Loss.
- (b) In case of contractual employees:
 - (i) The company recognizes obligation of a defined benefit plan in its balance sheet as a liability.
 - (ii) Actuarial gain or loss of defined benefit liability is recognized in Other Comprehensive Income.
 - (iii) Service cost and interest on the defined benefit liability are recognized in Statement of Profit and Loss.

1.9.2.2 **Provident fund**

The Company makes contribution to the recognized provident fund - "RITES CONTRIBUTORY PROVIDENT FUND" for its employees, which is a defined benefit plan to the extent that the Company has an obligation to make good the shortfall, if any, between the returns from the investments of the trust and the notified interest rate. The Company's obligation in this regard is determined by an independent actuary and provided for if the circumstances indicate that the Trust may not be able to generate adequate returns to cover the interest rates notified by the Government.

1.9.3 **Other long term Benefits**

Benefits provided by company to employees -Leave Travel Concession for CDA employees, Leave Encashment, Medical Leave (LHAP) and Long Service Award, are accounted for on actuarial valuation made at the end of year. The actuarial gains/losses are recognized in the Statement of Profit & Loss for the year.

1.9.4 **Other Benefits**

1.9.4.1 Ex-gratia payments on death are recognized on payment basis in the Statement of Profit & Loss.

1.9.4.2 **Terminal Benefits to Contract Employees**

Leave Encashment is a defined benefit obligation. The cost of providing benefits under the defined benefit plan is determined on the basis of actuarial valuation.

1.10 **RESEARCH & DEVELOPMENT**

Revenue expenditure incurred/paid during the year on research is charged to the Statement of Profit & Loss.

Development cost is capitalized if following are demonstrated otherwise it is charged to the Statement of Profit & 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 & Loss.

1.13 PREPAYMENTS

Prepayments towards leasehold land and/or buildings, which are in the nature of operating lease, are amortized over the period of the lease agreement.

PREPAID EXPENSES AND PRIOR PERIOD ADJUSTMENTS

Prepaid expenses and prior period adjustments up to ₹ 1,00,000/- in each case are treated as expenditure/income of the year and accounted for to the natural head of accounts

1.14 TRANSLATION AND TRANSACTIONS OF FOREIGN CURRENCIES

1.14.1 Functional Currency

Functional Currency of the company is Indian Rupees and the financial statements are presented in Indian Rupees.

1.14.2 Foreign Currencies

Transactions in foreign currencies are initially recorded by the Company at functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses an available average rate if the average approximates the actual rate at the date of the transaction.

1.14.3 Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

1.14.4 Exchange differences arising on settlement or translation of monetary items are recognised in the Statement of Profit or 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 driving basis earning per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at the later date. Dilutive potential equity share are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus share issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

1.18 IMPAIRMENT OF ASSETS

1.18.1 Financial Assets

(Other than at Fair Value)

The Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on following financial assets - loans, deposits and trade receivables.

Trade/lease receivables outstanding for a period over 3 years are impaired 100% and others which are outstanding for a period of 3 years or less are impaired on a case to case basis, except in cases where amount is considered recoverable as per the management.

For other receivables impairment is made on the basis of expected credit losses model.

1.18.2 Non Financial Assets

(Tangible and Intangible Assets)

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable amount (i.e. the higher of the fair value

less cost to sell and the value-in-use). Impairment loss is charged to the Statement of Profit & 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 & Loss to the extent of previously recognized or balanced impairment loss.

1.19 WRITE OFF

1.19.1 Financial Assets

Such assets including trade/lease receivables are written off when, in the opinion of the management, unrealisability has become certain.

1.19.2 Non Financial Assets

Such assets including property, plant, equipment (PPE), intangible assets, investment property and inventory are written off when, in the opinion of the management, such asset has become obsolete, damaged beyond repair, stolen and uneconomical to use.

1.20 PROVISION FOR WARRANTY FOR SALE AND SERVICES RENDERED

Provision for warranties is recognized when products are sold and services are rendered with warranty as per the contract. These provisions are estimated by using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claim will arise or incurred. The initial estimate of warranty-related costs is revised annually.

As per the terms of the contracts, the Company provides post-contract services /warranty support to some of its customers. The Company accounts for the post-contract support / provision for warranty on the basis of the information available with the Management duly taking into account the current and past estimates.

1.21 PROVISION FOR PROFESSIONAL SERVICES (FOR EXPORT SALES)

Provision for professional services for export sales is recognized in the year in which sales are recognized.

1.22 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

- (a) Provisions involving substantial degree of estimation in measurement are recognized when there is a present legal or constructive obligation as a result of past events and it is probable that there will be an outflow of resources.
- (b) Contingent Liabilities are not recognized but are disclosed in the notes in any of the following cases :-
 - (i) a present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation; or
 - (ii) a reliable estimate of the present obligation cannot be made; or
 - (iii) a possible obligation, unless the probability of outflow of resource is remote.
- (c) Contingent Liability is net of estimated provisions considering possible outflow on settlement.
- (d) Contingent Assets are not recognized but are disclosed where an inflow of economic benefits is probable.
- (e) Contingent Assets, Contingent Liabilities and Provisions needed against Contingent Liabilities are reviewed at each balance sheet date.

1.23 LEASE EXPENSES

Lease expenses/payments under operating lease are recognized as expenses on straight line basis over the lease term unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

1.24 NON-CURRENT ASSETS HELD FOR SALE

The Company classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification. Non-current assets classified as held for sale is recognized at lower of its carrying amount and fair value less cost to sell.

1.25 DIVIDENDS

Final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the company's Board of Directors.

1.26 FINANCIAL INSTRUMENTS

1.26.1 Initial recognition

Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and financial liabilities are recognized at fair value on initial recognition except for trade receivables/ trade payables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit and loss are added or deducted to/from the fair value on initial recognition.

1.26.2 Subsequent measurement

- (a) Financial assets are subsequently measured at amortised cost if these are held within a business model whose objective is to hold the assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding using the effective interest rate (EIR) method. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.
- (b) Financial assets at fair value through profit or loss
The financial assets are measured at fair value through profit or loss unless it is classified at amortised cost.
- (c) Financial liabilities
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.
All other financial liabilities are subsequently measured at amortised cost using EIR method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are de-recognised as well as through the EIR amortisation process.

1.26.3 De-recognition of financial instruments

A financial asset is de-recognised when:

- The rights to receive cash flows from the asset have expired, or
- the Company has transferred substantially all the risks and rewards of the asset, or the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability or a part of financial liability is de-recognised from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

1.26.4 Forward contracts

Forward contracts are measured at marked to market value at every reporting date.

2. NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017.

2.1 First time adoption of Ind AS

These standalone financial statements of RITES Ltd. for the financial year ended 31st March, 2017 have been prepared in accordance with Ind AS. For the purpose of transition to Ind AS, the company has followed guidelines prescribed in Ind AS 101- First time adoption of Indian Accounting Standard, with 1st April, 2015 as transition date and IGAAP as previous GAAP.

The transition to Ind AS has resulted in changes in the presentation of the financial statements, disclosures in the notes thereto and accounting policies and principles. The accounting policies set out in note 1 have been applied in preparing the standalone financial statements for the financial year ended 31st March, 2017 and the comparative information. An explanation of how the transition from previous GAAP to Ind AS has affected the company's Balance Sheet, Statement of Profit & Loss and Statement of Cash Flows, is set out in note 2.2. Exemptions on first time adoption of Ind AS availed in accordance with Ind AS 101 have been set out in note 2.1.1.

2.1.1 Exemptions availed on first time adoption of Ind AS 101

Ind AS 101 allows first time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The company has accordingly applied the following exemptions:-

- (a) Investments in subsidiaries, joint ventures and associates:
The Company has elected to adopt the carrying value under previous GAAP as on the date of transition i.e. April 1, 2015 in its separate financial statements.
- (b) Deemed Cost of Property, Plant and Equipment (PPE), Intangible Assets and Investment Property:
There is no change in functional currency of the Company on the date of transition to Ind AS, hence Company has elected to continue with the carrying value for all of its property, plant and equipment (PPE), intangible assets and investment property recognized under Indian GAAP as deemed cost at transition date (i.e. 01.04.2015) in the financial statements.

2.2 RECONCILIATIONS

THE FOLLOWING RECONCILIATIONS PROVIDES THE EFFECT OF TRANSITION TO IND AS FROM IGAAP IN ACCORDANCE WITH IND AS 101:

2.2.1 RECONCILIATION OF EQUITY AS AT 31.03.2016 AND 01.04.2015 AS PREVIOUSLY REPORTED UNDER INDIAN GAAP TO IND AS

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2015					AS AT 01.04.2015				
		IGAAP	Prior Period Adjustments	Changes in Accounting Policies	Other Reclassification /Restatement	Ind AS	IGAAP	Prior Period Adjustments	Changes in Accounting Policies	Other Reclassification /Restatement	Ind AS
ASSETS											
NON CURRENT ASSETS											
PROPERTY, PLANT AND EQUIPMENT	A	269.55	(1.82)	-	(8.51)	259.22	212.10	(1.77)	-	(8.97)	201.36
CAPITAL WORK IN PROGRESS	B	26.59	(2.19)	-	(17.34)	7.06	57.92	(0.22)	-	(48.15)	9.55
INVESTMENT PROPERTY		1.29	-	-	-	1.29	1.33	-	-	-	1.33
INTANGIBLE ASSETS		3.10	(0.00)	-	-	3.10	4.79	-	-	-	4.79
INTANGIBLE ASSETS UNDER DEVELOPMENT		1.58	-	-	-	1.58	0.75	-	-	-	0.75
FINANCIAL ASSETS											
INVESTMENTS	C	267.82	-	-	(50.00)	217.82	236.31	-	-	-	236.31
LOANS	D	13.55	(0.00)	(3.23)	-	10.32	104.75	(0.00)	(4.07)	-	100.68
OTHER FINANCIAL ASSETS	E	197.41	0.00	(1.44)	-	195.97	176.72	-	-	-	176.72
DEFERRED TAX ASSETS (NET)	F	29.00	0.00	12.88	-	41.88	46.13	(0.00)	12.88	-	59.01
OTHER NON CURRENT ASSETS	G	68.14	0.44	2.59	27.42	98.59	78.16	0.46	2.98	58.49	140.09
		878.03	(3.57)	10.80	(48.43)	836.83	918.96	(1.53)	11.79	1.37	930.59
CURRENT ASSETS											
INVENTORIES		11.41	-	-	-	11.41	6.66	-	-	-	6.66
FINANCIAL ASSETS											
INVESTMENTS	C	6.01	-	-	50.00	56.01	-	-	-	-	-
TRADE RECEIVABLES	H	533.86	(5.37)	-	1.41	529.90	370.88	(4.54)	-	1.27	367.61
CASH AND CASH	I	236.62	0.00	-	0.09	236.71	249.02	(0.00)	-	0.06	249.08
EQUIVALENTS-OWNED FUND											
CASH AND CASH		190.35	-	-	-	190.35	199.36	(0.00)	-	-	199.36
EQUIVALENTS-CLIENTS FUND											
OTHER BANK BALANCES-OWNED FUND	I	453.21	(0.00)	-	4.40	457.61	448.10	(0.00)	-	4.59	452.69
OTHER BANK BALANCES-CLIENTS FUND		1,627.98	-	-	-	1,627.98	1,139.08	-	-	-	1,139.08
LOANS		7.17	0.00	-	-	7.17	12.20	-	-	-	12.20
OTHER FINANCIAL ASSETS	J	230.82	0.22	(37.21)	(5.70)	188.13	186.61	0.22	(38.22)	(6.75)	141.86
CURRENT TAX ASSETS (NET)		38.66	-	-	-	38.66	1.62	-	-	-	1.62
OTHER CURRENT ASSETS	K	80.70	(0.74)	2.02	0.47	82.45	27.98	(0.76)	1.00	0.47	28.69
		3,416.79	(5.89)	(35.19)	50.67	3,426.38	2,641.51	(5.08)	(37.22)	(0.36)	2,598.85
TOTAL ASSETS		4,294.82	(9.46)	(24.39)	2.24	4,263.21	3,560.47	(6.61)	(25.43)	1.01	3,529.44
EQUITY AND LIABILITIES											
EQUITY											
EQUITY SHARE CAPITAL		100.00	-	-	-	100.00	100.00	-	-	-	100.00
OTHER EQUITY	L	1,703.30	(11.46)	86.12	-	1,777.96	1,528.07	(10.10)	14.08	-	1,532.05
		1,803.30	(11.46)	86.12	-	1,877.96	1,628.07	(10.10)	14.08	-	1,632.05
LIABILITIES											
NON CURRENT LIABILITIES											
FINANCIAL LIABILITIES											
TRADE PAYABLES		0.66	-	-	-	0.66	2.67	-	-	-	2.67
OTHER FINANCIAL LIABILITIES		99.62	-	-	-	99.62	82.21	-	-	-	82.21
PROVISIONS	M	100.84	(0.00)	(0.98)	-	99.86	104.70	-	(1.00)	-	103.70
OTHER NON CURRENT LIABILITIES		2.07	-	-	-	2.07	6.41	-	-	-	6.41
		203.19	(0.00)	(0.98)	-	202.21	195.99	-	(1.00)	-	194.99
CURRENT LIABILITIES											
FINANCIAL LIABILITIES											
TRADE PAYABLES	N	83.98	2.38	-	2.16	88.52	80.68	3.69	-	0.99	85.36
OTHER FINANCIAL LIABILITIES	O	1,884.55	0.09	-	0.04	1,884.68	1,504.29	0.06	-	-	1,504.35
PROVISIONS	P	214.14	(0.00)	(109.53)	-	104.61	115.19	0.00	(38.51)	-	76.68
OTHER CURRENT LIABILITIES	Q	105.66	(0.47)	-	0.04	105.23	36.25	(0.26)	-	0.02	36.01
		2,288.33	2.00	(109.53)	2.24	2,183.04	1,736.41	3.49	(38.51)	1.01	1,702.40
TOTAL EQUITY AND LIABILITIES		4,294.82	(9.46)	(24.39)	2.24	4,263.21	3,560.47	(6.61)	(25.43)	1.01	3,529.44

EXPLANATIONS FOR RECONCILIATION OF BALANCE SHEET AS PREVIOUS YEAR REPORTED UNDER IGAAP TO IND AS

- (A) **PROPERTY, PLANT AND EQUIPMENT**
(a) Adjustments on account of prior period errors/omissions.
(b) Reclassification/Restatement of Leasehold assets from tangible assets to pre payments under current/non-current assets.
- (B) **CAPITAL WORK IN PROGRESS**
(a) Adjustments on account of prior period errors/omissions.
(b) Reclassification/Restatement of Capital work in progress to Capital advance under non-current assets.
- (C) **INVESTMENTS**
Reclassified from Non current to Current at year ended 31.03.2016.
- (D) **LOANS**
(a) As per IND AS, staff loan and interest accrued thereon are presented/restated at present value applying effective interest rate method and balance is shown separately under other non-current/current assets as deferred cost towards staff loan.
- (E) **OTHER NON-CURRENT FINANCIAL ASSETS**
(a) As per IND AS, amount recoverable from Govt of Mozambique (GOM) is presented/restated at present value applying effective interest rate method and balance is shown separately under other non-current/current assets as deferred cost.
- (F) **DEFERRED TAX ASSETS (NET)**
Tax impact on adjustments of Work-in-Progress(WIP) is made as per IND AS.
- (G) **OTHER NON CURRENT ASSETS**
(a) Adjustments on account of prior period errors/omissions.
(b) Reclassification/Restatement of Leasehold assets from tangible assets to pre payments under current/non-current assets.
(c) Reclassification/Restatement of Capital work in progress to Capital advance under non-current assets.
(d) As per IND AS, staff loan and amount recoverable from Govt of Mozambique (GOM) and interest accrued thereon are presented/restated at present value applying effective interest rate method and balance is shown separately under other non-current/current assets as deferred cost.
(e) Restatement towards Joint Operations.
- (H) **TRADE RECEIVABLES**
(a) Adjustments on account of prior period errors/omissions.
(b) Restatement towards Joint Operations.
- (I) **CASH AND BANK BALANCE**
Restatement towards Joint Operations.
- (J) **OTHER CURRENT FINANCIAL ASSETS**
(a) Adjustments on account of prior period errors/omissions.
(b) Adjustments on account of Work-in-Progress(WIP) are made as per IND AS.
(c) Restatement towards Joint Operations.
- (K) **OTHER CURRENT ASSETS**
(a) Adjustments on account of prior period errors/omissions. (b) Reclassification/Restatement of Leasehold assets from tangible assets to pre payments under current/non-current assets. (c) Adjustments on account of change in accounting policy on prepaid expenses. (d) As per IND AS, staff loan and amount recoverable from Govt of Mozambique (GOM) and interest accrued thereon are presented/restated at present value applying effective interest rate method and balance is shown separately under other non-current/current assets as deferred cost.
- (L) **OTHER EQUITY**
Adjustments on account of proposed dividend, dividend tax, work-in-progress, tax impact on work-in-progress, change in accounting policy on pre-paid, prior period errors/omissions etc. have been made as per IND AS.
- (M) **NON CURRENT- PROVISIONS**
Impact on account of discounting of Provision for warranties.
- (N) **TRADE PAYABLES**
(a) Adjustments on account of prior period errors/omissions.
(b) Restatement towards Joint Operations.
- (O) **OTHER FINANCIAL LIABILITIES**
Adjustments on account of prior period errors/omissions.
- (P) **CURRENT PROVISIONS**
Adjustments reflect dividend (including corporate dividend tax) declared and approved post reporting date.
- (Q) **OTHER CURRENT LIABILITIES**
(a) Adjustments on account of prior period errors/omissions.
(b) Restatement towards Joint Operations.

2.2.2 RECONCILIATION OF NET PROFIT FOR THE YEAR ENDED 31.03.2016 AS PREVIOUSLY REPORTED UNDER INDIAN GAAP TO IND AS

(₹ in crore)

PARTICULARS	NOTE NO.	IGAAP	YEAR ENDED 31.03.2016			Ind AS
			Prior Period Adjustments	Changes in Accounting Policies	Other Reclassification /Restatement	
REVENUE						
REVENUE FROM OPERATIONS	R	1,086.56	(0.55)	-	-	1,086.01
OTHER INCOME	S	207.19	0.03	0.83	(16.45)	191.60
TOTAL REVENUE		1,293.75	(0.52)	0.83	(16.45)	1,277.61
EXPENDITURE						
EMPLOYEE BENEFIT EXPENSES	T	341.01	(0.00)	(0.49)	(0.32)	340.20
TRAVEL	U	35.52	0.00	-	(0.15)	35.37
SUPPLIES & SERVICES	V	95.83	0.46	-	-	96.29
COST OF EXPORT SALES	W	159.63	(0.21)	0.02	(1.65)	157.79
COST OF TURNKEY CONSTRUCTION PROJECTS	X	35.35	0.05	(0.14)	-	35.26
(INCREASE)/DECREASE IN WORK IN PROGRESS-CONSULTANCY PROJECTS	Y	0.88	-	(0.88)	-	-
DEPRECIATION & AMORTISATION EXPENSES	Z	32.32	0.05	-	(0.46)	31.91
OTHER EXPENSES	AA	76.41	2.73	(0.03)	(13.87)	65.24
PRIOR PERIOD ADJUSTMENTS (NET)	AB	2.23	(2.23)	-	-	-
TOTAL EXPENDITURE		779.18	0.85	(1.52)	(16.45)	762.06
PROFIT BEFORE TAX		514.57	(1.37)	2.35	-	515.55
TAX EXPENSES						
- CURRENT YEAR	AC	(158.52)	(0.00)	(0.46)	-	(158.98)
DEFERRED TAX (NET)		(17.13)	(0.00)	-	-	(17.13)
PROFIT AFTER TAX		338.92	(1.37)	1.89	-	339.44
OTHER COMPREHENSIVE INCOME						
ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT & LOSS						
- REMEASUREMENTS OF THE DEFINED BENEFITS PLANS	AD	-	-	(1.32)	-	(1.32)
- INCOME TAX RELATING TO ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT & LOSS	AC	-	-	0.46	-	0.46
TOTAL OTHER COMPREHENSIVE INCOME (NET OF TAX)		-	-	(0.86)	-	(0.86)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		338.92	(1.37)	1.03	-	338.58

EXPLANATIONS FOR RECONCILIATION OF STATEMENT OF PROFIT & LOSS AS PREVIOUS YEAR REPORTED UNDER IGAAP TO INDAS

(R) REVENUE FROM OPERATIONS

Adjustments on account of prior period errors/omissions.

(S) OTHER INCOME

(a) Adjustments on account of prior period errors/omissions.

(b) Recognition of deferred income on recoverables from GOM (Govt of Mozambique) and interest on staff loans at effective interest rate have been made as per INDAS.

(c) Reclassification/restatement of other income.

(T) EMPLOYEE BENEFIT EXPENSES

(a) As per Ind AS, Interest on staff loans is recognised at effective interest rate method and actuarial gain and loss are recognised in Other Comprehensive Income (OCI) & not reclassified to Profit & Loss in subsequent period.

(b) Reclassification/restatement of employee benefit expenses.

(U) TRAVEL

Reclassification/restatement of employee benefit expenses.

(V) SUPPLIES & SERVICES

Adjustments on account of prior period errors/omissions.

(W) COST OF EXPORT SALES

(a) Adjustments on account of prior period errors/omissions.

(b) Impact on account of discounting of warranty provisions.

(c) Reclassification/restatement of cost of export sales.

(X) COST OF TURNKEY CONSTRUCTION PROJECTS

(a) Adjustments on account of prior period errors/omissions.

(b) As per Ind AS, adjustments on account of work-in-progress have been made.

(Y) (INCREASE)/DECREASE IN WORK IN PROGRESS-CONSULTANCY PROJECTS

As per Ind AS, adjustments on account of work-in-progress have been made.

(Z) DEPRECIATION

(a) Adjustments on account of prior period errors/omissions.

(b) Reclassification/restatement of depreciation due to reclassification of tangible assets to pre-payments towards leasehold assets.

(AA) OTHER EXPENSES

(a) Adjustments on account of prior period errors/omissions.

(b) Adjustments on account of change in accounting policy on prepaid expenses.

(c) Reclassification/restatement of other expenses.

(AB) PRIOR PERIOD ADJUSTMENTS (NET)

Adjustments of prior period errors/omissions have been made as per IND AS.

(AC) INCOME TAX

Adjustments of tax on remeasurement of defined benefits have been made as per IND AS.

(AD) REMEASUREMENTS OF THE DEFINED BENEFITS PLANS

Re-measurement of defined benefit plan have been considered in Other Comprehensive Income (OCI) as per IND AS

2.2.3 RECONCILIATION OF CASH FLOWS FOR THE YEAR ENDED 31.03.2016 AS PREVIOUSLY REPORTED UNDER INDIAN GAAP TO INDAS:

There were no significant reconciliaton items between cash flows prepared under Indian GAAP and those prepared under Ind AS.

2.3 PROPERTY, PLANT AND EQUIPMENT

FOLLOWING ARE THE CHANGES IN THE CARRYING VALUE OF PROPERTY, PLANT AND EQUIPMENT FOR THE YEAR ENDED 31.03.2017

(₹ in crore)

DESCRIPTION	GROSS BLOCK					DEPRECIATION/AMORTISATION						NET BLOCK
	AS AT 01/04/2016	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	DELETIONS DURING THE YEAR	TOTAL	AS AT 01/04/2016	FOR THE YEAR	ADJ DURING THE YEAR	ADJ THROUGH RETAINED EARNING	DELETIONS DURING THE YEAR	TOTAL	AS AT 31/03/2017
LEASED HOLD												
LAND	0.05	-	-	-	0.05	0.05	-	-	-	-	0.05	-
BUILDING	5.04	5.64	-	-	10.68	1.28	0.16	-	-	-	1.44	9.24
RESIDENTIAL QUARTERS	3.80	-	-	-	3.80	3.80	-	-	-	-	3.80	-
MULTIFUNCTIONAL COMPLEX	-	5.76	-	-	5.76	-	0.08	-	-	-	0.08	5.68
SUB TOTAL	8.89	11.40	-	-	20.29	5.13	0.24	-	-	-	5.37	14.92
OTHERS												
LAND	29.57	0.79	-	-	30.36	-	-	-	-	-	-	30.36
BUILDING	41.80	-	-	-	41.80	7.98	0.68	-	-	-	8.66	33.14
RESIDENTIAL QUARTERS	3.34	-	-	0.37	2.97	2.37	0.02	-	-	0.37	2.02	0.95

(₹ in crore)

DESCRIPTION	GROSS BLOCK					DEPRECIATION/AMORTISATION						NET BLOCK	
	AS AT 01/04/2016	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	DELETIONS DURING THE YEAR	TOTAL	AS AT 01/04/2016	FOR THE YEAR	ADJ DURING THE YEAR	ADJ THROUGH RETAINED EARNING	DELETIONS DURING THE YEAR	TOTAL	AS AT 31/03/2017	
SURVEY AND OTHER INSTRUMENTS	14.36	1.06	-	0.26	15.16	11.24	0.71	-	-	0.26	11.69	3.47	
COMPUTER AND EQUIPMENTS	18.37	2.03	-	1.19	19.21	15.21	2.22	-	-	1.18	16.25	2.96	
SERVER & NETWORK	8.52	0.05	-	-	8.57	5.24	1.00	-	-	-	6.24	2.33	
OFFICE AND OTHER EQUIPMENTS	11.76	0.93	-	0.71	11.98	9.95	0.93	-	-	0.67	10.21	1.77	
AIR-CONDITIONER AND EQUIPMENTS	1.87	0.27	-	0.08	2.06	1.14	0.20	-	-	0.06	1.28	0.78	
AIR CONDITIONER PLANT	13.63	0.05	-	0.05	13.63	8.24	1.36	-	-	0.04	9.56	4.07	
FURNITURES	6.89	0.46	-	0.19	7.16	4.37	0.53	-	-	0.19	4.71	2.45	
FIXTURES	7.54	0.05	-	0.05	7.54	6.63	0.47	-	-	0.03	7.07	0.47	
VEHICLES	4.00	-	-	0.17	3.83	2.67	0.30	-	-	0.17	2.80	1.03	
VEHICLES ABROAD	0.10	-	-	-	0.10	0.10	-	-	-	-	0.10	-	
LOCOMOTIVES NEW	60.30	-	-	-	60.30	2.85	4.02	-	-	-	6.87	53.43	
LOCOMOTIVES IN SERVICE	170.43	13.35	-	-	183.78	59.03	17.76	-	-	-	76.79	106.99	
COACHES*	7.52	-	-	-	7.52	7.52	-	-	-	-	7.52	-	
SUB TOTAL	400.00	19.04	-	3.07	415.97	144.54	30.20	-	-	2.97	171.77	244.20	
TOTAL	408.89	30.44	-	3.07	436.26	149.67	30.44	-	-	2.97	177.14	259.12	

NOTE : - DEPRECIATION ON FREEHOLD FLATS IS CHARGED ON THE TOTAL COST OF FLATS IN THE ABSENCE OF BREAK-UP OF LAND COMPONENTS IN THE FLATS VALUE.

- IN RESPECT OF LEASE AGREEMENTS PENDING EXECUTION (REFER NOTE NO. 2.61).

* KEPT FOR DISPOSAL

FOLLOWING ARE THE CHANGES IN THE CARRYING VALUE OF PROPERTY, PLANT AND EQUIPMENT FOR THE YEAR ENDED 31.03.2016

(₹ in crore)

DESCRIPTION	GROSS BLOCK					DEPRECIATION/AMORTISATION						NET BLOCK	
	AS AT 01/04/2015	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	DELETIONS DURING THE YEAR	TOTAL	AS AT 01/04/2015	FOR THE YEAR	ADJ DURING THE YEAR	ADJ THROUGH RETAINED EARNING	DELETIONS DURING THE YEAR	TOTAL	AS AT 31/03/2016	AS AT 01/04/2015
LEASED HOLD													
LAND	0.05	-	-	-	0.05	0.05	-	-	-	-	0.05	0.00	0.00
BUILDING	5.04	-	-	-	5.04	1.11	0.17	-	-	-	1.28	3.76	3.93
RESIDENTIAL QUARTERS	3.80	-	-	-	3.80	3.71	0.09	-	-	-	3.80	-	0.09
SUB TOTAL	8.89	-	-	-	8.89	4.87	0.26	-	-	-	5.13	3.76	4.02
OTHERS													
LAND	29.57	-	-	-	29.57	-	-	-	-	-	-	29.57	29.57
BUILDING	40.49	1.31	-	-	41.80	7.30	0.68	-	-	-	7.98	33.82	33.19
RESIDENTIAL QUARTERS	3.34	-	-	-	3.34	2.35	0.02	-	-	-	2.37	0.97	0.99
SURVEY AND OTHER INSTRUMENTS	14.62	0.12	-	0.38	14.36	10.94	0.68	-	-	0.38	11.24	3.12	3.68
COMPUTER AND EQUIPMENTS	17.08	2.46	-	1.17	18.37	14.24	2.12	-	-	1.15	15.21	3.16	2.84
SERVER & NETWORK	8.30	0.23	-	0.01	8.52	4.28	0.97	-	-	0.01	5.24	3.28	4.02
OFFICE AND OTHER EQUIPMENTS	11.26	1.03	-	0.53	11.76	9.13	1.32	-	-	0.50	9.95	1.81	2.13
AIR-CONDITIONER AND EQUIPMENTS	1.79	0.32	-	0.24	1.87	1.19	0.18	-	-	0.23	1.14	0.73	0.60
AIR CONDITIONER PLANT	12.80	0.83	-	-	13.63	6.88	1.36	-	-	-	8.24	5.39	5.92
FURNITURES	6.17	0.96	-	0.24	6.89	4.04	0.54	-	-	0.21	4.37	2.52	2.13
FIXTURES	7.30	0.24	-	-	7.54	5.90	0.73	-	-	-	6.63	0.91	1.40
VEHICLES	4.28	-	-	0.28	4.00	2.63	0.31	-	-	0.27	2.67	1.33	1.65
VEHICLES ABROAD	0.18	-	-	0.08	0.10	0.18	-	-	-	0.08	0.10	-	-
LOCOMOTIVES NEW	-	60.30	-	-	60.30	-	2.85	-	-	-	2.85	57.45	-
LOCOMOTIVES IN SERVICE	150.42	20.01	-	-	170.43	41.20	17.83	-	-	-	59.03	111.40	109.22
COACHES*	7.52	-	-	-	7.52	7.52	-	-	-	-	7.52	-	-
SUB TOTAL	315.12	87.81	-	2.93	400.00	117.78	29.59	-	-	2.83	144.54	255.46	197.34
TOTAL	324.01	87.81	-	2.93	408.89	122.65	29.85	-	-	2.83	149.67	259.22	201.36

*KEPT FOR DISPOSAL

2.4 CAPITAL WORK IN PROGRESS

(₹ in crore)

DESCRIPTION	GROSS BLOCK					DEPRECIATION/AMORTISATION						NET BLOCK
	OPENING	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	DELETIONS DURING THE YEAR	TOTAL	OPENING	FOR THE YEAR	ADJ DURING THE YEAR	ADJ THROUGH RETAINING EARING	DELETIONS DURING THE YEAR	TOTAL	
AS AT 31.03.2017	7.06	4.05	(6.92)	-	4.19	-	-	-	-	-	-	4.19
AS AT 31.03.2016	9.55	9.85	(12.34)	-	7.06	-	-	-	-	-	-	7.06
AS AT 01.04.2015												9.55

2.5 INVESTMENT PROPERTY

(₹ in crore)

DESCRIPTION	GROSS BLOCK					DEPRECIATION/AMORTISATION						NET BLOCK
	OPENING	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	DELETIONS DURING THE YEAR	TOTAL	OPENING	FOR THE YEAR	ADJ DURING THE YEAR	ADJ THROUGH RETAINING EARING	DELETIONS DURING THE YEAR	TOTAL	
LEASEHOLD BUILDING												
AS AT 31.03.2017	1.61	-	-	-	1.61	0.32	0.04	-	-	-	0.36	1.25
AS AT 31.03.2016	1.61	-	-	-	1.61	0.28	0.04	-	-	-	0.32	1.29
AS AT 01.04.2015												1.33

REFER NOTE NO. 2.47

2.6 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	ADJ THROUGH RETAINING EARING	DELETIONS DURING THE YEAR	TOTAL	
SOFTWARES (ACQUIRED)												
AS AT 31.03.2017	12.96	0.26	-	0.30	12.92	9.86	1.62	-	-	0.29	11.19	1.73
AS AT 31.03.2016	12.65	0.34	-	0.03	12.96	7.86	2.02	-	-	0.02	9.86	3.10
AS AT 01.04.2015												4.79

2.7 INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ in crore)

DESCRIPTION	GROSS BLOCK					DEPRECIATION/AMORTISATION						NET BLOCK
	OPENING	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	DELETIONS DURING THE YEAR	TOTAL	OPENING	FOR THE YEAR	ADJ DURING THE YEAR	ADJ THROUGH RETAINING EARING	DELETIONS DURING THE YEAR	TOTAL	
SOFTWARES (ACQUIRED)												
AS AT 31.03.2017	1.58	-	-	-	1.58	-	-	-	-	-	-	1.58
AS AT 31.03.2016	0.75	0.83	-	-	1.58	-	-	-	-	-	-	1.58
AS AT 01.04.2015												0.75

AGREEGATE DEPRECIATION AND AMORTISATION HAS BEEN INCLUDED UNDER DEPRECIATION AND AMORTISATION EXPENSES IN THE STATEMENT OF PROFIT AND LOSS.

2.8 INVESTMENT

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 01.04.2015
2.8.1 NON CURRENT INVESTMENTS				
A) INVESTMENT IN UNQUOTED EQUITY				
INSTRUMENTS OF (INVESTMENT CARRIED AT COST):				
SUBSIDIARIES				
(i) RITES (Afrika) (Pty) Ltd., Botswana 10,000 (previous year 10,000) equity shares of face value of Pula 1/- each, fully paid-up.		0.01	0.01	0.01
(ii) RITES Infrastructure Services Limited**** 50,000 (previous year 50,000) equity shares of face value of ₹ 10 each, fully paid-up. Less : Provision for diminution in value of Investment.	0.05 <u>(0.05)</u>	- -	0.05 <u>(0.05)</u>	0.05 -
(iii) Railway Energy Management Company Limited 35,700,000 (previous year 25,500,000) equity shares of face value of ₹ 10 each, fully paid-up.		35.70	25.50	15.30
JOINT VENTURES				
(i) Companhia Dos Caminhos De Ferro Da Beira, SA (CCFB), Mozambique**** NIL (previous year 1,300,000) equity shares of face value of US\$ 1/- each, fully paid-up.		-	-	6.01
(ii) SAIL-RITES Bengal Wagon Industry Private Limited 24,000,000 (previous year 22,270,000) equity shares of face value of ₹ 10 each, fully paid-up.		24.00	22.27	14.90
(iii) BNV Gujarat Rail Private Limited 13,000 (previous year Nil) equity shares of face value of ₹ 10 each, fully paid-up.		0.01	-	-
COOPERATIVE SOCIETIES				
(i) Moru Mahal Co-operative Society Limited 5 (previous year 5) Equity Shares of face value of ₹ 50/- each acquired for purchase of residential quarter.	2.54	-	-	-
(ii) Amit Industrial Premises Co-operative Society Limited 10 (previous year 10) Equity Shares of face value of ₹ 50/- each acquired for purchase of laboratory.	2.54	-	-	-
OTHERS				
Global Procurement Consultants Limited***** 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).		0.04	0.04	0.04
AGGREGATE OF UNQUOTED INVESTMENTS (NON CURRENT)		<u>59.76</u>	<u>47.82</u>	<u>36.31</u>
B) INVESTMENT IN QUOTED TAX FREE BONDS OF (INVESTMENT CARRIED AT AMORTISED COST):				
(i) INDIAN RAILWAY FINANCE CORPORATION* (7 YEAR SECURED REDEEMABLE 6.30% TAX FREE BONDS 08 MAR., 2017) 5,000 Bonds of face value of ₹ 100,000/- each, fully paid.		-	-	50.00
(ii) INDIAN RAILWAY FINANCE CORPORATION (7 YEAR SECURED REDEEMABLE 6.32% TAX FREE BONDS 20 DEC., 2017) 5,000 Bonds of face value of ₹ 100,000/- each, fully paid		-	50.00	50.00
(iii) INDIAN RAILWAY FINANCE CORPORATION (10 YEAR SECURED REDEEMABLE 7.55% TAX FREE BONDS 08 NOV., 2021) 2,500 Bonds of face value of ₹ 100,000/- each, fully paid.		25.00	25.00	25.00

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT		
		31.03.2017	31.03.2016	31.03.2015
(iv) INDIAN RAILWAY FINANCE CORPORATION (10 YEAR SECURED REDEEMABLE 7.21% TAX FREE BONDS 26 NOV., 2022) 300 Bonds of face value of ₹ 1,000,000/- each at premium of ₹100/- each, fully paid.		30.00	30.00	30.00
(v) INDIAN RAILWAY FINANCE CORPORATION (10 YEAR SECURED REDEEMABLE 7.22% TAX FREE BONDS 30 NOV., 2022) 100 Bonds of face value of ₹ 1,000,000/- each at premium of ₹100/- each, fully paid.		10.00	10.00	10.00
(vi) INDIAN RAILWAY FINANCE CORPORATION (10 YEAR SECURED REDEEMABLE 7.18% TAX FREE BONDS 19 FEB., 2023) 100,000 Bonds of face value of ₹ 1,000/- each, fully paid.		10.00	10.00	10.00
(vii) INDIAN RAILWAY FINANCE CORPORATION (10 YEAR SECURED REDEEMABLE 8.35% TAX FREE BONDS 21 NOV., 2023) 250 Bonds of face value of ₹ 1,000,000/- each at premium of ₹100/-each, fully paid.		25.00	25.00	25.00
(viii) 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)		120.00	170.00	200.00
TOTAL (NON CURRENT)		179.76	217.82	236.31
2.8.2 CURRENT INVESTMENTS				
A) INVESTMENT IN UNQUOTED EQUITY INSTRUMENTS OF (INVESTMENT CARRIED AT COST):				
JOINT VENTURE				
Companhia Dos Caminhos De Ferro Da Beira, SA (CCFB), Mozambique**** NIL (previous period 1,300,000) equity shares of face value of US\$ 1/- each, fully paid-up.		-	6.01	-
B) INVESTMENT IN UNQUOTED MUTUAL FUNDS (INVESTMENT CARRIED AT FAIR VALUE THROUGH PROFIT OR LOSS):				
UTI LIQUID CASH PLAN	71.28	-	-	-
699229.967 (PREVIOUS YEAR NIL) UNITS OF ₹ 1019.4457 PER UNIT.				
CANARA ROBECO LIQUID FUND	71.76	143.04	-	-
713603.548 (PREVIOUS YEAR NIL) UNITS OF ₹ 1005.5000 PER UNIT.				
AGGREGATE OF UNQUOTED INVESTMENT (CURRENT)		143.04	6.01	-
C) INVESTMENT IN QUOTED TAX FREE BONDS OF (INVESTMENT CARRIED AT AMORTISED COST):				
(i) INDIAN RAILWAY FINANCE CORPORATION* (7 YEAR SECURED REDEEMABLE 6.30% TAX FREE BONDS 08 MAR., 2017) 5,000 Bonds of face value of ₹ 100,000/- each, fully paid.		-	50.00	-
(ii) INDIAN RAILWAY FINANCE CORPORATION (7 YEAR SECURED REDEEMABLE 6.32% TAX FREE BONDS 20 DEC., 2017) 5,000 Bonds of face value of ₹ 100,000/- each, fully paid.		50.00	-	-
AGGREGATE OF QUOTED INVESTMENTS (CURRENT)		50.00	50.00	-
TOTAL (CURRENT)		193.04	56.01	-
GRAND TOTAL		372.80	273.83	236.31
A AGGREGATE AMOUNT OF QUOTED INVESTMENTS		170.00	220.00	200.00
B MARKET VALUE OF QUOTED INVESTMENTS (INCLUDING INTEREST ACCRUED)**		178.56	229.67	209.67
C AGGREGATE AMOUNT OF UNQUOTED INVESTMENTS		202.80	53.83	36.31
D AGGREGATE AMOUNT OF IMPAIRMENT IN VALUE OF INVESTMENTS		0.05	0.05	-

- * RECLASSIFIED FROM NON CURRENT TO CURRENT AT THE YEAR ENDED ON 31.03.2016.
- ** MARKET VALUE OF SOME OF THE BONDS ARE NOT AVAILBALE AS THESE BONDS ARE NOT FREQUENTLY TRADED, HENCE TAKEN AT AMORTISED COST.
- *** UNDER LIQUIDATION.
- **** DISPUTE OF CCFB, MOZAMBIQUE HAS BEEN AMICABLY SETTLED WITH GOVERNMENT OF MOZAMBIQUE (GOM) IN 2015-16. (REFER NOTE NO. 2.58)
- ***** EQUITY SHARES OF GLOBAL PROCUREMENT CONSULTANTS LIMITED ARE NOT TRADABLE AND AMOUNT OF INVESTMENT IN THE ENTITY IS NOT MATERIAL, HENCE INVESTMENT IS RECOGNISED AT COST. REFER NOTE NO. 2.48

2.9 NON CURRENT LOANS

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 01.04.2015
(SECURED, CONSIDERED GOOD)				
LOANS TO EMPLOYEES		9.61	8.96	8.36
(UNSECURED, CONSIDERED GOOD)				
LOANS TO EMPLOYEES		0.04	1.36	1.47
LOANS TO CCFB, MOZAMBIQUE (RELATED PARTY)*	2.58	-	-	90.85
TOTAL		9.65	10.32	100.68

*Shareholders loan, loan in lieu of equity and loan to meet arbitration expenses.

2.10 OTHER NON CURRENT FINANCIAL ASSETS

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 01.04.2015
SECURITY DEPOSITS		2.64	1.54	1.11
INTEREST ACCRUED				
(INCLUDING ACCRUED BUT NOT DUE) ON:				
-BANK DEPOSITS		2.35	1.21	2.92
-LOANS TO CCFB, MOZAMBIQUE (RELATED PARTY)	2.58	-	-	6.45
RETENTION MONEY		15.23	11.03	7.27
GOVT. OF MOZAMBIQUE RECEIVABLES	2.58	68.49	45.96	-
BANK DEPOSITS HAVING MATURITY OVER 12 MONTHS				
FROM REPORTING DATE:				
-OWNED FUND	2.15.3	100.92	107.57	104.02
-CLIENTS FUND	2.16.3	49.94	28.66	54.95
TOTAL		239.57	195.97	176.72

2.11 DEFERRED TAX ASSETS/ (LIABILITY) (NET)

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 01.04.2015
DEFERRED INCOME TAX ASSETS:				
LEAVE ENCHASHMENT AND OTHER PROVISIONS		21.45	33.14	48.39
PROVISION FOR DOUBTFUL DEBTS,				
SECURITY DEPOSITS/ EMD, ADVANCES ETC.		27.87	20.53	20.75
TOTAL DEFERRED INCOME TAX ASSETS - I		49.32	53.67	69.14
DEFERRED INCOME TAX LIABILITIES:				
PROPERTY, PLANT & EQUIPMENT		9.19	11.79	10.13
TOTAL DEFERRED INCOME TAX LIABILITIES - II		9.19	11.79	10.13
DEFERRED INCOME TAX ASSETS (NET)	2.50	40.13	41.88	59.01

2.12 OTHER NON CURRENT ASSETS

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 01.04.2015
ADVANCE INCOME TAX (NET OF PROVISION)	2.50	106.19	69.43	79.58
PREPAID EXPENSES		1.08	1.21	0.88
PRE-PAYMENT TOWARDS LEASEHOLD ASSETS		7.62	8.04	8.50
DEFERRED COST TOWARDS STAFF LOAN		2.08	2.23	2.98
CAPITAL ADVANCE		11.44	17.34	48.15
DEFERRED COST TOWARDS GOVT OF MOZAMBIQUE RECEIVABLES		1.78	0.34	-
TOTAL		130.19	98.59	140.09

**2.13 INVENTORIES
(AT THE LOWER OF COST AND NET REALISABLE VALUE)**

(₹ in crore)

PARTICULARS	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 01.04.2015
(AS CERTIFIED BY MANAGEMENT)			
STORES & SPARES	2.58	2.11	0.24
STOCK IN TRADE*	44.01	9.30	6.42
TOTAL	46.59	11.41	6.66

* INCLUDES INVENTORY OF ₹ 38.83 CRORE (PREVIOUS YEAR ₹ 5.74 CRORE, 01/04/15 ₹ 4.50 CRORE) LYING WITH THIRD PARTIES.

2.14 CURRENT TRADE RECEIVABLES

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 01.04.2015
UNSECURED				
CONSIDERED GOOD		457.58	529.90	367.61
CONSIDERED DOUBTFUL	2.41	63.53	41.74	45.60
		521.11	571.64	413.21
LESS: ALLOWANCES FOR EXPECTED CREDIT LOSSES		(63.53)	(41.74)	(45.60)
TOTAL		457.58	529.90	367.61

2.15 CASH AND BANK BALANCES-OWNED FUND

(₹ in crore)

PARTICULARS	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 01.04.2015
2.15.1 CASH AND CASH EQUIVALENTS			
CHEQUES IN HAND	0.34	0.18	0.22
BANK BALANCES IN :			
CURRENT ACCOUNTS	37.95	125.71	9.42
DEPOSITS #	202.97	110.82	239.44
	236.53	248.86	
TOTAL	241.26	236.71	249.08
2.15.2 OTHER BANK BALANCES			
DEPOSITS ##	609.42	457.61	452.69
TOTAL	609.42	457.61	452.69
2.15.3 BANK BALANCE MORE THAN 12 MONTHS MATURITY-OWNED FUND (NOTE NO. 2.10)			
DEPOSITS ###	100.92	107.57	104.02
TOTAL	100.92	107.57	104.02
TOTAL CASH & BANK BALANCE-OWNED FUND*	951.60	801.89	805.79

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 ₹ 4.24 crore (previous year ₹ 6.49 crore, 01.04.2015 ₹ 7.29 crore) on account of bank balance held as margin money deposits against guarantees issued by banks.

Refer note no. 2.65 for disclosure on specified bank notes as defined in MCA notification G.S.R. 308 (E) dated 31.03.2017.

2.16 CASH AND BANK BALANCES-CLIENTS FUND

(₹ in crore)

PARTICULARS	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 01.04.2015
2.16.1 CASH AND CASH EQUIVALENTS			
BANK BALANCES IN :			
CURRENT ACCOUNTS			
DEPOSITS #	58.09	6.46	33.66
TOTAL	275.28	183.89	165.70
	333.37	190.35	199.36
2.16.2 OTHER BANK BALANCES			
DEPOSITS ##	1,659.09	1,627.98	1,139.08
TOTAL	1,659.09	1,627.98	1,139.08
2.16.3 BANK BALANCE MORE THAN 12 MONTHS MATURITY-CLIENTS FUND (NOTE NO. 2.10)			
DEPOSITS ###	49.94	28.66	54.95
TOTAL	49.94	28.66	54.95
2.16.4 BOOK OVERDRAFT#### (NOTE NO. 2.28)	(26.58)	(3.58)	(25.34)
TOTAL CASH & BANK BALANCE-CLIENTS FUND	2,015.82	1,843.41	1,368.05

Having maturity within 3 months from the date of acquisition.

Having maturity over 3 months from the date of acquisition and upto 12 months from reporting date.

Having maturity over 12 months from reporting date.

Book overdraft due to issuance of cheques, which will be cleared against term deposits available in banks.

2.17 CURRENT LOANS

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 01.04.2015
(SECURED, CONSIDERED GOOD)				
LOANS TO EMPLOYEES		3.94	3.90	3.98
(UNSECURED, CONSIDERED GOOD)				
LOANS TO JV (RELATED PARTY)	2.41	7.00	1.73	7.10
FOR WORKING CAPITAL REQUIREMENTS				
LOANS TO EMPLOYEES		0.48	1.54	1.12
TOTAL		11.42	7.17	12.20

2.18 OTHER CURRENT FINANCIAL ASSETS

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 01.04.2015
GOVT. OF TANZANIA RECEIVABLES	2.59	58.72	60.09	56.65
AMOUNT RECOVERABLES		29.32	31.07	28.87
LESS: ALLOWANCES FOR EXPECTED CREDIT LOSSES		(15.94)	(16.43)	(14.37)
INTEREST ACCRUED (INCLUDING ACCRUED BUT NOT DUE) ON:				
-BANK DEPOSITS HAVING MATURITY:				
WITHIN 3 MONTHS FROM THE DATE OF ACQUISITION		-	0.35	18.52
OVER 3 MONTHS FROM THE DATE OF ACQUISITION				
AND UPTO 12 MONTHS FROM REPORTING DATE		39.69	41.48	25.33
-BONDS		7.47	8.36	8.23
-LOANS TO SRBWIPL (RELATED PARTY)		0.14	0.31	0.07
-OTHER LOANS AND ADVANCES		-	-	0.21
RETENTION MONEY		7.21	7.53	8.21
GOVT. OF MOZAMBIQUE RECEIVABLES		36.20	36.99	-
ADVANCES TO RELATED PARTIES	2.41	4.48	12.64	7.52
SECURITY DEPOSITS		4.14	4.55	3.31
LESS: ALLOWANCES FOR EXPECTED CREDIT LOSSES		(0.68)	(0.76)	(0.70)
UNBILLED REVENUE		2.55	0.29	-
OTHER ADVANCES		3.83	1.66	0.01
TOTAL		177.13	188.13	141.86

2.19 CURRENT TAX ASSETS (NET)

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 01.04.2015
INCOME TAX RECEIVABLES	2.50	10.35	38.66	1.62
TOTAL		10.35	38.66	1.62

2.20 OTHER CURRENT ASSETS

(₹ in crore)

PARTICULARS		AS AT 31.03.2017	AS AT 31.03.2016	AS AT 01.04.2015
PREPAID EXPENSES		4.86	3.31	1.92
OTHER ADVANCES		42.13	76.95	25.60
LESS: ALLOWANCES FOR EXPECTED CREDIT LOSSES		(0.39)	(0.38)	(0.39)
PRE-PAYMENT TOWARDS LEASEHOLD ASSETS		0.44	0.47	0.47
DEFERRED COST TOWARDS STAFF LOAN		0.84	1.00	1.09
DEFERRED COST TOWARDS GOVT OF MOZAMBIQUE RECEIVABLES		2.03	1.10	-
TOTAL		49.91	82.45	28.69

2.21 EQUITY SHARE CAPITAL

(₹ in crore)

PARTICULARS	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 01.04.2015
2.21.1 AUTHORISED			
300,000,000 (PREVIOUS PERIOD 150,000,000) EQUITY SHARES OF ₹ 10/- EACH	<u>300.00</u>	<u>150.00</u>	<u>150.00</u>
2.21.2 ISSUED, SUBSCRIBED AND FULLY PAID-UP			
200,000,000 (PREVIOUS PERIOD 100,000,000) EQUITY SHARES OF ₹ 10/- EACH	<u>200.00</u>	<u>100.00</u>	<u>100.00</u>
	<u>200.00</u>	<u>100.00</u>	<u>100.00</u>
	No. of Shares (₹ in crore)	No. of Shares (₹ in crore)	No. of Shares (₹ in crore)
2.21.3 RECONCILIATION OF NUMBER OF EQUITY SHARES			
OPENING BALANCE	100,000,000 100.00	100,000,000 100.00	100,000,000 100.00
ADD/(LESS) DURING THE PERIOD	100,000,000 100.00	- -	- -
CLOSING BALANCE	<u>200,000,000 200.00</u>	<u>100,000,000 100.00</u>	<u>100,000,000 100.00</u>

2.21.4 RIGHTS, PREFERENCES AND RESTRICTIONS ATTACHED TO EQUITY SHARES

THE COMPANY HAS ONE CLASS OF EQUITY SHARES HAVING A PAR VALUE OF ₹ 10 EACH. EACH SHAREHOLDER IS ELIGIBLE FOR ONE VOTE PER SHARE HELD IN CASE POLL IS DEMANDED BY THE MEMBERS IN ACCORDANCE WITH THE PROVISIONS OF THE COMPANIES ACT, 2013. IN THE EVENT OF LIQUIDATION, THE EQUITY SHAREHOLDERS ARE ELIGIBLE TO RECEIVE THE REMAINING ASSETS OF THE COMPANY AFTER DISTRIBUTION OF ALL PREFERENTIAL AMOUNTS, IN PROPORTION TO THEIR SHAREHOLDING.

	No. of Shares	No. of Shares	No. of Shares
2.21.5 EQUITY SHARES HELD BY EACH SHAREHOLDER MORE THAN 5% OF SHARES			
PRESIDENT OF INDIA ACTING THROUGH MINISTRY OF RAILWAYS	199,960,000	99,980,000	99,980,000
	(99.98 %)	(99.98 %)	(99.98 %)
2.21.6 FULLY PAID-UP AGGREGATE NUMBER OF EQUITY SHARES ALLOTTED BY WAY OF BONUS SHARES DURING THE YEAR OF FIVE YEARS IMMEDIATELY PRECEDING BALANCE SHEET DATE.			
	No. of Shares	No. of Shares	No. of Shares
NUMBER OF BONUS SHARES ISSUED IN 2012-13 : 6 CRORE OF ₹ 10/- EACH			
NUMBER OF BONUS SHARES ISSUED IN 2016-17 :			
10 CRORE OF ₹ 10/- EACH (ISSUED TWICE: 5 CRORE EACH TIME)	<u>160,000,000</u>	<u>60,000,000</u>	<u>60,000,000</u>

2.22 OTHER EQUITY

(₹ in crore)

PARTICULARS	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 01.04.2015
2.22.1 RESERVE & SURPLUS			
GENERAL RESERVE	<u>1,832.03</u>	<u>1,776.93</u>	<u>1,530.16</u>
2.22.2 OTHER COMPREHENSIVE INCOME	<u>1.62</u>	<u>1.03</u>	<u>1.89</u>
TOTAL	<u>1,833.65</u>	<u>1,777.96</u>	<u>1,532.05</u>

2.23 NON CURRENT TRADE PAYABLES

(₹ in crore)

PARTICULARS	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 01.04.2015
CREDITORS FOR SUPPLIES AND SERVICES			
OTHER THAN MICRO, SMALL AND MEDIUM ENTERPRISES	<u>0.06</u>	<u>0.66</u>	<u>2.67</u>
TOTAL	<u>0.06</u>	<u>0.66</u>	<u>2.67</u>

2.24 OTHER NON CURRENT FINANCIAL LIABILITIES

(₹ in crore)

PARTICULARS		AS AT 31.03.2017	AS AT 31.03.2016	AS AT 01.04.2015
SECURITY DEPOSITS		108.46	99.62	82.21
TOTAL		108.46	99.62	82.21

2.25 NON CURRENT PROVISIONS

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 01.04.2015
EMPLOYEE BENEFITS	2.39	97.55	89.89	94.62
WARRANTIES	2.46	15.13	9.97	9.08
TOTAL		112.68	99.86	103.70

2.26 OTHER NON CURRENT LIABILITIES

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 01.04.2015
CLIENTS ADVANCES		7.27	2.07	6.41
TOTAL		7.27	2.07	6.41

2.27 CURRENT TRADE PAYABLES

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 01.04.2015
CREDITORS FOR SUPPLIES AND SERVICES				
MICRO, SMALL AND MEDIUM ENTERPRISES	2.56	1.74	0.78	0.07
OTHER THAN MICRO, SMALL AND MEDIUM ENTERPRISES		81.21	87.74	85.29
TOTAL		82.95	88.52	85.36

2.28 OTHER CURRENT FINANCIAL LIABILITIES

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 01.04.2015
CLIENTS DEPOSITS		1,723.86	1,742.14	1,357.40
SECURITY DEPOSITS		80.52	58.77	67.67
FOREIGN SERVICE CONTRIBUTION	2.60	5.62	1.93	1.87
SALARY PAYABLES		49.19	50.26	40.01
BOOK OVERDRAFT-CLIENTS FUND*	2.16.4	26.58	3.58	25.34
STAFF & OTHER CLAIMS		5.66	4.98	6.39
SUNDRY CREDITORS FOR OTHER EXPENSES		23.77	23.02	5.67
TOTAL		1,915.20	1,884.68	1,504.35

* BOOK OVERDRAFT DUE TO ISSUANCE OF CHEQUES, WHICH WILL BE CLEARED AGAINST TERM DEPOSITS CLIENTS FUND AVAILABLE IN BANKS.

2.29 CURRENT PROVISIONS

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 01.04.2015
EMPLOYEE BENEFITS	2.39	113.72	78.91	55.38
EXCISE DUTY		1.79	0.50	0.50
WARRANTIES	2.46	34.99	21.77	18.52
COMMITMENTS	2.46	-	3.43	2.28
TOTAL		150.50	104.61	76.68

2.30 OTHER CURRENT LIABILITIES

(₹ in crore)

PARTICULARS	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 01.04.2015
CUSTOMERS ADVANCES	225.42	87.04	29.04
STATUTORY LIABILITIES	20.14	18.19	6.97
TOTAL	245.56	105.23	36.01

2.31 REVENUE FROM OPERATIONS

(₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2017	YEAR ENDED 31.03.2016
SALE OF SERVICES			
CONSULTANCY FEE (GROSS)		719.05	713.07
LESS: SERVICE TAX		(91.36)	(85.91)
CONSULTANCY FEE (NET)	2.62	627.69	627.16
QUALITY ASSURANCE (GROSS)		199.13	153.71
LESS: SERVICE TAX		(25.38)	(18.42)
QUALITY ASSURANCE (NET)		173.75	135.29
LEASE SERVICES (GROSS)		103.92	108.15
LESS: SERVICE TAX		(10.64)	(9.09)
LEASE SERVICES (NET)		93.28	99.06
		894.72	861.51
SALE OF PRODUCTS			
EXPORT SALES		377.40	185.94
OTHERS			
TURNKEY CONSTRUCTION PROJECTS	2.38	31.23	38.56
TOTAL		1,303.35	1,086.01

2.32 OTHER INCOME

(₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2017	YEAR ENDED 31.03.2016
INTEREST EARNED ON:			
- DEPOSITS WITH BANK		78.22	81.14
- TAX FREE BONDS		15.14	14.85
- STAFF ADVANCES		1.79	2.13
- LOAN TO SRIWPL (RELATED PARTY)		0.14	0.26
- LOAN TO CCFB (RELATED PARTY)		-	30.45
- OTHERS		8.63	-
		103.92	128.83
PROVISION NO LONGER REQUIRED		5.52	5.02
PROFIT ON SALE OF FIXED ASSETS		0.06	0.12
PROFIT ON SALE OF NON CURRENT INVESTMENT	2.58	71.47	-
DEFERRED INCOME TOWARDS GOVT OF MOZAMBIQUE RECEIVABLES		1.96	-
DIVIDEND FROM:			
- RITES (AFRIKA) (RELATED PARTY)		-	0.03
- TRADE CURRENT INVESTMENTS		4.45	1.25
EXPORT INCENTIVES		14.01	0.06
RENT FROM INVESTMENT PROPERTIES		0.99	0.99
EXCHANGE VARIATION		-	49.79
MISCELLANEOUS INCOME		2.84	5.51
TOTAL		205.22	191.60

2.33 EMPLOYEE BENEFIT EXPENSES

(₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2017	YEAR ENDED 01.03.2016
SALARIES-DOMESTIC		245.99	210.34
SALARIES-ABROAD		3.23	3.44
SALARIES CONTRACT EMPLOYEES		23.53	25.21
FOREIGN SERVICE CONTRIBUTION	2.60	5.61	2.04
CONTRIBUTION TO PROVIDENT FUND & OTHER FUNDS	2.39	19.75	18.55
GRATUITY	2.39	40.63	4.55
POST RETIRAL BENEFITS (PENSION/MEDICAL)	2.39	24.27	22.72
STAFF WELFARE EXPENSES		15.85	20.24
LEAVE TRAVEL CONCESSION	2.39	0.06	0.00
PERFORMANCE RELATED PAYMENT		13.00	16.00
LEAVE ENCASHMENT	2.39	24.17	17.11
TOTAL		416.09	340.20

2.34 COST OF EXPORT SALES

(₹ in crore)

PARTICULARS	YEAR ENDED 31.03.2017	YEAR ENDED 31.03.2016
COST OF TRADED GOODS	252.59	137.95
CONSUMABLES	2.87	2.72
FREIGHT & FORWARDING	4.63	2.19
INSURANCE	0.05	0.10
FEES FOR SERVICES OBTAINED	15.73	7.57
PROVISION FOR WARRANTIES	19.57	7.16
UNWINDING WARRANTIES COST	0.66	0.10
TOTAL	296.10	157.79

2.35 COST OF TURNKEY CONSTRUCTION PROJECTS

(₹ in crore)

PARTICULARS	YEAR ENDED 31.03.2017	YEAR ENDED 31.03.2016
SUPPLIES & SERVICES	27.85	35.26
TOTAL	27.85	35.26

2.36 OTHER EXPENSES

(₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2017	YEAR ENDED 31.03.2016
PRINTING, STATIONERY AND DOCUMENTATION		3.84	4.10
BUSINESS PROMOTION		2.43	1.80
AUDITORS' REMUNERATION	2.36.1	0.16	0.15
AUDITORS' OUT OF POCKET EXPENSES	2.36.1	0.02	0.02
RATES & TAXES		3.04	1.14
OFFICE RENT		5.53	4.99
POSTAGE & TELECOMMUNICATION		4.13	4.09
OFFICE MAINTENANCE		7.88	8.03
REPAIRS TO MACHINERY/EQUIPMENTS		3.24	1.26
REPAIRS TO BUILDING		0.02	0.05
POWER AND FUEL CHARGES		4.64	4.61
STORES AND SPARES CONSUMED-LEASED	2.36.2	3.61	2.18
STORES AND SPARES CONSUMED-OTHERS	2.36.3	6.73	3.83
BOOKS AND PERIODICALS		0.14	0.16
INTERNAL AUDIT FEE		0.13	0.12
ADVERTISEMENT AND PUBLICITY		3.22	2.94
SUBSCRIPTION AND MEMBERSHIP FEE		0.24	0.63
LEGAL AND PROFESSIONAL FEE		1.73	1.47
INSURANCE CHARGES		3.19	1.37
BANK CHARGES		2.01	1.17
BAD DEBTS		3.42	1.17
FIXED ASSETS WRITTEN OFF		0.02	0.03
VEHICLE RUNNING AND MAINTENANCE		0.96	1.01
MANPOWER DEVELOPMENT		1.20	1.08
LOSS ON SALE OF FIXED ASSETS		0.04	0.02
IMPAIRMENT FOR:			
-DOUBTFUL DEBTS, ADVANCES, SECURITY DEPOSITS ETC.		22.15	2.13
PROVISION FOR:			
-COMMITMENTS		-	1.52
-DIMINUTION IN VALUE OF INVESTMENT		-	0.05
-EXCISE DUTY BONDS		1.29	-
DIRECTORS' SITTING FEE		0.12	-
EXCHANGE VARIATION		4.46	-
CORPORATE SOCIAL RESPONSIBILITY		9.20	8.28
RESEARCH AND DEVELOPMENT		-	0.12
OPERATING LEASE PAYMENTS		0.44	0.46
AMORTISED DEFERRED COST TOWARDS GOVT OF MOZAMBIQUE RECEIVABLES		1.96	-
MISCELLANEOUS EXPENSES (COST OF TENDER DOCUMENTS, VISA CHARGES, ETC.)		3.90	5.26
TOTAL		105.09	65.24

2.36.1 AUDITORS' REMUNERATION

(₹ in crore)

PARTICULARS	YEAR ENDED 31.03.2017	YEAR ENDED 31.03.2016
(A) STATUTORY AUDITORS		
STATUTORY AUDIT FEE	0.05	0.04
TAX AUDIT FEE	0.02	0.02
LIMITED REVIEW AUDIT AND CONSOLIDATION FEE	0.04	0.03
OTHER SERVICES, i.e. CERTIFICATION ETC.	-	0.01
SUB TOTAL (A)	0.11	0.10
(B) BRANCH AUDITORS		
STATUTORY AUDIT FEE	0.02	0.02
TAX AUDIT FEE	0.01	0.01
LIMITED REVIEW AUDIT FEE	0.02	0.02
SUB TOTAL (B)	0.05	0.05
AUDITORS' REMUNERATION (A+B)	0.16	0.15
AUDITORS' OUT OF POCKET EXPENSES	0.02	0.02

2.36.2 STORES AND SPARES CONSUMED-LEASED

(₹ in crore)

PARTICULARS	YEAR ENDED 31.03.2017	YEAR ENDED 31.03.2016
STORES AND SPARES CONSUMED	3.23	1.11
CONSUMABLES	0.13	0.75
FREIGHT & FORWARDING INWARD	0.20	0.26
OTHER PROCUREMENT EXPENSES	0.05	0.06
TOTAL	3.61	2.18

2.36.3 STORES AND SPARES CONSUMED-OTHERS

(₹ in crore)

PARTICULARS	YEAR ENDED 31.03.2017	YEAR ENDED 31.03.2016
CONSUMABLES	5.98	3.66
FREIGHT & FORWARDING INWARD	0.75	0.17
TOTAL	6.73	3.83

2.37 DEFERRED TAX (NET)

(₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2017	YEAR ENDED 31.03.2016
CREDIT/(CHANGE) RELATING TO TEMPORARY DIFFERENCES		(1.75)	(17.13)
TOTAL	2.50	(1.75)	(17.13)

DISCLOSURES AS PER INDIAN ACCOUNTING STANDARDS (IND AS):

2.38

Disclosure on Construction Contracts (Indian Accounting Standard-11) is as follows:

S. No.	PARTICULARS	(₹ in crore)	
		YEAR ENDED	
		31.03.2017	31.03.2016
1.	Contract revenue recognized during the year	31.23	38.56
2.	Aggregate amount of Costs incurred upto reporting date	367.06	328.98
3.	Recognized profits up to reporting date	6.43	13.28
4.	Amount of advances received	111.21	92.17

2.39 Disclosure on Employee Benefits (Indian Accounting Standard-19) is as follows:

2.39.1 Defined Benefit Plan

2.39.1.1 Gratuity (Funded)

2.39.1.1.1 Changes in Present Value of the Benefit Obligation are as follows:

PARTICULARS	(₹ in crore)	
	31.03.2017	31.03.2016
Present Value of obligation as at beginning of year	79.97	74.87
Interest Cost	6.26	5.99
Current Service Cost	4.99	4.85
Benefits paid	(5.95)	(6.84)
Actuarial (Gain)/Loss on obligation	(0.35)	1.10
Past Service Cost	34.80	-
Present Value of Obligation as at end of year	119.72	79.97

2.39.1.1.2 Changes in the Fair Value of Plan Assets are as follows:

PARTICULARS	(₹ in crore)	
	31.03.2017	31.03.2016
Fair Value of Plan Assets at beginning of year	74.10	74.74
Investment Income	5.80	6.29
Contributions	5.87	0.13
Benefits Paid	(5.95)	(6.84)
Actuarial Gain / (Loss) on Plan Assets	1.01	(0.22)
Fair value of Plan Assets at the end of year	80.83	74.10

2.39.1.1.3 The amount recognized in the Balance Sheet is as follows:

PARTICULARS	(₹ in crore)	
	31.03.2017	31.03.2016
Defined Benefit Obligation at end of year	119.72	79.97
Fair value of Plan Assets at the end of year	80.83	74.10
Funded Status - (Surplus)/ Deficit	38.89	5.87
Net (Liability)/Asset recognized in Balance Sheet	(38.89)	(5.87)

2.39.1.1.4 Amount recognized in the Statement of Profit & Loss is as follows:

PARTICULARS	(₹ in crore)	
	31.03.2017	31.03.2016
Current Service Cost	4.99	4.85
Net Interest on Net Defined Benefit Liability	0.46	5.99
Past Service Cost	34.80	-
Expected Return on Plan Assets	-	(6.29)
Net actuarial (Gain)/Loss	-	1.32
Liability/(Asset) Recognized in Statement of Profit and Loss	40.25	5.87

2.39.1.1.5 Amount recognized in Other Comprehensive Income is as follows:

PARTICULARS	(₹ in crore)	
	31.03.2017	31.03.2016
Experience (Gains)/ Losses on Liability	(6.62)	1.10
Assumptions (Gains)/Losses on Liability	6.27	
Actuarial (Gains)/Losses on Assets	(1.01)	0.22
Other Comprehensive (Income)/Expense	(1.36)	1.32

2.39.1.1.6 The principal actuarial assumptions are as follows:

PARTICULARS	31.03.2017	31.03.2016
Discounting rate (%)	7.47%	7.83%
Future salary increase (%)	8%	8%
Expected Return on Assets	7.47%	8.45%

The significant actuarial assumptions for the determination of the defined obligations are discount rate and expected salary increase. The sensitivity for actuarial assumptions have been computed by varying respective actuarial assumption used for valuation of the defined benefit obligation by one percentage, while holding all other assumptions constant.

If the discount rate increases (decreases) by 1%, the defined obligations would increase by ₹ 8.73 crore (decrease by ₹ 7.70 crore) as on 31st March, 2017 and if the expected salary growth increases (decreases) by 1%, the defined benefit obligations would increase by ₹ 5.03 crore (decrease by ₹ 5.08 crore) as on 31st March, 2017.

However, the actual change in assumptions would not necessarily behave in isolation to each other. The defined benefit obligations would change accordingly.

The expected benefits are based on the same assumptions as are used to measure company's defined benefit plan obligations as on 31.03.2017. Actual return on assets for the year ended 31.03.2017 and 31.03.2016 was ₹ 5.80 crore and ₹ 6.29 crore respectively. The Company is expected to contribute ₹ 16.76 crore to defined benefit plan obligations towards gratuity during the year 2017-18. Remeasurement (gain)/loss of defined employee benefit plans in Other Comprehensive Income (OCI) for the year ended 31.03.2017 and 31.03.2016 are (₹ 1.36) crore and ₹ 1.32 crore respectively.

The defined benefit obligation shall mature after year ended 31.03.2017 is as follows:

Year ending March, 31	Defined benefit obligations (₹ in crore)
2018	9.33
2019	10.49
2020	10.40
2021	10.40
2022	8.95
2023 to 2027	42.50

2.39.1.2 Provident Fund (Funded)

All eligible employees of the company are entitled to receive benefits under the Provident Fund, a defined benefit plan, set up through a Trust named as RITES Contributory Provident Fund Trust. Both employee and employer contribute monthly at a determined rate as specified under the law to the Trust. The obligation of the company is limited to such contribution and to make good the shortfall, if any, between the returns from the investments of the trust and the notified interest rate. Short fall, if any, is recognised as an expense during the year. As per actuarial valuation, present value of the expected future earnings on the fund is higher than the expected amount to be contributed to the individual members based on the expected guaranteed rate of interest, resulting in no liability on the company.

The company contributed ₹ 19.44 crore and ₹ 18.27 crore to the provident fund during the year ended 31st March, 2017 and 31st March, 2016 respectively.

2.39.1.3 Other Benefits (Unfunded)

2.39.1.3.1 Present value of the defined benefits plan obligations i.e. Leave Encashment, LTC, Medical leave, Leave Encashment (contract employee) and the effects during the period attributable to each are as follows:

Particulars	(₹ in crore)							
	Leave Encashment		LTC		Medical Leave		Leave Encashment (Contract Employee)	
	31.03.17	31.03.16	31.03.17	31.03.16	31.03.17	31.03.16	31.03.17	31.03.16
Opening Balance	52.88	59.30	0.15	1.34	46.93	39.42	0.69	0.76
Interest Cost	4.23	4.74	0.01	0.11	3.68	3.15	0.05	0.06
Current Service Cost	3.30	3.84	0.01	0.09	2.93	2.56	0.17	0.20
Benefit paid	(11.59)	(14.61)	(0.08)	(0.05)	(1.36)	(1.41)	(0.51)	(0.56)
Actuarial (Gain)/ Loss on obligation	10.29	(0.39)	0.04	(1.34)	(0.94)	3.21	0.46	0.23
Closing Balance	59.11	52.88	0.13	0.15	51.24	46.93	0.86	0.69

2.39.1.3.2 Total expenses recognized in the Statement of Profit & Loss are as follows:

Particulars	(₹ in crore)							
	Leave Encashment		LTC		Medical Leave		Leave Encashment (Contract Employee)	
	31.03.17	31.03.16	31.03.17	31.03.16	31.03.17	31.03.16	31.03.17	31.03.16
Current Service Cost	3.30	3.84	0.01	0.09	2.93	2.56	0.17	0.20
Interest Cost	4.23	4.74	0.01	0.11	3.68	3.15	0.05	0.06
Net actuarial (Gain)/ Loss recognized during the year	10.29	(0.39)	0.04	(1.34)	(0.94)	3.21	0.46	0.23
Expenses recognized in the statement of Profit & Loss	17.82	8.19	0.06	(1.14)	5.67	8.92	0.68	0.49

2.39.1.3.3 Net present values of long service award (unfunded) for regular employees and Gratuity (unfunded) for contract employees as on 31st March, 2017 are ₹ 1.59 crore (previous year ₹ 1.55 crore) and ₹ 2.01 crore (previous year ₹ 1.65 crore) respectively.

2.39.1.3.4 The principal actuarial assumptions used at the Balance Sheet date are as follow:

Particulars	Leave Encashment		LTC		Medical Leave		Long Service Award		Gratuity (Contract Employees)	
	31.03.17	31.03.16	31.03.17	31.03.16	31.03.17	31.03.16	31.03.17	31.03.16	31.03.17	31.03.16
Discount rate (%)	7.47%	7.83%	7.47%	7.83%	7.47%	7.83%	7.47%	7.83%	7.47%	7.83%
Future salary increase (%)	8%	8%	8%	8%	8%	8%	8%	-	4%	4%

Particulars	Leave Encashment (Contract Employee)	
	31.03.17	31.03.16
Discount rate (%)	7.47%	7.83%
Future salary increase (%)	4%	4%

2.39.2 Defined Contribution Plans

2.39.2.1 Post Retirement Benefits (Pension & Medical)

All eligible employees are entitled to benefit under defined contribution plans towards pension under EPFO scheme, post retirement pension fund and medical schemes as defined contribution plans. The company has no obligations other than the contribution payable to such funds/schemes. The company recognizes such contributions as expenses when an employee renders the related service.

During the year, company contributed/provided ₹ 12.33 crore (previous year ₹ 12.00 crore) towards pension under EPFO, ₹ 4.21 crore (previous year ₹ 3.88 crore) towards post retirement pension fund and ₹ 7.73 crore (previous year ₹ 6.84 crore) towards medical schemes.

2.40 Disclosures on Operating Segments (Indian Accounting Standard-108) are as follows:

Operating segments are defined as components of an enterprise for which discrete financial information is available which is being evaluated regularly by the Chief Operating Decision Maker (CODM) in deciding how to allocate resources and assessing performance. The company's chief operating decision maker is the Chief Executive Officer and Chairman & Managing Director.

- 2.40.1 Company has identified four operational reportable segments based on operations being carried out which are as under:-
- Consultancy Services
 - Turnkey Construction Projects
 - Export of rolling stock, equipments and spares
 - Leasing of railway rolling stock & equipments
- 2.40.2 Geographical wise revenue segment is disclosed as under:-
- (a) Revenue within India from consultancy includes quality assurance & project management services, turnkey construction projects and domestic lease rental services to clients located inside India.
- (b) Revenue from outside India includes services rendered, export sales of rolling stock & spare parts and lease rental services to the clients located outside India.
- 2.40.3 The accounting principles used in the preparation of the financial statements are consistently applied to record revenue & expenditure in individual segment, as set out in the note of significant accounting policies.
- 2.40.4 Revenue and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reporting segment have been allocated on the basis of attributed direct cost. All other expenses which are not attributable or allocable to the segments have been disclosed as un-allocable expenses.
- 2.40.5 Assets and liabilities used in the Company's business are not identified to any of the reportable segments as these are used interchangeably between segments. Depreciation, amortisation & impairment on Property, Plant & Equipment and Intangible Assets cannot be allocated to a specific segment. Company believes that it is currently not practicable to provide segmental disclosure relating to total assets, total liabilities and depreciation, amortisation & impairment since a meaningful segregation of the available data could be onerous.

2.40.6 Operational Segments:

Year ended 31.03.2017

(₹ in crore)

Description	Consultancy Services		Leasing		Export Sale	Turnkey Construction Projects-Domestic	Total
	Domestic	Abroad	Domestic	Abroad			
Revenue	773.60	27.85	70.90	22.37	377.40	31.23	1303.35
Identifiable operating expenses	514.21	10.96	44.50	11.95	311.73	38.08	931.43
Segmental profit from operations	259.39	16.89	26.40	10.42	65.67	(6.85)	371.92
Add: Interest Income*							103.92
Add: Other Income **							101.30
Less: Un-allocable Expenses							89.15
Net Profit Before Tax							487.99
Less: Income Tax (including Deferred Tax)							157.17
Net Profit After Tax							330.82
Additional Information:							
Depreciation and amortisation							32.10
Non-cash expenses/ (Income) other than depreciation and amortisation							63.17
Reversal of provisions							5.52
Profit on sale of PPE							0.06
Loss on sale of PPE							0.04

Year ended 31.03.2017

(₹ in crore)

Description	Consultancy Services		Leasing		Export Sale	Turnkey Construction Projects-Domestic	Total
	Domestic	Abroad	Domestic	Abroad			
Non Cash Income							
Profit on sale of investment							71.47
Deferred Income							1.96

Year ended 31.03.2016

(₹ in crore)

Description	Consultancy Services		Leasing		Export Sale	Turnkey Construction Projects-Domestic	Total
	Domestic	Abroad	Domestic	Abroad			
Revenue	748.86	13.58	64.43	34.64	185.94	38.56	1086.01
Identifiable operating expenses	446.08	9.61	29.03	11.98	167.50	38.22	702.42
Segmental profit from operations	302.78	3.97	35.40	22.66	18.44	0.34	383.59
Add: Interest Income*							128.83
Add: Other Income **							62.77
Less: Un-allocable Expenses							59.64
Net Profit Before Tax							515.55
Less: Income Tax (including Deferred Tax)							176.11
Net Profit After Tax							339.44
Additional Information:							
Depreciation and amortisation							31.91
Non-cash expenses/ (Income) other than depreciation and amortisation							(25.70)
Reversal of provisions							5.02
Profit on sale of PPE							0.12
Loss on sale of PPE							0.02
Non Cash Income							
Profit on sale of investment							-
Deferred Income							-

2.40.7

Geographical Segments:

(₹ in crore)

Description	Year ended 31.3.2017				Year ended 31.3.2016			
	India	Abroad		Total	India	Abroad		Total
		Asia	Africa			Asia	Africa	
Revenue	875.73	373.91	53.71	1303.35	851.85	176.46	57.70	1086.01
Identifiable operating expenses	596.77	307.22	27.44	931.43	513.33	170.06	19.03	702.42

(₹ in crore)

Description	Year ended 31.3.2017				Year ended 31.3.2016			
	India	Abroad		Total	India	Abroad		Total
		Asia	Africa			Asia	Africa	
Segmental profit from operations	278.96	66.69	26.27	371.92	338.52	6.40	38.67	383.59
Add: Interest Income*				103.92				128.83
Add: Other Income **				101.30				62.77
Less: Un-allocable Expenses				89.15				59.64
Net Profit Before Tax				487.99				515.55
Less: Income Tax (including Deferred Tax)				157.17				176.11
Net Profit After Tax				330.82				339.44
Additional Information:								
Depreciation and amortisation				32.10				31.91
Non-cash expenses/ (income) other than depreciation and amortisation				63.17				(25.70)
Reversal of provisions				5.52				5.02
Profit on sale of PPE				0.06				0.12
Loss on sale of PPE				0.04				0.02
Non Cash Income								
Profit on sale of investment				71.47				-
Deferred Income				1.96				-

* Interest income includes interest on bank deposits, bonds, staff advances, loans, income tax refunds etc.

**Other income includes provision no longer required, profit on sale of assets, export incentives, rental income from investment properties, dividend on trade current & non-current investments, exchange gain etc.

Note :- No Impairment and its reversal has been recognized in Other Comprehensive Income (OCI) during the year ended 31.03.2017 and 31.03.2016.

2.40.8 Revenue of ₹ 590.49 crore (previous year ₹ 352.28 crore) from major customers is given below:

(₹ in crore)

Description	Year ended 31.3.2017				Year ended 31.3.2016			
	Consultancy	Export Sales	Turnkey Construction Projects-Domestic	Total	Consultancy	Export Sales	Turnkey Construction Projects-Domestic	Total
Customer 1	196.87	-	28.11	224.98	175.02	-	11.85	186.87
Customer 2	-	365.51	-	365.51	-	165.41	-	165.41
Total	196.87	365.51	28.11	590.49	175.02	165.41	11.85	352.28

2.41 Related Party Disclosures (Indian Accounting Standard-24) are as follows:-

2.41.1 Subsidiary Companies

Name of Subsidiaries	Country	Holding as on	
		31.03.17	31.03.16
M/s RITES (Afrika) (Pty) Ltd. (RAPL)	Botswana	100%	100%
M/s RITES Mohawarean Arabia Co. Ltd. (RMAC)*	Saudi Arabia	76%	76%
M/s RITES Infrastructure Services Ltd. (RISL)*	India	100%	100%
M/s Railway Energy Management Company Ltd. (REMCL)	India	51%	51%

*Under Liquidation

2.41.1.1 Joint Ventures

Name of Joint Ventures	Country	Holding as on	
		31.03.17	31.03.16
M/s Companhia Dos Caminhos De Ferro Da Beira, SA, (CCFB)*	Mozambique	-	26%
M/s SAIL-RITES Bengal Wagon Industry Private Limited	India	50%	50%
M/s BNV Gujarat Rail Private Limited**	India	26%	-

* refer note no. 2.58

** Joint venture entity incorporated in the year 2016-17.

2.41.1.2 Other Related Parties

Name of Other Related Parties	Country	Nature of Relationship
RITES Contributory Provident Fund Trust	India	Post- Employment Benefit Plan of RITES
RITES Ltd. Superannuation Pension Trust	India	Post- Employment Benefit Plan of RITES
RITES Ltd. Retired Employees Medical Trust	India	Post- Employment Benefit Plan of RITES
RITES Employees Group Gratuity	India	Post- Employment Benefit Plan of RITES
Cum Life Insurance Scheme Trust		

2.41.1.3 Key Management Personnel

<p>Chairman & Managing Director (Chief Executive Officer) Shri Rajeev Mehrotra</p> <p>Whole Time Directors Shri Arbind Kumar, Director Projects Shri Ajay Kumar Gaur, Director Finance (Chief Finance Officer) Shri S.B. Malik, Director Technical (Up to 30.11.2016) Shri Mukesh Rathore, Director Technical (From 01.12.2016)</p> <p>Government Nominee Directors Shri A.P. Dwivedi, Director Shri Ravi Shanker Kochak, Director (Upto 31.07.2016) Shri Ravindra Nath Misra, Director (From 31.10.2016)</p> <p>Non-Executive (Independent) Directors Smt. Vidya Rajiv Yeravdekar (From 01.04.2016) Shri Anil Kumar Goel (From 01.04.2016) Shri Satish Sareen (From 01.04.2016)</p> <p>Company Secretary Shri P.T. Mittal, Company Secretary</p>
--

2.41.2 Transactions and Balance with Related Parties

Outstanding balances from the related parties are unsecured and considered good which are due towards ordinary course of business and are being realised within reasonable time.

2.41.2.1 Subsidiary Companies

Transactions with Subsidiary Companies

Particulars	(₹ in crore)					
	RAPL		RISL**		REMCL	
	Year ended		Year ended		Year ended	
	31.03.17	31.03.16	31.03.17	31.03.16	31.03.17	31.03.16
Investment	-	-	-	-	10.20	10.20
Recoverable/ Advances	-	-	(6.92)	1.04	0.48	4.14
Consultancy Fee/ Income from Construction Turnkey Projects	0.21	-	0.03	13.65	4.80	2.87
Dividend Received	-	0.03	-	-	-	-

Balances with Subsidiary Companies

Particulars	(₹ in crore)							
	RAPL		RMAC*		RISL**		REMCL	
	As on		As on		As on		As on	
	31.03.17	31.03.16	31.03.17	31.03.16	31.03.17	31.03.16	31.03.17	31.03.16
Investments	0.01	0.01	-	-	0.05	0.05	35.70	25.50
Recoverable /Advances	-	-	-	0.41	0.32	8.01	4.09	4.12
Receivables	0.21	-	-	-	0.26	1.59	-	0.92

*RITES Mohawarean Arabia Company Ltd. (RMAC), a subsidiary company with 76% stake, is under liquidation. Investment in equity of ₹ 0.47 crore made by the company has been returned by RMAC during the financial year 2014-15.

**RITES Infrastructure Services Limited (RISL) is under liquidation. Prior to initiating process of liquidation, all assets & liabilities have been taken over by RITES on 30.09.2016.

2.41.2.2 Joint Ventures

Transactions with Joint Ventures

Particulars	(₹ in crore)					
	CCFB*		SAIL-RITES Bengal Wagon Industry Private Ltd.		BNV Gujarat Rail Private Limited	
	Year ended		Year ended		Year ended	
	31.03.17	31.03.16	31.03.17	31.03.16	31.03.17	31.03.16
Investments (equity)	-	-	1.73	7.37	0.01	NIL
Recoverable/Advances	-	-	0.08	0.05	-	-
Operating Income (Consultancy Fee/ Income from Construction Turnkey Projects/Export Sales/Leasing Service)	-	11.50	3.06	10.53	-	-
Loans	-	5.92	7.00	2.00	-	-
Interest on Loans given	-	30.45	0.14	0.26	-	-
Provision write back	-	6.24	-	-	-	-

Balances with Joint Ventures

Particulars	(₹ in crore)					
	CCFB*		SAIL-RITES Bengal Wagon Industry Private Ltd.		BNV Gujarat Rail Private Limited	
	As on		As on		As on	
	31.03.17	31.03.16	31.03.17	31.03.16	31.03.17	31.03.16
Investments (equity)	-	6.01	24.00	22.27	0.01	NIL
Recoverable/ Advances	-	-	0.07	0.10	-	-
Receivables	-	-	0.01	3.52	-	-
Loans	-	-	7.00	1.73	-	-
Interest accrued	-	-	0.14	0.31	-	-

* Refer note no.2.58.

2.41.2.3 Transactions with other related parties (Post-Retirement Benefits Trusts/Plans):

Transactions regarding Post-Retirement Benefit Plans, as mentioned vide note no. 2.41.1.2, are indicated vide note 2.39.

2.41.2.4 Transactions with Key Managerial Personnel:

Description	(₹ in crore)	
	Year ended	
	31.03.17	31.03.16
Compensation to CMD, Whole Time Directors & Company Secretary:		
• Short Term Employee Benefits	2.71	1.75
• Post-employment Benefits	0.37	0.25
• Other Long Term Benefits	0.31	0.17
Sub- Total	3.39	2.17
Sitting fees to Non-Executive (Independent) Directors	0.12	-
Total	3.51	2.17

2.41.3 Government related entities

Government of India (GOI) is holding 100% equity shares of the company, which are held by President of India acting through Ministry of Railways and its nominees. GOI controls the company through Ministry of Railways.

The Company has made various transactions with the Ministry of Railways and 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:

Particulars	(₹ in crore)	
	Year ended	
	31.03.17	31.03.16
Revenue	224.98	186.87
Procurements	190.27	98.51
Consumables	9.07	3.82
Freight	4.05	1.71
Training Exp.	0.12	-
Redemption of Tax Free Bonds	50.00	-

Significant balances with Government related entities:

Particulars	(₹ in crore)	
	As on	
	31.03.17	31.03.16
Capital Advances	5.96	16.67
Other Advances	27.42	48.14
Payables	4.16	2.11
Advance Received	4.79	0.47
Clients Funds Received	75.49	1.67
Receivables	119.25	65.81
Tax Free Bonds	170.00	220.00

2.42 Disclosures on Leases (Indian Accounting Standard-17) are as follows:**2.42.1 Operating Lease (Cancelable)**

2.42.1.1 The company has leasing arrangement of locomotives in domestic and overseas markets, Company is also providing services of its experts for maintenance of these locomotives for which lease rent is received from the clients as per terms of the contracts.

2.42.1.2 Detail of the leased assets: New & In-Service Locomotives (refer note no. 2.3)

Description	(₹ in crore)	
	Year ended	
	31.03.17	31.03.16
Gross carrying amount	244.08	230.73
Accumulated depreciation	83.66	61.88
Net carrying amount	160.42	168.85
Depreciation provided for the year	21.78	20.68

2.42.2 Other Lease (Cancelable)**2.42.2.1 Description of lease arrangement of Scope Office Complex**

The company has leased 545 sq. m. area of furnished accommodation to Railway Board, Indian Railways on lease rent basis receivable every month. The lease arrangement is upto 31st March, 2018.

2.42.2.2 Details of the leased assets: Office Premises*

Description	(₹ in crore)	
	Year ended	
	31.03.17	31.03.16
Gross carrying amount	1.84	1.84
Accumulated depreciation	0.52	0.47
Net carrying amount	1.32	1.37
Depreciation provided for the year	0.05	0.06

* Leased assets include building, air conditioners, AC plant, furniture and fixture.

2.42.2.3 The company has not sub-leased any of the assets taken on lease.

2.42.2.4 Operating Leases for Company's offices, staff residential premises and vehicles are renewable / cancelable as laid down in the respective agreements. The total of minimum lease payments recognized in the Statement of Profit & Loss for the year is ₹ 23.92 crore (previous year ₹ 21.88 crore).

2.42.3 There are no provisions relating to contingent rent.

2.43 Disclosures on Earning Per Share (EPS) (Indian Accounting Standard-33) are as follows:

Particulars	Year ended	
	31.03.17	31.03.16
A Net Profit available for Equity Shareholder (₹ in crore)	330.82	339.44
B Weighted average number of Equity Shares	20,00,00,000	20,00,00,000
C Earning Per Share (Basic & Diluted) (A)/(B)	₹ 16.54	₹ 16.97
D Face value per equity share	₹ 10/-	₹ 10/-

2.44 Disclosures of Interest in Other Entities (Indian Accounting Standard-112) are as follows:

2.44.1 RITES has following Joint Arrangements:

Name of Joint Arrangements	Nature of Interest/Relationship with Joint Arrangements	Principal Place of Business of Joint Arrangements	Proportionate ownership interest or participating share
Geoconsult - RITES	RITES has formed a Joint venture with M/s. Geoconsult-ZT-Gmbh (Austria) for detailed design consultancy and construction supervision of about 11 kms long railway tunnel in J&K State. Both the venturers contributed in the seed money as agreed for operational and execution purposes.	India	13%
Geoconsult - RITES, NRT-1	RITES has formed a Joint venture with M/s. Geoconsult-ZT-Gmbh (Austria) for detailed design consultancy and construction supervision of Tunnel No.1 (3.1 km long) on Udampur - Katra Section for the USBRL project in the state of J&K.	India	16%
Geoconsult ZT GmbH - RITES	RITES has formed a Joint venture with M/s. Geoconsult ZT GmbH (Austria) for detailed design and construction supervision of Tunnel No.10 (Approx. Length 3.3 km) in connection with Jiribam-Tupul new railway line project in the state of Manipur.	India	39.40%
Geoconsult-RITES (JV)	RITES has formed a Joint venture with M/s. Geoconsult India Pvt. Ltd. for instrumentation, monitoring and design of remedial works as per requirement for vulnerable locations for two monsoon seasons in Lumding-Silchar BG Rail Line.	India	37.50%
RICON	RITES has formed a Joint Venture with M/s. IRCON International Ltd. to secure and execute contracts to be awarded by M/s Companhia Dos Caminhos de Ferro Da Beira, SA, Mozambique to RICON for rendering Management Support Services, Consultancy Works, Project Management, Construction Supervision, Supply of Materials, Rolling Stock and equipment, Works Contracts, Leasing of Equipments / Rolling Stocks etc.	India	51%

Name of Joint Arrangements	Nature of Interest/Relationship with Joint Arrangements	Principal Place of Business of Joint Arrangements	Proportionate ownership interest or participating share
SAIL-RITES Bengal Wagon Industry Private Limited	RITES has formed a Joint Venture with SAIL for manufacturing Wagons at SGW, Kulti, West Bengal.	India	50%
BNV Gujarat Rail Private Limited	RITES has formed a Joint Venture with Shapoorji Pallonji Roads Private Limited and PCM Cement Concrete Private Limited to set up, own, operate, finance and maintain the Bhuj-Naliya-Vayor rail connectivity project in Kutch district of the state of Gujarat	India	26%

2.44.2 Disclosures in respect of Joint Ventures:

2.44.2.1 Investment is measured by using equity method.

2.44.2.2 Summarised financial information of the Joint Ventures are as under:

(₹ in crore)

Description / JVs	COMPANHIA DOS CAMINHOS DE FERRO DA BEIRA, SA, (CCFB)		SAIL-RITES BENGAL WAGON INDUSTRY PRIVATE LIMITED*		BNV GUJARAT RAIL PRIVATE LIMITED
	2016-17	2015-16	2016-17	2015-16	2016-17
Fixed Assets (Net)/Non Current Assets	-	-	103.60	105.64	-
Current Assets, Loans & Advances	-	109.26	18.43	6.41	0.05
Current Liabilities & Provisions	-	74.41	39.34	23.49	-
Non Current Liabilities & Provisions	-	-	53.03	49.39	-
Capital	-	15.68	48.00	44.54	0.05
Retained Earnings / (losses)	-	19.17	(18.34)	(5.37)	-
Revenue	-	14.41	9.22	0.43	-
Expenditure including Tax	-	8.24	22.19	5.91	-
Profit After Tax	-	6.17	(12.97)	(5.48)	-
Additional information:					
Cash and Cash Equivalents	-	3.81	1.55	3.31	0.05
Current financial liabilities (excluding trade and other payables and provisions)	-	74.41	28.83	17.54	-
Non- Current financial liabilities (excluding trade and other payables and provisions)	-	-	53.03	49.39	-
Depreciation and Amortisation	-	-	5.83	1.79	-
Interest Income	-	0.18	0.22	0.31	-
Interest Expense	-	-	6.10	3.30	-
Income tax expenses or (income)	-	-	-	(0.03)	-

BNV Gujarat Rail Private Limited was incorporated in financial year 2016-17, but no operation was started till 31st March, 2017.

2.44.2.3 Reconciliation of Company's interest in Joint Ventures:

(₹ in crore)

Description / JVs	COMPANHIA DOS CAMINHOS DE FERRO DA BEIRA, SA, (CCFB)		SAIL-RITES BENGAL WAGON INDUSTRY PRIVATE LIMITED*		BNV GUJARAT RAIL PRIVATE LIMITED
	2016-17	2015-16	2016-17	2015-16	2016-17
Net Assets					
Net Assets of Joint Venture	-	34.85	29.66	39.17	0.05
Proportionate share in Joint Venture (%)	-	26%	50%	50%	26%
Share of interest in net assets of Joint Venture	-	9.06	14.83	19.58	0.01
Add/(Less): Adjustment, if any	-	1.94	-	-	-
Carrying amount of interest in Joint Venture	-	11.00	14.83	19.58	0.01
Net Profit					
Net Profit After Tax of Joint Venture	-	6.17	(12.97)	(5.48)	-
Proportionate share in Joint Venture (%)	-	26%	50%	50%	26%
Share of interest in net profit after tax of Joint Venture	-	1.60	(6.48)	(2.74)	-
Add/(Less): Adjustment, if any	-	(1.46)	-	-	-
Amount of interest in net profit after tax of Joint Venture	-	0.14	(6.48)	(2.74)	-

- i) There is no restriction on the ability of Joint Ventures to transfer funds to the company in the form of cash dividends or to repay loans and advances made by the company.
- ii) The financial year of M/s Companhia Dos Caminhos De Ferro de Beira, SA, (CCFB) is calendar year as per local statutory requirement of Mozambique and figures indicated above/below are from the financial statements for the year ended 31st December, 2015. As per settlement agreement with Government of Mozambique in respect of CCFB, equity stake of the company in CCFB has been transferred to CFM Mozambique, a nominated agency of Government of Mozambique, on 22nd September, 2016, accordingly, joint control ceased thereafter and hence no transaction has been indicated.
- iii) Company has invested in M/s BNV Gujarat Rail Private Limited during the year 2016-17. Venture Company is incorporated in the year 2016-17 but no operation started till 31st March, 2017.

2.44.2.4 All the investments in Joint Venture are non-tradable in market.

2.44.2.5 Contingent Liabilities:

Due to transfer of equity in CCFB, there is no contingent liability as on 31st December, 2016. In the previous year ended 31st December, 2015, withholding tax demand against CCFB was ₹ 1.05 crore (equivalent MZN 8036076), in which share of RITES @ 26% comes to ₹ 0.27 crore.

2.44.2.6 Capital commitment:

SAIL-RITES Bengal Wagon Industry Private Limited has liability on account of capital commitment of ₹ Nil (previous year ₹ 3.33 crore) in which share of the company @ 50% comes to ₹ Nil (previous year ₹ 1.67 crore).

2.44.3 Summarised financial information of the Joint Operations:

(₹ in crore)

Description / JVs	RICON		Geoconsult-RITES		Geoconsult – RITES, NRT-1		Geoconsult ZT GmbH - RITES		Geoconsult-RITES (JV)*
	Year ended 31.03.17	Year ended 31.03.16	Year ended 31.03.17	Year ended 31.03.16	Year ended 31.03.17	Year ended 31.03.16	Year ended 31.03.17	Year ended 31.03.16	Period ended 31.03.17
Fixed Assets (Net)/ Non Current Assets	-	-	-	-	-	-	0.61	0.43	0.28
Current Assets, Loans & Advances	21.43	21.11	5.59	5.67	3.92	4.07	0.96	3.30	0.71
Current Liabilities & Provisions	0.75	0.84	3.65	3.82	3.42	3.68	1.85	3.14	0.57
Non Current Liabilities & Provisions	-	-	-	-	-	-	-	-	-
Capital	-	-	-	-	-	-	-	-	-
Retained Earnings / (losses)	20.68	20.27	1.94	1.85	0.50	0.39	(0.28)	0.59	0.42
Revenue	0.65	0.76	0.18	0.18	0.22	0.08	1.79	4.01	2.77
Expenditure including Tax	0.24	0.21	0.08	0.17	0.11	0.18	2.66	3.77	2.34
Profit/(Loss) After tax	0.41	0.55	0.10	0.01	0.11	(0.10)	(0.87)	0.24	0.43
Additional information:									
Cash and Cash Equivalents	8.51	7.89	1.53	1.47	1.87	1.34	0.28	0.16	0.24
Current financial liabilities (excluding trade and other payables and provisions)	0.60	0.61	0.01	0.01	0.01	0.01	0.12	0.11	0.05
Non- Current financial liabilities (excluding trade and other payables and provisions)	-	-	-	-	-	-	-	-	-
Depreciation and Amortisation	-	-	-	-	-	-	0.02	0.02	-
Interest Income	0.62	0.70	0.09	0.18	0.10	0.08	-	0.01	-
Interest Expense	-	-	-	-	-	-	-	-	-
Income tax expenses or (income)	0.17	0.20	0.06	0.01	0.03	-	-	0.19	0.22

*Company entered into an agreement for joint operation with Geoconsult-RITES (JV) during the year 2016-17.

2.44.4 Company jointly participated in the followings projects with other entities:-

Project Name	Name of entities
General Consultancy to Delhi Metro Rail Corporation Ltd. for Delhi Mass Rapid Transit System Project-Phase-III.	M/s Oriental Consultants Co. Ltd. M/s Parsons Brickerhoff International INC. M/s Tonichi Engineering Consultants INC.
General Consultancy to Bangalore Metro Rail Corporation Ltd. for Bangalore Metro.	M/s Oriental Consultants Co. Ltd. M/s Parsons Brickerhoff International INC. M/s Systra SA
General Consultancy to Metro Link Express for Gandhinagar & Ahmedabad (MEGA) Company Ltd. for Mass Rapid Transit System project at Ahmedabad.	M/s Systra SA France (Lead). M/s Oriental Consultants Global Co. Ltd., Japan. M/s AECOM Asia Company Ltd., HongKong.
General consultancy to Nagpur Metro Rail Corporation Ltd. for Nagpur Metro.	M/s Systra, France M/s AECOM Asia Co. Ltd. M/s EGIS Rail S.A.
Detailed design consultancy services for power supply & distribution system, 750 V DC, 3rd rail traction electrification & SCADA system of Metro Link Express for Ghandhinagar & Ahmedabad (MEGA) Company Ltd. for mass Rapid Transit System Project at Ahmedabad.	M/s TUV SUD South Asia Pvt. Ltd. (TUV)
DPR for MRTS between Ahmedabad and Dholera for DMICDC.	M/s Stanley Consultants inc.
Modernization of Signaling System in Ghaziabad - Kanpur section.	M/s De Consult - Germany
Consulting Services for feasibility & detailed Design of Road Tunnels in Shimla and other parts of Himachal Pradesh.	M/s Geo-Consult-ZT Gmbh (Austria) M/s Secon Pvt. Ltd., India
Independent Engineer Services for development of Chennai Outer Ring Road on DBFOT on annuity basis-Phase I in the state of Tamil Nadu.	M/s Mukesh & Associates
1. Taj International Airport project work at Agra. 2. Feasibility report /DPR for development and operation of airport at Singrauli, M.P.	M/s KPMG
Consultancy for Emission Reduction for Generation and transaction of certified Emission Reduction (CERs) for Punatsangchhu Hydroelectric Project (PHPA I & II) and Mangdechhu Hydroelectric Project (MHPA) towards replacement of fossil fuel based power.	M/s ITP Senergy Ltd.
Development of six lane supervision cable Greenfield bridge over river Ganga from Kacchi Dargah on NH-30 to Bidupur in District Vaishali on NH-103.	M/s IDFC Limited M/s Infrastructure Development Corporation (Karnataka) Limited (IDeCK)
Preparation of feasibility report for proposed six lane bridge over river Brahmaputra connecting Narengi (near Guwahati) with Kurua (at North Bank) with a road link up to Dumnichowki on NH-52, Assam.	M/s STUP Consultants Pvt. Limited M/s Gifford India Pvt. Limited
Project Management Consultancy for river morphological analysis and design of river training and bank protection works in the state of Uttarakhand.	M/s DHI (India) Water & Environment Pvt. Ltd.
Pre - feasibility study for Delhi - Chandigarh - Amritsar high speed railway.	M/s Systra SA
Consultancy for feasibility studies for package - 2 (Mumbai - Chennai) of Diamond Quadrilateral Network of High Speed Rail Corridors.	M/s Systra M/s Ernst & Young LLP
Consultancy services for the construction of Cargo Complex Parallel Taxiway and Modification of Old Terminal Building at PARO International Airport, Bhutan.	M/s PRCS, Bhutan

2.45 The company has carried out the assessment on impairment of assets in terms of IND AS 36 "Impairment of Assets" accordingly impairment losses or reversal, if any, has been recognized during the year in the Statement of Profit & Loss.

2.46 Disclosures on Provisions, Contingent Liabilities and Contingent Assets (Indian Accounting Standard-37) are as follows:

2.46.1 Provisions include mainly towards warranty which has been made for fulfillment of warranty obligation after export sale of rolling stocks/ locomotives & spares. Estimation of such provision is based on past experience, nature of rolling stock exported to various clients and period specified in the agreements with them. Actual expenditure may vary during the warranty period as per the requirements.

(₹ in crore)

Items	Carrying amount 01.04.16	Additional Provision made during the year	Provisions used during the year	Unused amount reversed during the year	Increase/ (decrease) in discounted amount	Carrying amount as on 31.03.17
Warranties	31.74	26.48	1.84	4.21	(2.05)	50.12
Commitments	3.43	-	-	3.43	-	-

Effect of change in the discount rate:

As per the agreements with the customers, warranty periods are varying from two to five years, i.e. extending beyond one year, require discounting to work out net present value of such provisions made towards warranty.

Discount rate is based on the average of interest rates in Fixed Deposits with banks during the year. Average interest rate for the year 2016-17 is of 7.50% vice 8.80% for the year 2015-16. The effect of interest rate change on the above provisions is ₹ 0.42 crore.

2.46.2 Contingent liabilities and commitments to the extent not provided for include:

2.46.2.1 Contingent Liabilities

(a) Claims against the company not acknowledged as debts as certified by the Management are ₹ 491.60 crore (previous year ₹ 582.96 crore). These include:-

- (i) Claims (excluding interest) amounting to ₹ 458.76 crore (previous year ₹ 391.73 crore) against the company by the sub-contractors / other agencies including award against the company pending in courts. The management does not foresee any liability on the company as the same are contested by the company for and on behalf of the clients.
- (ii) Other claims (excluding interest) amounting to ₹ 32.84 crore (previous year ₹ 191.23 crore) are contested by the company and the company has made counter claims of ₹ 644.53 crore (previous year ₹ 644.53 crore) on the executing agency (refer note no.2.57.1). The company is subject to legal/arbitration proceedings and claims, which have arisen in the ordinary course of business. Management doesn't reasonably expect that when these cases ultimately conclude and determined, will have material and adverse effect on the company's results of operations or financial conditions.
- (iii) Claims against the company not acknowledged as debts as certified by the Management includes 9 nos. of cases amounting to ₹ 47.60 crore has been settled after the decision of the respective appellate authority and 15 nos. of cases for an amount of ₹ 125.32 crore added during the year.

(b) Other money for which the company is contingently liable:

- (i) Excise bonds amounting to ₹ 4.89 crore (previous year ₹ 10.88 crore) are outstanding against export obligations with Central Excise Department. Out of this, bonds value of ₹ 3.59 crore (previous year ₹ 8.20 crore) are due for release by the department.
- (ii) In respect of joint venture entities refer to note no. 2.44.2.5
- (iii) Demands on account of taxes viz. VAT, Service Tax & Income Tax amounting to ₹ 1.34 crore (previous year ₹ 0.81 crore) are contested by the company.

2.46.2.2 Commitments

- (i) Estimated amount of contracts remaining to be executed on capital account as certified by the management and not provided for amounts to ₹ 3.35 crore (previous year ₹ 16.67 crore).
- (ii) In respect of joint venture entities refer to note no. 2.44.2.6

2.47 Disclosures on Investment Property (Indian Accounting Standard-40) are as follows:

2.47.1 Amounts recognized in the Statement of Profit and Loss are as follows :

(₹ in crore)

Particulars	Year ended	
	31.03.17	31.03.16
Rental income	0.99	0.99
Direct operating expenses (including repair & maintenance)	0.20	0.22
Profit before depreciation	0.79	0.77
Depreciation for the year	0.05	0.06
Profit from investment property	0.74	0.71

2.47.2 Fair Value

(₹ in crore)

Particulars	As at 31.03.17	As at 31.03.16
Investment property	2.74	2.55

Methods & assumptions for valuation:

Reproductive cost of building: To arrive at the cost to be incurred, valuer follow the CPWD Plinth Area Rates as on 01.10.2012 with base 100 & enhance the same by applicable cost index & better specification considered.

Valuation of plant and machinery: Cost Indexation Method under cost approach to valuation is employed. RBI Indexation on the original purchase price has been used to arrive at Gross Current Replacement Cost.

Qualification of valuer: The valuation is carried out by Independent agency comprising of team of experts on board.

There is no Capital Commitment in respect of investment property, however, revenue commitment in respect of repair and maintenance based on current year allocated cost is ₹ 0.20 crore (previous year ₹ 0.20 crore).

2.48 Financial Instruments

2.48.1 Financial Instruments by category

The carrying value and fair value of financial instruments categories-wise as on 31st March, 2017 are as under:

Particulars	(₹ in crore)					
	Total carrying value	Amortised Cost	Financial assets/liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI	
			Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory
Financial Assets:						
Cash and Bank Balance**	2967.42	-	-	2967.42	-	-
Investments:						
Equity*	0.04	-	-	0.04	-	-
Tax Free Bonds	170.00	170.00	-	-	-	-
Liquid Plan of Mutual Funds	143.04	-	-	143.04	-	-
Trade Receivables**	457.58	457.58	-	-	-	-
Loans**	21.07	21.07	-	-	-	-
Other Financial Assets**	265.84	265.84	-	-	-	-
Total	4024.99	914.49	-	3110.50	-	-
Financial Liabilities:						
Trade Payables**	83.01	83.01	-	-	-	-
Other Financial Liabilities**	1997.08	1997.08	-	-	-	-
Total	2080.09	2080.09	-	-	-	-

The carrying value and fair value of financial instruments categories-wise as on 31st March, 2016 are as under:

Particulars	(₹ in crore)					
	Total carrying value	Amortised Cost	Financial assets/liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI	
			Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory
Financial Assets:						
Cash and Bank Balance	2645.30	-	-	2645.30	-	-
Investments:						
Equity*	0.04	-	-	0.04	-	-
Tax Free Bonds	220.00	220.00	-	-	-	-
Trade Receivables**	529.90	529.90	-	-	-	-
Loans**	17.49	17.49	-	-	-	-
Other Financial Assets**	247.87	247.87	-	-	-	-
Total	3660.60	1015.26	-	2645.34	-	-
Financial Liabilities:						
Trade Payables**	89.18	89.18	-	-	-	-
Other Financial Liabilities**	1980.72	1980.72	-	-	-	-
Total	2069.90	2069.90	-	-	-	-

* Equity shares of ₹ 0.04 crore of Global Procurement Consultants Limited (GPCL) which are not tradable and amount of investment in the entity is immaterial, hence investment is recognised at cost and same is considered as its fair value.

**The carrying amounts of trade receivables, trade payables, cash and cash equivalents, short term loans, other current financial assets and liabilities are considered to be same as their amortised cost due to their short-term nature. As per practice, Security Deposits and Retention money represent source of protection with respect to contract performance rather than a source of financing, hence shown at transaction value.

2.48.2 Fair value hierarchy & valuation techniques

To provide an indication about the reliability of method used in determining fair value, the company has classified its financial instruments into three levels prescribed under the Indian Accounting Standard (Ind AS-113) on fair value measure.

Level 1 : Quoted prices in active markets for identical assets or liabilities.

Level 2 : Fair value of financial instruments that are not traded in an active markets is determined using valuation techniques and observable Inputs for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 : Inputs for the assets or liabilities that are not based on observable market data (observable inputs).

Fair value hierarchies of assets and liabilities as on 31st March, 2017 are tabled below:

Particulars	As on 31.03.2017	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Financial Assets:				
Cash and Bank Balance	2967.42	2967.42	-	-
Investments:				
- Equity*	0.04	-	-	0.04
- Liquid plan of Mutual Funds**	143.04	-	143.04	-

Fair value hierarchies of assets and liabilities as on 31st March, 2016 are tabled below:

(₹ in crore)

Particulars	As on 31.03.2016	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Financial Assets:				
Cash and Bank Balance	2645.30	2645.30	-	-
Investments:				
- Equity*	0.04	-	-	0.04

* Equity shares of ₹ 0.04 crore of Global Procurement Consultants Limited (GPCL) which are not tradable and amount of investment in the entity is immaterial, hence investment is recognised at cost and same is considered as its fair value.

**Liquid plan of mutual funds are valued at NAV.

2.48.3 Financial Risk Management

The Company's activities are exposed to a variety of financial risks: market risk, credit risk and liquidity risk. The company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from few customers.

Market Risk

The Company operates internationally and a major portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk for its sales and services in the Middle East and South Asian countries. The exchange rates between the rupee and foreign currencies have changed substantially in recent years which may also fluctuate substantially in the future. However, company has currency risk management policy and exchange fluctuations are regularly monitored by the risk management committee to mitigate this risk. Policy covers various aspects of currency risk management, benchmarking, hedging and risk appetite, permissible instruments, hedging policy, structure of the risk management committee and treasury group, reporting procedures etc.

Analysis of foreign currency risk from financial instruments is as follows:

Particulars	As at 31.03.2017	As at 31.03.2016
	US Dollar (Figure in Millions)	
Cash & Cash equivalents	3.15	19.90
Trade Receivables	13.42	10.61
Other financial assets	2.54	2.09
Trade Payable	12.74	15.65
Other financial liabilities	0.09	0.07
Net assets/(liabilities)	6.28	16.88

For the year ended 31st March, 2017 and 31st March, 2016, every percentage increase/decrease in the exchange rate between the INR & US Dollar has affected the Company's incremental margins by approximately 0.82% (previous year 2.30%) each.

Sensitivity analysis is computed based on the changes in the income and expenses in foreign currency upon conversion into functional currency, due to exchange rate fluctuations between the previous reporting period and the current reporting period.

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 ₹ 457.58 crore (previous year ₹ 529.90 crore) and unbilled revenue amounting to ₹ 2.33 crore (previous year ₹ Nil) which are typically unsecured. Credit risk is being managed by continuously monitoring the outstanding dues from the customers. Trade Receivables towards export sales are generally managed by establishing Letter of Credit with the clients. Further, most of the clients of the company are Government or Government Undertakings; hence credit risk is bare minimum. Company has impaired, as a prudent measure, the trade receivables towards expected credit loss as per company accounting policy to the extent of ₹ 3.42 crore (previous year ₹ 1.17 crore).

No significant credit risk on cash and bank balances of ₹ 2967.42 crore (previous year ₹ 2645.30 crore) is expected as company parks surplus funds with Schedule Banks having good credit adequacy ratio and least NPA as determined by RBI and guidelines of the company. Company has parked its funds in fixed deposits of ₹ 913.31 crore (previous year ₹ 676.00 crore) with Schedule banks with negligible credit risks.

Non-Strategic Investments primarily include investments in liquid mutual fund units of ₹ 143.04 crore (previous year ₹ Nil) and tax free bonds of ₹ 170 crore (previous year ₹ 220 crore) issued by Public Sector Undertaking where risk is minimal.

Company has given loans to employees and one of the joint ventures. House building, Multi-purpose loans etc. to the employee are secured by way of insurance and mortgage of the house properties or hypothecation of vehicles in line with the policies of the company. The loan provided to the joint venture is for short term working capital requirements. The risk of default in respect of these loans is considered negligible.

Liquidity Risk

Company's principal sources of liquidity are cash and bank balances and the cash flow that is generated from operations. The company has no outstanding bank borrowings. The company has a working capital of ₹ 1394.95 crore (previous year ₹ 1243.34 crore) including cash and bank balance (owned funds) of ₹ 951.60 crore (previous year ₹ 801.89 crore) and current investment ₹ 193.04 crore (previous year ₹ 56.01 crore). Company believes that the working capital is sufficient to meet its requirements, accordingly no liquidity risk is perceived by the company.

2.49 Disclosures on Accounting Policies, Change in Accounting Estimates and Errors (Indian Accounting Standard-8) are as follows:

2.49.1 Prior Period Transactions are as follows :

(₹ in crore)

Nature	2016-17	2015-16
Fees	4.31	0.05
Supplies & Services	4.15	2.06
Employee Benefits	0.01	0.03
Others	2.99	0.09
Total	11.46	2.23

2.49.2 Correction of Prior Period transactions with impact on profit.

2.49.2.1 Impact on Balance Sheet Items is as follows:

(₹ in crore)

Prior period for the year	2016-17			2015-16
Line Items	Impact on 2015-16	Prior to 01.04.15	Total	Prior to 01.04.15
PPE	(0.05)	(1.77)	(1.82)	-
Capital WIP	(1.97)	(0.22)	(2.19)	-
Trade Receivables	4.49	(4.49)	-	(0.05)
Other Current Assets	0.02	(0.76)	(0.74)	-
Other non current assets	(0.02)	0.46	0.44	-
Trade receivables	(5.37)	-	(5.37)	-
Other Financial Assets	(0.01)	0.23	0.22	-
Total Assets	(2.91)	(6.55)	(9.46)	(0.05)
Trade Payables	0.77	1.61	2.38	2.08
Other Financial Liabilities	0.13	(0.04)	0.09	0.10
Other Current Liabilities	(0.21)	(0.26)	(0.47)	-
Total Liabilities	0.69	1.31	2.00	2.18
Net Assets (Equity)	(3.60)	(7.86)	(11.46)	(2.23)

2.49.2.2 Impact on Statement of Profit & Loss Items is as follows:

(₹ in crore)

Prior Period for the year 2016-17	
Line Items	Impact on 2015-16
Revenue from Operations	(0.55)
Other Income	0.03
Total Revenue	(0.52)
Supplies & services	0.46
Cost of export sale	(0.21)
Cost of turnkey Construction projects	0.05
Other Expenses	2.78
Total Expenditure	3.08
Profit Before Tax	(3.60)

Prior period items have been re-stated in 2015-16, however, there is no impact of provision for taxation on account of prior period re-statement.

Aforesaid prior period figures are crystallized during the year 2016-17 though these are prior period transactions and tax benefit on such transactions is available in the year 2016-17. However, these figures are re-stated as per IND AS 8 to the respective years on which no tax benefit is available on these respective years due to the reasons given above. The tax impact on such transitions is of (₹ 1.25 crore) which is not considered in EPS calculation for the same reason as stated above.

2.49.3 Correction of Prior Period Errors in Earning Per Share (Basic & Diluted):

Year	2015-16
Impact on Profit attributable to Equity Share Holders (₹ in crore)	(3.60)
Weighted average nos. of Equity Shares	20,00,00,000
Impact on Earning Per Share (Basic & Diluted)	(₹ 0.18)

2.50 Disclosures on Income Taxes (Indian Accounting Standard-12) are as follows:

2.50.1 Income tax expense in the Statement of Profit & Loss comprises:

Particulars	(₹ in crore)	
	Year Ended	
	31.03.2017	31.03.2016
Income Tax Expenses:		
- Current Taxes	147.78	157.64
- Earlier Years(Net)	7.95	0.88
Total	155.73	158.52
Deferred Tax (Net)	1.75	17.13
Total	157.48	175.65

Entire deferred income tax for the year ended 31st March, 2017 and 31st March, 2016 relates to origination and reversals of temporary differences.

2.50.2 Reconciliation of the Income Tax Expenses for the year to amount computed as expected tax expense by applying statutory income tax rates is as follows:

Particulars	(₹ in crore)	
	Year Ended	
	31.03.2017	31.03.2016
Profit Before Income Tax on Normal Business	417.42	517.82
Profit Before Income Tax on Capital Gains	71.47	-
Total	488.89	517.82
Enacted Tax Rates in India on Normal Income	34.61%	34.61%
Enacted Tax Rates in India on LTCCG	23.07%	23.07%
Computed Expected Tax Expense	160.95	179.20
Tax effect of Exempted Non-Operating Income	(0.02)	(0.12)
Additional Tax Effect due to Income from HP	(0.11)	(0.11)
Additional Tax Effect due to Income from LTCCG	(3.25)	-
Tax Effect on Cost of Investment (LTCCG)	1.39	-
Effect of Non-Deductible Expenditures	28.39	4.16
Tax effect due to Non-Taxable Income	(39.74)	(25.66)
Tax Reversals and others	9.87	18.18
Current Tax Expense	157.48	175.65

Details of income tax assets and liabilities as of 31st March, 2017, 31st March, 2016 and 1st April, 2015 are as follows:

Particulars	(₹ in crore)		
	As at		
	31.03.2017	31.03.2016	01.04.2015
Income Tax Assets	264.17	263.07	218.20
Current income tax liabilities	(147.61)	(157.64)	(139.00)
Net Current Income Tax Assets/(Liability) at the end	116.56	105.43	79.20

The gross movement in the current income tax asset/(liability) for the year ended 31st March, 2017 and 31st March, 2016 is as follows:

Particulars	(₹ in crore)	
	Year Ended	
	31.03.2017	31.03.2016
Net current income tax asset/(liability) at the beginning of the year	105.43	79.20
Income Tax paid	157.06	201.56
Current income tax expense (Ref. Note 2.50.1)	(147.78)	(157.64)
Income Tax on Other Comprehensive Income	0.31	(0.46)
Translation Difference/ Exchange Variation	1.54	(17.23)
Net Current Income Tax Asset/(Liability) at the end of the year	116.56	105.43

Tax effects of significant temporary differences that resulted in deferred income tax asset and liabilities are as follows:

Particulars	(₹ in crore)		
	As at		
	31.03.2017	31.03.2016	01.04.2015
Deferred Income Tax Assets:			
Leave Encashment and other Provisions	21.45	33.14	48.39
Provisions for Doubtful Debts, Security Deposits/EMD, Advances Etc.	27.87	20.53	20.75
Total Deferred Income Tax Assets - I	49.32	53.67	69.14
Deferred Income Tax Liabilities:			
Property Plant & Equipment, Furniture & Fixtures, Loco & Coaches	9.19	11.79	10.13
Others			
Total Deferred Income Tax Liabilities - II	9.19	11.79	10.13
Deferred Income Tax Assets after set off	40.13	41.88	59.01
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 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 company will realize the benefits of those deductible differences. The amount of deferred income tax assets considered realizable could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

The gross movement in the deferred income tax account for the year ended 31st March, 2017 and 31st March, 2016 are as follows:

Particulars	(₹ in crore)	
	Year Ended	
	31.03.2017	31.03.2016
Net deferred income tax asset/(liability) at the beginning	41.88	59.01
Translation Differences	-	-
Credit/(Change) relating to temporary differences	(1.75)	(17.13)
Temporary differences on Other Comprehensive Income	-	-
Net Deferred Income Tax Asset/(Liability) at the end	40.13	41.88

The composition of deferred assets relating to temporary differences during the year ended 31st March, 2017 is primarily on account of Property Plant and Equipment, Trade Receivable and Compensation to Employees.

2.51 Disclosures on Presentation of Financial Statements (Indian Accounting Standard-1) are as follows:

2.51.1 Capital Management

The Company's objective for capital management is to maximize shareholders value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are primarily being met through operating cash flows generated.

2.51.2 Subsequent Event -Dividend

Dividend paid during the current year ended 31.03.2017 is ₹ 146 crore which includes final dividend of ₹ 91 crore (₹ 9.10 per equity share to 10 crore equity shares) for the financial year 2015-16 and interim dividend of ₹ 55 crore (₹ 3.67 per equity share to 15 crore equity share) for the financial year 2016-17.

Dividend paid during the previous year ended 31.03.2016 is ₹ 77 crore which includes final dividend of ₹ 32 crore (₹ 3.20 per equity share to 10 crore equity shares) for the financial year 2014-15 and interim dividend of ₹ 45 crore (₹ 4.50 per equity share to 10 crore equity share) for the financial year 2015-16.

Dividends declared by the Company are based on Net Worth or Profits After Tax as reported in the financial statements of the Company and guidelines issued by DPE/Presidential directives. The Board of Directors of the Company proposed a final dividend of ₹ 78 crore (₹ 3.90 per share to 20 crore equity shares) in respect of the year ending 31.03.2017 subject to approval of shareholders in Annual General Meeting. If approved, the dividend would result in a cash outflow of ₹ 93.88 crore inclusive of dividend distribution tax of ₹ 15.88 crore.

Other Disclosures:

2.52 Provisions towards Pay Commissions

2.52.1 Company has made a provision of ₹ 2.02 crore towards salary increase for staff in CDA pay scales based on the approved recommendations of 7th Pay Commission which is effective from 1st January, 2016.

2.52.2 Company has made a provision of ₹ 18.25 crore towards salary increase for staff in IDA pay scales based on the draft recommendations of 3rd PRC which is effective from 1st January, 2017.

2.52.3 Company has made a provision of ₹ 40.90 crore towards enhanced gratuity limit from ₹ 10 lakh to ₹ 20 lakh based on the draft recommendations of Pay Commissions.

2.53 Information on CSR expenditure:

(a) Gross amount required to be spent during the year ₹ 9.20 crore (previous year ₹ 8.10 crore).

(b) Amount spent during the year on:

(₹ in crore)

Particulars	Amount Paid		Yet to be Paid		Total	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
(i) Construction/ acquisition of any asset	5.21	2.31	-	-	5.21	2.31
(ii) On purposes other than (i) above	3.99	5.97	-	-	3.99	5.97
Total	9.20	8.28	-	-	9.20	8.28

2.54 The financial statements are presented in ₹ crore. Those items which are required to be disclosed but can't be presented in the financial statement due to rounding off to the nearest ₹ crore are given as follows:-

Balance sheet items

(Figures in ₹)

Description	NOTE No.	As at 31.03.2017	As at 31.03.2016
Non-current investment	2.08		
(i) Moru Mahal Co-operative Society Ltd.		250.00	250.00
(ii) Amit Industrial Co-operative Society Ltd.		500.00	500.00

2.55 Value of imports on CIF basis, Earnings and Expenditure in Foreign Currency.

2.55.1 Value of imports calculated on C.I.F. basis:-

Description	₹ in crore)	
	Year ended	
	31.03.2017	31.03.2016
Components & Spares Parts	3.36	0.94

2.55.2 Expenditure in foreign currencies:-

Description	₹ in crore)	
	Year ended	
	31.03.2017	31.03.2016
(i) Consultation Fees	23.60	7.58
(ii) Salaries & others	3.23	3.43
(iii) Travel	3.91	2.09
(iv) Others*	1.10	0.33

*includes entertainment expenses, bank charges, office expenses etc.

2.55.3 Spare parts and components consumed:-

Description	₹ in crore)			
	Year ended			
	31.03.2017		31.03.2016	
	Value	%	Value	%
Imported	-	-	-	-
Indigenous	10.34	100%	6.01	100%

2.55.4 Earning in foreign currencies:-

Description	₹ in crore)	
	Year ended	
	31.03.2017	31.03.2016
(i) Export sale - FOB basis	371.63	184.42
(ii) Lease Services	22.37	34.64
(iii) Consultation Fees	28.02	14.39
(iv) Other Income (includes sales of tender etc.)	0.01	-

2.55.5 Dividend from subsidiary company ₹ Nil (previous year ₹ 0.03 crore).

2.56

Details of dues to micro, small and medium enterprises as defined under the Micro and Small Enterprise Development Act, 2006* are given on the basis of information available with the management.

S. No.	Particulars	₹ in crore)	
		As at 31.03.2017	As at 31.03.2016
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 -Interest due on above	1.74 -	0.78 -
b	The amount of interest paid by the buyer in terms of Section 16 of the Micro and Small Enterprise 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 year) but without adding the interest specified under Micro and Small 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 Micro and Small Enterprise Development Act, 2006.	-	-

*The Company has initiated the process of identification of suppliers registered under Micro and Small Enterprise Development Act, 2006, by obtaining confirmations from all suppliers. Information has been collated only to the extent of information received.

2.57 In a pre-closed contract in the year 2005-06, company raised claims of ₹ 233.93 crore (previous year ₹ 233.93 crore) against a client and the client raised counter claims of ₹ 469.10 crore (previous year ₹ 469.10 crore).

The arbitrator on 19th January, 2011 rejected the aforesaid counter claims of the client and awarded ₹ 88.31 crore in favour of the company against claims of ₹ 233.93 crore. Company filed an appeal before the appellate authority on 21st March, 2011 against the said award. Further on 16th September, 2011, the appellate authority awarded ₹ 231.68 crore with interest in favour of the company. Client filed a petition in the Civil Court of Ranchi on 31st July, 2011 & thereafter amendment for setting aside the aforesaid award of the appellate authority which is still pending before the Civil Court, thus the award has not been recognized.

2.57.1 The executing agency also raised claims (excluding interest) of ₹ 184.41 crore (previous year ₹ 184.41 crore) against the company before the arbitration tribunal at Ranchi and company also raised counter claims of ₹ 644.53 crore (previous year ₹ 644.53 crore) against the executing agency for the contract which became void due to commitment of fraud by the agency, thus terminated. Both the parties have concluded their arguments before the Tribunal and award has been published on 18th October, 2016 in favour of the company. As per the award, Company will get ₹ 63 crore from executing agency effective from the date of publication of award i.e. 18th October, 2016. Executing agency has the right to file the objection before the Jharkhand High Court, Ranchi within 4 months of receipt of copy of award by executing agency. As per information of the Tribunal, agency received the copy of award on 1st March, 2017. In view of the above company has not recognized the award amount in the books of account.

Further, Company has to pay ₹ 25.92 crore to executing agency after receiving the said amount from the client. However, matter with client is pending for settlement before Civil Court, Ranchi. The said amount of ₹ 25.92 crore is included in the contingent liabilities. (Refer note no. 2.46.2).

2.57.2 Cumulative interest up to 31.03.17 due from the executing agency of ₹ 23.97 crore (previous year ₹ 21.95 crore) on mobilization advance of ₹ 16.80 crore has not been recognized as income due to uncertainty as regard to realizability. This includes Interest of ₹ 2.02 crore for the year (previous year ₹ 2.02 crore).

2.58 A joint venture company named CCFB was incorporated in Mozambique in 2004 for rehabilitation, operation and management of Beira Rail Corridor, Mozambique by entering into a 25 years concessioning agreement with the Government of Mozambique. Company invested a sum of ₹ 6.01 crore in equity in the said joint venture company for a 26% share. Other shareholders are IRCON & CFM, Mozambique with 25% & 49% share respectively. The company extended a shareholder loan of ₹ 87.89 crore (equivalent to US\$ 19.79 million) inclusive of interest accrued which was converted to principal as per agreement, out of which company received repayment of part loan amounting to ₹ 4.44 crore (equivalent to US\$ one million) during the year 2012-13.

- 2.58.1 On 8th December, 2011, Government of Mozambique (GoM) unilaterally terminated the concessioning agreement and took over the project which in the opinion of the company was unlawful and against the provisions of the agreement. Consequently CCFB initiated arbitration against the said decision of GoM.
- 2.58.2 Dispute has been amicably settled with Government of Mozambique (GoM) on 21st October, 2015 through settlement agreement. As per schedule of payment of the settlement agreement, upfront payment of USD 17.07 million was received in financial year 2015-16 and LC was also established by GoM in financial year 2016-17. Further, 1st installment of USD 5.655 million as per schedule of payment has also been received in financial year 2016-17.
- 2.58.3 In view of receipt of payments and establishment of LC duly confirmed by Scheduled Bank in India, company transferred its shareholding in CCFB to CFM, a nominated agency of GoM on 22nd September, 2016 and consequently profit of ₹ 71.47 crore on such transfer of equity shares has been recognized in Statement of Profit and Loss for financial year 2016-17.
- 2.59 Under the settlement agreement with Government of Tanzania, last three installments out of six installments of principal amounting to ₹ 58.72 crore (equivalent US\$ 9.19 million) {Previous year is ₹ 60.09 crore (equivalent US\$ 9.19 million)} are still outstanding. Since the payment is due from Government of Tanzania which has also been acknowledged by them, the amount is considered good for recovery in view of the management and hence no provision is required to be made. Interest on principal and on delayed payments of ₹ 17.66 crore (equivalent US\$ 2.76 million) {Previous year is ₹ 14.89 crore (equivalent US\$ 2.28 million)} have not been recognised.
- 2.60 Foreign Service Contribution is recognized on accrual basis in the Statement of Profit and Loss Account as per the deputation terms with parent organizations in respect of officers taken on deputation from other organizations.
- 2.61 Lease deeds are pending for execution in respect of the office building at Central Metro Railway Building, 56, C.R. Avenue, Kolkata of ₹ 3.46 crore (previous year ₹ 3.46 crore), the physical testing laboratory at 52 A&B, C.R. Avenue, Kolkata of ₹ 1.24 crore (previous year ₹ 1.24 crore), office building at DLF Cybercity, Bhubaneswar of ₹ 5.64 crore (previous year ₹ Nil) and multi-functional complexes of ₹ 6.00 crore (Previous Year ₹ Nil) .
- 2.62 Consultancy fee of ₹ Nil (previous year ₹ 2.43 crore) due in one of the overseas projects is not being recognized as works have not been carried out by the contractors to the satisfaction of the client and the realisability of the fee based on the works done seems to be uncertain.
- 2.63 Sundry creditors, customers advances, amounts recoverable, security deposits receivable/payable are subject to confirmation.
- 2.64 Information as regard to loans, investments made as required under section 186(4) of the Companies Act, 2013 have been given vide note no. 2.8, 2.9 & 2.17.
- 2.65 During the year, company had specified bank notes or Other Denomination Note (ODN) as defined in the MCA notification G.S.R. 308(E) dated March, 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016, the denomination wise SBNs and other notes as per the notification is given below:-

Particulars	(Amount in ₹)		
	SBNs	ODNs	Total
Closing cash on hand as on 08.11.2016	Nil	Nil	Nil
(+) Permitted receipts	Nil	47024	47024
(-) Permitted payments	Nil	Nil	Nil
(-) Amounts Deposited in Banks	Nil	47024	47024
Closing cash on hand as on 30.12.2016	Nil	Nil	Nil

2.66 Recent Accounting Pronouncements

Standard issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Company (Indian Accounting Standards) (Amendment Rules, 2017) notifying amendment to Ind AS, "Statement of cash flows". This amendment is in accordance with the recent amendment made by International Accounting Standards Board (IASB) to IAS 7, "Statement of cash flows". This amendment is applicable to the company from 1st April, 2017.

Amendment to Ind AS 7

The amendment to IND AS 7 requires the entity to provide disclosures that would enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirements. The company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

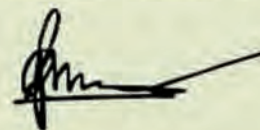
COMMENTS BY CAG

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF RITES LIMITED FOR THE YEAR ENDED 31 MARCH, 2017

The preparation of financial statements of RITES Limited for the year ended 31 March, 2017 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 4th July, 2017.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) of the Act of the financial statements of RITES Limited for the year ended 31 March, 2017. 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 bases of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

For and on the behalf of the
Comptroller & Auditor General of India



(B.R. Mondal)

Place : New Delhi
Dated : 9th August, 2017

Principal Director of Audit, Railway Commercial, New Delhi

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED IND AS FINANCIAL STATEMENTS

TO THE MEMBERS OF RITES LIMITED

REPORT ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

We have audited the accompanying consolidated Ind AS financial statements of RITES LIMITED (hereinafter referred to as "the Holding Company") except three Branches/ Regional Offices (consisting of Project and Inspection offices) audited by Branch Auditors appointed by the Comptroller and Auditor General of India, New Delhi and its subsidiaries and joint venture entities which are together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss, the Statement of Consolidated Cash Flows and the Consolidated statement of changes in equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

We did not audit the financial statements of subsidiaries and joint venture entities. However, in case of the subsidiaries and joint ventures, total assets of ₹ 217.02 crore as at 31st March, 2017, total revenues of ₹ 60.06 crore and net cash outflows amounting to ₹ 2.78 crore for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements of subsidiaries and joint ventures have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture entities, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint venture entities, is based solely on the reports of the other auditors.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the consolidated financial position of the Group as at 31st March, 2017 and its Consolidated Financial performance including other Comprehensive income, its consolidated cash flow and changes in Equity for the year then ended.

OTHER MATTER

Refer note no. 2.76 of notes to accounts of consolidated Ind AS financial statements in regard to revenue from operation that has been accounted for including CRRM.

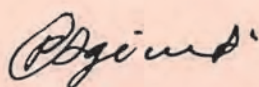
Our opinion is not modified in respect of this matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. In terms of sub section (5) of section 143 of the Act, we give in the Annexure '1' a statement on the directions issued under the aforesaid section by the Comptroller and Auditor General of India.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Cash Flows and consolidated Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
 - (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and joint venture companies incorporated in India, none of the directors of the holding company, its subsidiaries companies and joint venture companies incorporated in India is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure '2'.
- (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:
- The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the holding company, its subsidiaries and joint venture entities - Refer para no. 2.51.2 of note to accounts of the consolidated Ind AS financial statements.
 - The Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies and joint venture companies incorporated in India.
 - The Company has provided requisite disclosures in Consolidated Ind AS financial statement as to holding as well as dealing in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 2.69 to consolidated Ind AS financial statements.

**For Agiwal & Associates
Chartered Accountants
FRN 000181N**



**P. C. Agiwal
Partner**

Place : New Delhi

Date : 4th July, 2017

Membership No. 080475

ANNEXURES TO INDEPENDENT AUDITORS' REPORT

Annexure '1'

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

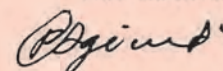
Referred to in our Independent Auditors' Report on the Consolidated Ind AS financial statements for the year ended 31st March, 2017, we report that: Based on the verification of Records of the Group and information and explanations given to us, we report that:

- a) The title deeds/lease deeds of immovable properties are held in the name of the holding company, its subsidiary companies and joint venture companies except in case of holding company, 3 nos. of leasehold building where lease deeds are pending for execution and in case of one of the subsidiaries companies and 8 nos. of Multi-Functional Complex (MFCs) has been constructed on leased land (Refer para no. 2.65 & 2.71.1.2 of notes to accounts of the consolidated Ind AS financial statements). Location and Area of above said properties are as under:

S. No.	Location	Area
1	Office building at Central Metro Railway Building, 56, C.R. Avenue, Kolkata	1200 Sqm
2	Physical testing laboratory at 52 A&B, C.R. Avenue, Kolkata	314 Sqm
3	Office building at DLF Cybercity, Bhubaneswar	1290.48 sqm
4	MFC at Guntur	494 sqm
5	MFC at Kozhikode	468 sqm
6	MFC at Rameshwaram	453.28 sqm
7	MFC at Thrissur	520 sqm
8	MFC at Tiruchchirappali	532 sqm
9	MFC at Kurukshetra	540 sqm
10	MFC at Vadodra	494 sqm
11	MFC at Darjeeling	The site for construction/ refurbishment of Multifunctional complex at Darjeeling by addition and alteration of existing Railway running room.

- b) There are no cases of waiver/write off of debts, loans/ interest etc. other than Bad Debts of ₹ 3.42 crore written off during the year, which have arisen on account of normal business practice.
- c) Group have maintained adequate records in respect of inventories lying with third parties. No assets have been received by the Group as gift from Government or other authorities.

**For Agiwal & Associates
Chartered Accountants
FRN 000181N**



**P. C. Agiwal
Partner**

Place : New Delhi

Date : 4th July, 2017

Membership No. 080475

ANNEXURES TO INDEPENDENT AUDITORS' REPORT

Annexure '2'

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

Referred to in our Independent Auditors' Report on the Consolidated Ind AS financial statements for the year ended 31st March, 2017, we report that:

We have audited the internal financial controls over financial reporting of RITES Limited ("the Company") as of 31st March, 2017 in conjunction with our audit of the consolidated Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company, its subsidiary companies and joint ventures, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

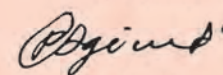
Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Agiwal & Associates
Chartered Accountants
FRN 000181N



P. C. Agiwal

Partner

Place : New Delhi

Date : 4th July, 2017

Membership No. 080475

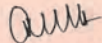
CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2017

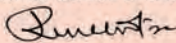
(₹ in crore)

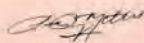
PARTICULARS	NOTE NO.	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 01.04.2015
ASSETS				
NON CURRENT ASSETS				
PROPERTY, PLANT AND EQUIPMENT	2.3	403.47	415.43	205.82
CAPITAL WORK IN PROGRESS	2.4	4.19	7.30	25.77
INVESTMENT PROPERTY	2.5	1.25	1.29	1.33
INTANGIBLE ASSETS	2.6	1.74	3.10	4.79
INTANGIBLE ASSETS UNDER DEVELOPMENT	2.7	1.58	1.58	0.75
INVESTMENT IN JOINT VENTURES APPLYING EQUITY METHOD	2.8	14.84	30.58	25.81
FINANCIAL ASSETS				
INVESTMENTS	2.9.1	120.04	170.04	200.04
LOANS	2.10	9.65	10.32	100.68
OTHER FINANCIAL ASSETS	2.11	244.68	196.69	192.29
DEFERRED TAX ASSETS (NET)	2.12	28.33	40.39	59.12
OTHER NON CURRENT ASSETS	2.13	139.04	99.94	140.51
		<u>968.81</u>	<u>976.66</u>	<u>956.91</u>
CURRENT ASSETS				
INVENTORIES	2.14	46.59	11.41	6.66
FINANCIAL ASSETS				
INVESTMENTS	2.9.2	193.04	50.00	-
TRADE RECEIVABLES	2.15	465.23	534.13	368.18
CASH AND CASH EQUIVALENTS-OWNED FUND	2.16.1	242.00	238.55	250.74
CASH AND CASH EQUIVALENTS-CLIENTS FUND	2.17.1	333.37	190.35	199.36
OTHER BANK BALANCES-OWNED FUND	2.16.2	642.94	485.38	468.42
OTHER BANK BALANCES-CLIENTS FUND	2.17.2	1,659.09	1,636.81	1,139.08
LOANS	2.18	11.42	7.17	12.20
OTHER FINANCIAL ASSETS	2.19	173.12	176.68	135.09
CURRENT TAX ASSETS (NET)	2.20	10.35	38.66	1.62
OTHER CURRENT ASSETS	2.21	49.99	82.59	28.73
		<u>3,827.14</u>	<u>3,451.73</u>	<u>2,610.08</u>
TOTAL ASSETS		<u>4,795.95</u>	<u>4,428.39</u>	<u>3,566.99</u>
EQUITY AND LIABILITIES				
EQUITY				
EQUITY SHARE CAPITAL	2.22	200.00	100.00	100.00
OTHER EQUITY	2.23	1,837.00	1,783.42	1,538.65
EQUITY ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY		<u>2,037.00</u>	<u>1,883.42</u>	<u>1,638.65</u>
NON-CONTROLLING INTERESTS	2.23.4	44.83	26.03	14.70
		<u>2,081.83</u>	<u>1,909.45</u>	<u>1,653.35</u>
LIABILITIES				
NON CURRENT LIABILITIES				
FINANCIAL LIABILITIES				
BORROWINGS	2.24	75.76	110.54	-
TRADE PAYABLES	2.25	0.06	0.66	2.67
OTHER FINANCIAL LIABILITIES	2.26	108.46	99.62	82.21
PROVISIONS	2.27	112.68	99.86	103.70
OTHER NON CURRENT LIABILITIES	2.28	7.27	2.07	6.41
		<u>304.23</u>	<u>312.75</u>	<u>194.99</u>
CURRENT LIABILITIES				
FINANCIAL LIABILITIES				
TRADE PAYABLES	2.29	83.06	89.51	86.22
OTHER FINANCIAL LIABILITIES	2.30	1,925.94	1,896.02	1,504.43
PROVISIONS	2.31	150.54	104.65	76.72
CURRENT TAX LIABILITIES (NET)	2.32	0.01	1.01	0.01
OTHER CURRENT LIABILITIES	2.33	250.34	115.00	51.27
		<u>2,409.89</u>	<u>2,206.19</u>	<u>1,718.65</u>
TOTAL EQUITY AND LIABILITIES		<u>4,795.95</u>	<u>4,428.39</u>	<u>3,566.99</u>

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS 1&2 FORM AN INTEGRAL PART OF CONSOLIDATED FINANCIAL STATEMENTS

For and on behalf of the Board

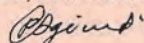

Ajay Kumar Gaur
Director Finance
and
Chief Finance Officer (DIN:05333257)


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


P.T. Mittal
Company Secretary and
General Manager (Legal)
M.No. : FCS 2529

As per our report of even date attached
For AGI WAL & ASSOCIATES, Chartered Accountants, FRN 000181N

Place : Delhi
Dated : 4th July, 2017


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

BOARD AND
MANAGEMENT
REPORTS

STANDALONE
FINANCIAL
STATEMENTS

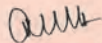
CONSOLIDATED
FINANCIAL
STATEMENTS

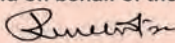
OFFICES
AUDITORS
AND BANKERS

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in crore)

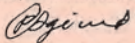
PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2017	YEAR ENDED 31.03.2016
CONTINUING OPERATIONS			
REVENUE			
REVENUE FROM OPERATIONS	2.34	1,355.46	1,101.88
OTHER INCOME	2.35	203.14	192.81
TOTAL REVENUE		<u>1,558.60</u>	<u>1,294.69</u>
EXPENDITURE			
EMPLOYEE BENEFIT EXPENSES	2.36	416.85	340.91
TRAVEL		39.48	35.54
SUPPLIES & SERVICES		105.78	96.97
COST OF EXPORT SALES	2.37	296.10	157.79
COST OF TURNKEY CONSTRUCTION PROJECTS	2.38	27.85	35.26
TRANSMISSION AND WHELLING CHARGES		3.73	2.17
DEPRECIATION & AMORTISATION EXPENSES	2.3-2.7	38.25	34.74
OTHER EXPENSES	2.39	118.84	70.59
TOTAL EXPENDITURE		<u>1,046.88</u>	<u>773.97</u>
PROFIT BEFORE SHARE OF PROFIT/(LOSS) OF JOINT VENTURES AND TAX FROM CONTINUING OPERATIONS		511.72	520.72
SHARE OF PROFIT/(LOSS) OF JOINT VENTURES	2.40	(6.48)	(2.60)
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		<u>505.24</u>	<u>518.12</u>
TAX EXPENSES			
- CURRENT TAX	2.70	(155.43)	(159.08)
- DEFERRED TAX (NET)	2.41	(12.06)	(18.70)
PROFIT AFTER TAX FROM CONTINUING OPERATIONS		<u>337.75</u>	<u>340.34</u>
DISCONTINUED OPERATIONS			
LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS		(0.10)	(0.39)
TAX EXPENSES OF DISCONTINUED OPERATIONS		-	(0.03)
LOSS FROM DISCONTINUED OPERATIONS		<u>(0.10)</u>	<u>(0.42)</u>
PROFIT/(LOSS) FOR THE YEAR		<u>337.65</u>	<u>339.92</u>
OTHER COMPREHENSIVE INCOME			
ITEMS THAT WILL BE RECLASSIFIED SUBSEQUENTLY TO PROFIT & LOSS			
- FOREIGN CURRENCY TRANSLATION RESERVE		0.06	(0.09)
- INCOME TAX EFFECT		-	-
		<u>0.06</u>	<u>(0.09)</u>
ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO PROFIT & LOSS			
- REMEASUREMENTS OF THE DEFINED BENEFIT LIABILITY/ASSET		0.90	(1.32)
- INCOME TAX EFFECT		(0.31)	0.46
		<u>0.59</u>	<u>(0.86)</u>
TOTAL OTHER COMPREHENSIVE INCOME (NET OF TAX)		<u>0.65</u>	<u>(0.95)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>338.30</u>	<u>338.97</u>
PROFIT FOR THE YEAR ATTRIBUTABLE TO:			
EQUITY SHAREHOLDERS OF THE COMPANY		328.65	338.39
NON-CONTROLLING INTERESTS		9.00	1.53
		<u>337.65</u>	<u>339.92</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO:			
EQUITY SHAREHOLDERS OF THE COMPANY		329.30	337.44
NON-CONTROLLING INTERESTS		9.00	1.53
		<u>338.30</u>	<u>338.97</u>
EARNING PER SHARE (EQUITY SHARE OF ₹ 10/- EACH) FOR:			
CONTINUING OPERATIONS - BASIC & DILUTED	2.48	₹ 16.89	₹ 17.02
DISCONTINUED OPERATIONS - BASIC & DILUTED		₹ (0.01)	₹ (0.02)
CONTINUING & DISCONTINUED OPERATIONS - BASIC & DILUTED		₹ 16.88	₹ 17.00
WEIGHTED AVERAGE NUMBER OF EQUITY SHARES USED IN COMPUTING		20,00,00,000	20,00,00,000
EARNING PER SHARE-BASIC & DILUTED (CONTINUING, DISCONTINUED & TOTAL)			


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

For and on behalf of the Board

Rajeev Mehrotra
 Chairman & Managing Director
 and
 Chief Executive Officer (DIN:01583143)
 As per our report of even date attached
 For AGIWAL & ASSOCIATES, Chartered Accountants, FRN 000181N


P.T. Mittal
 Company Secretary and
 General Manager (Legal)
 M.No. : FCS 2529

Place : Delhi
 Dated : 4th July, 2017


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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2017

A. EQUITY SHARE CAPITAL

(₹ in crore)

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

(₹ in crore)

BALANCE AS AT 01.04.2015	CHANGES IN EQUITY SHARE CAPITAL DURING THE PERIOD	BALANCE AS AT 31.03.2016
100.00	0.00	100.00

B. OTHER EQUITY

(₹ in crore)

PARTICULARS	OTHER EQUITY ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY						NON-CONTROLLING INTERESTS***	TOTAL
	RESERVE AND SURPLUS GENERAL RESERVE*	RETAINED EARNINGS	REMEASUREMENT OF DEFINED BENEFITS	FOREIGN CURRENCY TRANSLATION RESERVE	DISCONTINUED OPERATIONS**	TOTAL		
BALANCE AS AT 01.04.2016	1782.77	-	1.03	0.04	(0.42)	1,783.42	26.03	1,809.45
ADDITION DURING THE YEAR IN SHARE CAPITAL BY NON-CONTROLLING INTERESTS	-	-	-	-	-	-	9.80	9.80
CAPITALISATION OF GENERAL RESERVE (ISSUE OF BONUS SHARES)	(100.00)	-	-	-	-	(100.00)	-	(100.00)
PROFIT FOR THE PERIOD	-	328.65	-	-	-	328.65	9.00	337.65
OTHER COMPREHENSIVE INCOME	-	-	0.59	0.06	-	0.65	-	0.65
LOSS FROM DISCONTINUED OPERATIONS	-	0.10	-	-	(0.10)	-	-	-
INTERIM DIVIDEND (2016-17)	-	(55.00)	-	-	-	(55.00)	-	(55.00)
FINAL DIVIDEND (2015-16)	-	(91.00)	-	-	-	(91.00)	-	(91.00)
CORPORATE DIVIDEND TAX	-	(29.72)	-	-	-	(29.72)	-	(29.72)
TRANSFER TO GENERAL RESERVE FROM RETAINED EARNINGS	153.03	(153.03)	-	-	-	-	-	-
BALANCE AT 31.03.2017	1,835.80	-	1.62	0.10	(0.52)	1,837.00	44.83	1,881.83

INTERIM DIVIDEND PER SHARE FOR 2016-17 ₹ 3.67 NUMBER OF SHARES USED IN COMPUTING DIVIDEND PER SHARE 15,00,00,000
FINAL DIVIDEND PER SHARE FOR 2015-16 ₹ 9.10 NUMBER OF SHARES USED IN COMPUTING DIVIDEND PER SHARE 10,00,00,000

(₹ in crore)

PARTICULARS	OTHER EQUITY ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY						NON-CONTROLLING INTERESTS***	TOTAL
	RESERVE AND SURPLUS GENERAL RESERVE*	RETAINED EARNINGS	REMEASUREMENT OF DEFINED BENEFITS	FOREIGN CURRENCY TRANSLATION RESERVE	DISCONTINUED OPERATIONS**	TOTAL		
BALANCE AS AT 01.04.2015	1,532.65	-	1.89	0.13	-	1,534.67	14.70	1,549.37
EFFECTS OF CHANGES IN ACCOUNTING POLICY OR PRIOR PERIOD ERRORS	(8.90)	-	-	-	-	(8.90)	-	(8.90)
TAX IMPACT DUE TO CHANGE IN ACCOUNTING POLICY	12.88	-	-	-	-	12.88	-	12.88
RESTATED BALANCE AS AT 01.04.2015	1,536.63	-	1.89	0.13	-	1,538.65	14.70	1,553.35
ADDITION DURING THE YEAR IN SHARE CAPITAL BY NON-CONTROLLING INTERESTS	-	-	-	-	-	-	9.80	9.80
PROFIT FOR THE PERIOD	-	338.39	-	-	-	338.39	1.53	339.92
OTHER COMPREHENSIVE INCOME	-	-	(0.86)	(0.09)	-	(0.95)	-	(0.95)
LOSS FROM DISCONTINUED OPERATIONS	-	0.42	-	-	(0.42)	-	-	-
INTERIM DIVIDEND (2015-16)	-	(45.00)	-	-	-	(45.00)	-	(45.00)
FINAL DIVIDEND (2014-15)	-	(32.00)	-	-	-	(32.00)	-	(32.00)
CORPORATE DIVIDEND TAX	-	(15.67)	-	-	-	(15.67)	-	(15.67)
TRANSFER TO GENERAL RESERVE FROM RETAINED EARNINGS	246.14	(246.14)	-	-	-	-	-	-
BALANCE AT 31.03.2016	1,782.77	-	1.03	0.04	(0.42)	1,783.42	26.03	1,809.45

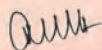
INTERIM DIVIDEND PER SHARE FOR 2015-16 ₹ 4.50 NUMBER OF SHARES USED IN COMPUTING DIVIDEND PER SHARE 10,00,00,000
FINAL DIVIDEND PER SHARE FOR 2014-15 ₹ 3.20 NUMBER OF SHARES USED IN COMPUTING DIVIDEND PER SHARE 10,00,00,000

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

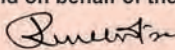
**DISCONTINUED OPERATIONS PERTAINS TO RISL

***NON-CONTROLLING INTERESTS PERTAINS TO REMCL

For and on behalf of the Board


Ajay Kumar Gaur
Director Finance
and

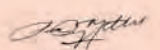
Chief Finance Officer (DIN:05333257)


Rajeev Mehrotra
Chairman & Managing Director
and

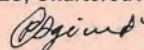
Chief Executive Officer (DIN:01583143)

As per our report of even date attached

For AGI WAL & ASSOCIATES, Chartered Accountants, FRN 000181N


P.T. Mittal
Company Secretary and
General Manager (Legal)
M.No. : FCS 2529

Place : Delhi
Dated : 4th July, 2017


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

BOARD AND
MANAGEMENT
REPORTS

STANDALONE
FINANCIAL
STATEMENTS

CONSOLIDATED
FINANCIAL
STATEMENTS

OFFICES
AUDITORS
AND BANKERS

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2017	YEAR ENDED 31.03.2016
CASH FLOW FROM OPERATING ACTIVITIES			
NET PROFIT BEFORE TAX		505.24	518.12
ADJUSTMENTS FOR:			
- OTHER COMPREHENSIVE INCOME BEFORE TAX		0.96	(1.41)
- LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS		(0.10)	(0.39)
- DEPRECIATION AND AMORTIZATION		38.25	34.74
- LOSS/(PROFIT) ON SALE OF ASSETS (NET)		(0.02)	(0.10)
- SHARE OF PROFIT/(LOSS) OF JOINT VENTURES		6.48	2.60
- INTEREST FROM FDS/OTHERS		(106.58)	(129.37)
- INCOME FROM INVESTMENTS		(4.45)	(1.25)
- INCOME FROM INVESTMENT PROPERTIES		(1.05)	(1.03)
- PROFIT FROM SALE OF INVESTMENT		(66.48)	-
- FIXED ASSETS WRITTEN OFF		0.02	0.03
- PROVISION AND IMPAIRMENT EXPENSES		37.49	5.79
EFFECT OF EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN CURRENCY		4.55	(50.02)
OPERATING PROFIT BEFORE CHANGES IN ASSETS AND LIABILITIES		414.31	377.71
CHANGE IN ASSETS AND LIABILITIES:			
ADJUSTMENTS FOR (INCREASE)/DECREASE IN OPERATING ASSETS:			
- INVENTORIES		(35.18)	(4.75)
- TRADE RECEIVABLES		46.75	(162.07)
- LOANS, OTHER FINANCIAL ASSETS AND OTHER ASSETS		77.62	(60.17)
ADJUSTMENTS FOR INCREASE/(DECREASE) IN OPERATING LIABILITIES:			
- TRADE PAYABLES		(7.05)	1.28
- OTHER FINANCIAL LIABILITIES, OTHER LIABILITIES AND PROVISIONS		200.53	495.61
CASH GENERATED FROM OPERATIONS		696.98	647.61
- INCOME TAX PAID		(166.57)	(184.47)
NET CASH FROM OPERATING ACTIVITIES		530.41	463.14
CASH FLOWS FROM INVESTING ACTIVITIES			
- PURCHASE/CONSTRUCTION OF FIXED ASSETS		(15.98)	(194.29)
- PROCEEDS FROM SALE OF FIXED ASSETS		0.11	0.18
- INVESTMENTS IN JOINT VENTURES		(0.01)	-
- INVESTMENTS IN SHARES, BONDS ETC.		50.00	(20.00)
- LOANS TO RELATED PARTIES		(7.00)	(2.00)
- DEPOSITS AND INTEREST ACCRUED NOT CONSIDERED AS CASH AND CASH EQUIVALENTS		(197.33)	(485.08)
- INTEREST INCOME		106.58	129.37
- INCOME FROM INVESTMENTS		4.45	1.25
- INCOME FROM INVESTMENT PROPERTIES		1.05	1.03
NET CASH FROM INVESTING ACTIVITIES		(58.13)	(569.54)
CASH FLOW FROM FINANCING ACTIVITIES			
- INCREASE/(DECREASE) IN SECURED LOAN FROM BANK		(37.16)	120.59
- INTEREST ACCRUED AND DUE ON BORROWING		(0.16)	1.04
- DIVIDEND PAID		(146.00)	(77.00)
- DIVIDEND TAX PAID		(29.72)	(15.67)
- INCREASE/(DECREASE) IN NON-CONTROLLING INTEREST		9.80	9.80
NET CASH FROM FINANCING ACTIVITIES		(203.24)	38.76
EFFECT OF EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN CURRENCY CASH & CASH EQUIVALENTS		(4.56)	50.03
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		264.48	(17.61)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		425.67	443.28
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		690.15	425.67

RECONCILIATION OF CASH AND CASH EQUIVALENTS

(₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2017	YEAR ENDED 31.03.2016
CASH AND CASH EQUIVALENTS-OWNED FUND	2.16.1	242.00	238.55
CASH AND CASH EQUIVALENTS-CLIENTS FUND	2.17.1	333.37	190.35
CASH AND CASH EQUIVALENTS AS PER BALANCE SHEET		575.37	428.90
ADD : INTEREST ACCRUED ON BANK DEPOSITS HAVING MATURITY WITHIN 3 MONTHS FROM ACQUISITIONS' DATE	2.19	-	0.35
ADD: INVESTMENT IN LIQUID FUND PLAN	2.9.2	143.04	-
LESS : BANK BOOK OVERDRAFT-OWNED FUND	2.30	(1.68)	-
LESS : BANK BOOK OVERDRAFT-CLIENTS FUND	2.30	(26.58)	(3.58)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		690.15	425.67

SUPPLEMENTARY INFORMATION:

RESTRICTED CASH BALANCE (REFER NOTE NO. 2.16.3)	4.24	6.49
COMPONENTS OF CASH AND CASH EQUIVALENTS (REFER NOTE NO. 2.16.1 & 2.17.1)	575.37	428.90

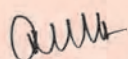
NON CASH TRANSACTIONS - INVESTING ACTIVITIES

(₹ in crore)

PARTICULARS	YEAR ENDED 31.03.2017	YEAR ENDED 31.03.2016
AMOUNT RECOVERABLE AGAINST SALE OF INVESTMENT IN JOINT VENTURE	77.48	-
CONVERSION OF LOAN TO INVESTMENT IN EQUITY OF JOINT VENTURE	1.73	7.37
CONVERSION OF LOAN & INTEREST THEREON INTO AMOUNT RECOVERABLE	-	97.30

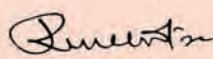
NOTE: CASH AND CASH EQUIVALENTS CONSIST OF CASH AND BANK BALANCES INCLUDING FDs & INTEREST ACCRUED HAVING MATURITY WITHIN 3 MONTHS FROM THE DATE OF ACQUISITION AND LIQUID INVESTMENTS

For and on behalf of the Board



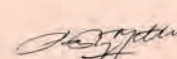
Ajay Kumar Gaur
Director Finance
and

Chief Finance Officer (DIN:05333257)



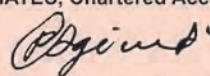
Rajeev Mehrotra
Chairman & Managing Director
and

Chief Executive Officer (DIN:01583143)



P.T. Mittal
Company Secretary and
General Manager (Legal)
M.No. : FCS 2529

As per our report of even date attached
For AGIWAL & ASSOCIATES, Chartered Accountants, FRN 000181N



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

Place : Delhi
Dated : 4th July, 2017

COMPANY OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED FINANCIAL STATEMENTS

COMPANY OVERVIEW

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

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

Besides the above activities, RITES Limited ("Holding Company") along with its subsidiaries and joint venture entities (collectively referred to as "the Group" and individually referred to as "Entity") is also into the business of generating power from wind mills and solar energy plants, manufacturing and rehabilitation of wagons and carrying out civil construction work.

The financial statements of the Group, comprises of RITES Limited, the holding company, RITES (Afrika) (Pty) Ltd, (RAPL), in Botswana, RITES Infrastructure Services Ltd. (RISL) in India are wholly owned subsidiaries, Railway Energy Management Company Ltd. (REMCL), a subsidiary with 51% stake and joint venture entities viz. SAIL-RITES Bengal Wagon Industry Pvt. Ltd. (SRBWIPL) (50%) & M/s BNV Gujarat Rail Private Limited (26%) (joint venture entities in India).

The Group is having 26% stake in CCFB, Mozambique which has been taken over by CFM, a nominated agency of Government of Mozambique, on 22nd September 2016, accordingly, it has not been consolidated in the current year. Financial statements of CCFB are drawn based on calendar year as per local statutory requirement of Mozambique. Previous year figures have been considered for consolidation purpose and there were no significant transactions from the reporting date of CCFB to reporting date of the previous year consolidated financial statements.

RITES Mohawarean Arabia Company Ltd. (RMAC), a subsidiary company with 76% stake, in Saudi Arabia is under liquidation & there is no transaction during the period, hence its financial statements are not considered for consolidation. Investment in equity of ₹ 0.47 crore made by the holding company has been returned by RMAC during the financial year 2014-15.

After the approval of shareholders, operations of RISL, a wholly owned subsidiary, have been discontinued during the year and proceedings for liquidation have been initiated. Prior to initiation of liquidation proceedings, all assets and liabilities of RISL as at 30th September, 2016 with negative networth of ₹ 0.58 crore have been taken over by RITES Ltd. on that date at book value. RISL is consolidated as discontinued entity.

The consolidated financial statements are approved for issued by the holding company's Board of Directors on 4th July, 2017.

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 GENERAL

(a) Statement of Compliance

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

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

These financial statements for the year ended 31 March, 2017 are the first financial statements which the Company has prepared in accordance with all applicable Ind AS. Note No. 2.2 explain the way the Company adopted Ind AS.

(b) Basis of preparation

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

- Derivative financial instruments,
- which are specifically indicated in the concerned accounting policies.

(c) Use of estimates and judgements

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities and contingent assets as at the date of the financial statements and reported amounts of revenues and expenses for the year. Actual results could differ from these estimates. Future results could differ due to changes in these estimates and the difference between the actual result and the estimates are recognized in the period 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 as at 31 March, 2017. Control is achieved when the Group is exposed, or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee, if and only if, the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee),
 - Exposure or rights to variable returns from its involvement with the investee, and
 - The ability to use its power over the investee to affect its returns.
- (ii) Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:
- The contractual arrangement with the other vote holders of the investee:
 - Rights arising from other contractual arrangements.
 - The Group's voting rights and potential voting rights.
 - The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.
- iii) The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.
- iv) Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.
- v) The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purpose, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

vi) Consolidation procedure for:

A) Subsidiaries

- (a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries.
- (b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
- (c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.
- (d) Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:
 - De-recognises the assets (including goodwill) and liabilities of the subsidiary.
 - De-recognises the carrying amount of any non-controlling interests.
 - De-recognises the cumulative translation differences recorded in equity.
 - Recognises the fair value of the consideration received.
 - Recognises the fair value of any investment retained.
 - Recognises any surplus or deficit in profit or loss.
 - Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed off the related assets or liabilities.

B) Joint Ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether joint control exist are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its joint venture are accounted for using the equity method. Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date.

1.2 REVENUE RECOGNITION

1.2.1 REVENUE FROM OPEARTIONS

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

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

General Parameters

- (a) Revenue is recognized on satisfaction of following conditions:-
 - (i) outcome of the transaction can be estimated or measured reliably.
 - (ii) it is probable that the economic benefits associated with the transaction will flow to the company.
 - (iii) the costs incurred and cost to complete the transaction can be measured reliably.
- (b) When outcome of transaction cannot be estimated reliably, revenue is recognized to the extent of cost incurred which is recoverable else cost incurred is charged to the Statement of Profit and Loss.
- (c) When there is uncertainty as to realisability, recognition of revenue is postponed until such uncertainty is removed.
- (d) Revenue is measured at the fair value of the consideration received or receivable.

1.2.1.1 Consultancy Fee

Revenue from rendering of services is recognized on the basis of stage of completion of each transaction using appropriate method.

Physical progress, efforts, cost incurred to date bear to the total estimated cost of the transaction, time spent, service performed or any other method that management considered appropriate are used to measure the stage of completion at the end of the reporting period.

Reimbursable and supplies are accounted for on accrual basis.

In Construction Management/Supervision Contracts, revenue is recognised as a percentage of the value of work done/built-up cost of each contract as determined by the Management, pending customer's approval, if any.

Mobilization fee is considered as advance until recognized as revenue based on the stage of completion of activities/transactions as per the terms of contract/work order.

1.2.1.2 Inspection Fee

Inspection fee is accounted for on the basis of inspection certificates issued.

1.2.1.3 Lease Services

Lease income arising from operating leases is accounted for on a straight-line basis over the lease terms. However, reimbursables under the contract are accounted for on accrual basis. Initial direct costs are added to the carrying amount of the leased assets and recognized as an expense over the lease term.

1.2.1.4 Export Sales

Export sales are accounted for on the basis of bills raised where all significant risks and rewards of ownership have been transferred to the buyer wherein company neither retain continuing managerial involvement to the degree usually associated with the ownership nor effective control over the goods exported.

1.2.1.5 Construction Projects

Revenue and costs associated with the construction contracts/projects are recognized as revenue and expenses respectively based on stage of completion of contract/project activities at the end of the reporting period.

Stage of completion of contract for recognition of revenue is based on the proportion of the costs incurred for work performed up to the reporting date bear to the estimated total contract/project costs.

Any expected loss is recognized as an expense immediately.

1.2.1.6 Wind Mill Projects

Revenue from sale of power through wind mill projects is recognized on the basis of certificate from concerned State Electricity Authority for energy fed in kwh (units) in authority's system and as per terms and conditions of the Agreement with the beneficiary.

1.2.1.7 Consultancy - Advisory services for Power Procurement

Income from consultancy is recognized as per the terms and conditions of the agreement with the beneficiary.

1.2.2 Other Income

1.2.2.1 Interest income

Interest income is recognized using effective interest method.

1.2.2.2 Dividend

Revenue is recognised when the right to receive the payment is established, which is generally when shareholders approve the dividend.

1.2.2.3 Export incentives

Export incentive is recognized when there is a reasonable assurance that the incentive will be received and all the attached conditions have been complied with.

1.2.2.4 OTHERS

Other income is accounted for on accrual basis except claims/supplementary claims / counter claims/interest on delayed payments / awards in favour of the Company/ sale of tenders/ premium on sale of licenses etc. which are accounted for on final settlement / realization.

1.3 PROPERTY, PLANT AND EQUIPMENT (PPE)

Property, plant and equipment are stated at cost i.e., cost of acquisition or construction inclusive of freight, erection and commissioning charges, non-refundable duties and taxes, expenditure during construction period, borrowing costs, in case of a qualifying asset, upto the date of acquisition/ installation, net of accumulated depreciation and impairment losses, if any.

- (a) Incidental expenditure during construction period including interest charges incurred upto the date of completion, net of interest recovered on mobilisation advance, are capitalized.
- (b) Spare valuing more than ₹ 10 lakh which can be used only in connection with an item of property, plant and equipment and whose use is expected to be irregular are capitalised and depreciated over the useful life of the spares or principal item of the relevant assets, whichever is lower. Other spares are charged off to the Statement of Profit and Loss in the year of purchase.
- (c) Expenditure incurred subsequently relating to property, plant & equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably.
- (d) The initial estimate of the cost of dismantling, removing the item and restoring the site on which PPE is located, the obligation for which is incurred when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during the period, is capitalized as a component of PPE.

1.3.1 Depreciation

- (a) Depreciation on property, plant and equipment are provided on straight line method over their estimated useful life determined by management. Depreciation method, useful lives and residual values are reviewed at the end of each financial year. The useful lives of assets are as prescribed in part C of schedule II of the Companies Act, 2013 except assets indicated in sub paragraphs from (d) to (g) below. In respect of additions to/deductions from the assets during the year, depreciation is charged on pro rata basis.
- (b) The estimated useful lives of the various assets, are as under:-

Assets	Useful Life (Years)
i) Furniture	4-10
ii) Fixture	5
iii) Office Equipment	5-6
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	4-10
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
xvii) Plant & Machinery	15
xviii) Building (rehabilitated)-CCFB	20
xix) Locomotives (rehabilitated)-CCFB	25
xx) Tools and Plant	10
xxi) Workshop Machinery	15

- (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 derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition 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 derecognised.
- (d) In respect of BOT assets, depreciation is charged over the period of project or the life stated above whichever is lower.
- (e) In respect of buildings on lease hold land, depreciation is charged over the period of lease of land or the useful life stated above for buildings on freehold land, whichever is lower.
- (f) In case of RITES Ltd., as per company's assessment, Fixtures, Mobile Hand Set, Coolers & Air Conditioners and In-Service Locomotives & Coaches (refurbished) have lower useful lives than prescribed in part C of schedule II of the Companies Act, 2013. Therefore depreciation is charged at higher rate than prescribed under the Companies Act, 2013. In case of REMCL, Windmill plants have higher useful life of 25 years than prescribed in part C of schedule II of the Companies Act, 2013 or 22 years. Therefore, depreciation is charged at lower rate than prescribed under the Companies Act, 2013.
- (g) In case of holding & its subsidiary companies in India, Individual low cost assets of value less than ₹ 5,000/- and software of value less than ₹ 100,000/- are entirely depreciated/amortized in the year of acquisition.
- (h) In case of holding & its subsidiary companies in India, a nominal value of ₹ 1/- is assigned to the fully depreciated assets except for the assets which are fully charged off to the income statement in the year of purchase being low value 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 amortised in the year of acquisition.
- (b) A nominal value of ₹ 1/- is assigned to the fully amortised assets other than assets specified at (a) above.

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 derecognised 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 derecognition.

1.6 INVESTMENTS

Equity investments are measured at fair value through profit and loss except investments in subsidiary, participating joint venture with or without joint control and associate.

Investments in subsidiary, participating joint venture with or without joint control and associate are measured at cost.

1.7 JOINT ARRANGEMENTS

1.7.1 JOINT VENTURES

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its joint venture are accounted for using the equity method. Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date.

1.7.2 JOINT OPERATIONS

- (a) In case of participating joint operations with joint control, company recognizes in relation to its interest in a joint

operation as under :-

- (i) its assets, including its share of any assets held jointly;
- (ii) its liabilities, including its share of any liabilities incurred jointly;
- (iii) its revenue from the sale of its share of the output arising from the joint operation;
- (iv) its share of the revenue from the sale of the output by the joint operation; and
- (v) its expenses, including its share of any expenses incurred jointly.

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 ASs.

1.8 INVENTORIES

- (a) Inventories are valued at cost on First In First Out (FIFO) basis or net realizable value whichever is less.
- (b) Cost of inventories comprises of costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.
- (c) The diminution in the value of obsolete, unserviceable, slow moving and non-moving stores and spares are assessed periodically and accordingly provided for.
- (d) Consumables are charged to the Statement of Profit & Loss in the year of purchase irrespective of the value.

1.9 EMPLOYEE BENEFITS

1.9.1 Defined Contribution Plans

Pension Scheme/Post Retiral Medical Schemes

Retirement benefit 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 & 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.

- (a) In case of regular employees:
 - (i) Company has set up a Gratuity Trust Fund which is being administered by Life Insurance Corporation of India (LIC) who invests the contribution in the schemes permitted by laws of India.
 - (ii) The company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability.
 - (iii) Gain or loss through re-measurements of net defined benefit liability/(asset) is recognized in Other Comprehensive Income.
 - (iv) The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized in Other Comprehensive Income.
 - (v) Service cost and net interest cost/(income) on the net defined benefit liability/(asset) are recognized in Statement of Profit and Loss.
- (b) In case of contractual employees:
 - (i) The company recognizes obligation of a defined benefit plan in its balance sheet as a liability.
 - (ii) Actuarial gain or loss of defined benefit liability is recognized in Other Comprehensive Income.
 - (iii) Service cost and interest on the defined benefit liability are recognized in Statement of Profit and Loss.

1.9.2.2 Provident fund

The Company makes contribution to the recognized provident fund - "RITES Contributory Provident Fund" for its employees, which is a defined benefit plan to the extent that the Company has an obligation to make good the shortfall, if any, between the returns from the investments of the trust and the notified interest rate. The Company's obligation in this regard is determined by an independent actuary and provided for if the circumstances indicate that the Trust may not be able to generate adequate returns to cover the interest rates notified by the Government.

1.9.3 Other long term Benefits

Benefits provided by company to employees -Leave Travel Concession for CDA employees, Leave Encashment, Medical

Leave (LHAP) and Long Service Award, are accounted for on actuarial valuation made at the end of year. The actuarial gains/losses are recognized in the Statement of Profit & Loss for the year.

1.9.4 Other Benefits

1.9.4.1 Ex-gratia payments on death are recognized on payment basis in the Statement of Profit & Loss.

1.9.4.2 Terminal Benefits to Contract Employees

Leave Encashment is a defined benefit obligation. The cost of providing benefits under the defined benefit plan is determined on the basis of actuarial valuation.

1.10 RESEARCH & DEVELOPMENT

Revenue expenditure incurred/paid during the year on research is charged to the Statement of Profit & Loss.

Development cost is capitalized if following are demonstrated otherwise it is charged to the Statement of Profit & Loss:

- (a) Technical feasibility of completing the intangible asset so that it will be available for use or sell.
- (b) Intention to complete the intangible asset and use or sell it.
- (c) Ability to use or sell the intangible assets.
- (d) Asset will generate future economic benefits.
- (e) There is availability of resources to complete the asset.

The developed asset is carried at cost less any accumulated amortisation and impairment loss, if any. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

1.11 INCOME TAXES

1.11.1 CURRENT INCOME TAX

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. In case of domestic entities, the tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted in India, at the reporting date. Tax expense relating to foreign operations is determined in accordance with tax laws applicable in countries where such operations are domiciled.

Management periodically evaluates positions taken in the tax assessments with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets are offset against current tax liabilities if, and only if, a legally enforceable right exists to set off the recognised amounts and there is an intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Additional taxes, interest and/or penalties levied/ imposed by the tax authorities / Appellate authorities on finality are recognized in the Statement of Profit and Loss.

Current tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized.

1.11.2 Deferred tax

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred income taxes are not provided on the undistributed earnings of the subsidiaries where it is expected that the earning of the subsidiaries will not be distributed in foreseeable future.

1.12 RATES & TAXES

Overseas taxes on foreign assignments, service tax, value added tax, alike taxes, professional tax, property tax, entry tax, labour cess, octroi etc. paid/accrued in India or abroad for which credit are not available to the company are charged to the Statement of Profit & Loss.

1.13 PREPAYMENTS

Prepayments towards leasehold land and/or buildings, which are in the nature of operating lease, are amortized over the period of the lease agreement.

PREPAID EXPENSES AND PRIOR PERIOD ADJUSTMENTS

Prepaid expenses and prior period adjustments up to ₹ 1,00,000/- in each case are treated as expenditure/income of the year and accounted for to the natural head of accounts.

1.14 TRANSLATION AND TRANSACTIONS OF FOREIGN CURRENCIES

1.14.1 Functional Currency

Functional Currency of the company is Indian Rupees and the financial statements are presented in Indian Rupees.

1.14.2 Foreign Currencies

Transactions in foreign currencies are initially recorded by the Company at functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses an available average rate if the average approximates the actual rate at the date of the transaction.

1.14.3 Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

1.14.4 Exchange differences arising on settlement or translation of monetary items are recognised in the Statement of Profit or Loss.

1.14.5 Assets and liabilities for each balance sheet presented including comparatives are translated at the exchange rate prevailing on the reporting date.

Income and expenses for each statement of profit and loss is presented including comparatives are translated at exchange rate prevailing on the date of transaction.

All resulting exchange differences are recognised in other comprehensive income.

1.14.6 On the disposal off foreign operation, the cumulative amount of exchange differences relating to that foreign operation, recognised in other comprehensive income (OCI) and accumulated in separate component of equity is re-classified from equity to Statement of Profit & 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 driving basis earning per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at the later date. Dilutive potential equity share are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus share issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

1.18 IMPAIRMENT OF ASSETS

1.18.1 Financial Assets

(Other than at Fair Value)

The Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on following financial assets - loans, deposits and trade receivables.

In case of holding company, trade/lease receivables outstanding for a period over 3 years are impaired 100% and others which are outstanding for a period of 3 years or less are impaired on a case to case basis, except in cases where amount is considered recoverable as per the management.

For other receivables impairment is made on the basis of expected credit loss model.

1.18.2 Non Financial Assets

(Tangible and Intangible Assets)

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use). Impairment loss is charged to the Statement of Profit & 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 & Loss to the extent of previously recognized or balanced impairment loss.

1.19 WRITE OFF

1.19.1 Financial Assets

Such assets including trade/lease receivables are written off when, in the opinion of the management, unrealisability has become certain.

1.19.2 Non Financial Assets

Such assets including property, plant, equipment (PPE), intangible assets, investment property and inventory are written off when, in the opinion of the management, such asset has become obsolete, damaged beyond repair, stolen and uneconomical to use.

1.20 PROVISION FOR WARRANTY FOR SALE AND SERVICES RENDERED

Provision for warranties is recognized when products are sold and services are rendered with warranty as per the contract. These provisions are estimated by using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claim will arise or incurred. The initial estimate of warranty-related costs is revised annually.

As per the terms of the contracts, the Company provides post-contract services/warranty support to some of its customers. The Company accounts for the post-contract support / provision for warranty on the basis of the information available with the Management duly taking into account the current and past estimates.

1.21 PROVISION FOR PROFESSIONAL SERVICES (FOR EXPORT SALES)

Provision for professional services for export sales is recognized in the year in which sales are recognized.

1.22 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

- (a) Provisions involving substantial degree of estimation in measurement are recognized when there is a present legal or constructive obligation as a result of past events and it is probable that there will be an outflow of resources.
- (b) Contingent Liabilities are not recognized but are disclosed in the notes in any of the following cases :-
 - (i) a present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation; or
 - (ii) a reliable estimate of the present obligation cannot be made; or
 - (iii) a possible obligation, unless the probability of outflow of resource is remote.
- (c) Contingent Liability is net of estimated provisions considering possible outflow on settlement.
- (d) Contingent Assets are not recognized but are disclosed where an inflow of economic benefits is probable.
- (e) Contingent Assets, Contingent Liabilities and Provisions needed against Contingent Liabilities are reviewed at each balance sheet date.

1.23 BORROWING COST

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of cost of such assets which necessarily takes substantial period of time to get ready for their intended use. All other borrowing costs are recognized as expenses in the Statement of Profit & Loss.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

1.24 LEASE ASSETS

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

Finance leases, where substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are reflected in the Statement of Profit & Loss.

Capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty to obtain ownership by the end of the lease term.

1.24.1 LEASE EXPENSES

Lease expenses/payments under operating lease are recognized as expenses on straight line basis over the lease term unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

1.25 NON-CURRENT ASSETS HELD FOR SALE

The Company classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification. Non-current assets classified as held for sale is recognized at lower of its carrying amount and fair value less cost to sell.

1.26 DIVIDENDS

Final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the company's Board of Directors.

1.27 FINANCIAL INSTRUMENTS

1.27.1 Initial recognition

Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and financial liabilities are recognized at fair value on initial recognition except for trade receivables/ trade payables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit and loss are added or deducted to/from the fair value on initial recognition.

1.27.2 Subsequent measurement

- (a) Financial assets are subsequently measured at amortised cost if these are held within a business model whose objective is to hold the assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding using the effective interest rate (EIR) method. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.
- (b) Financial assets at fair value through profit or loss
The financial assets are measured at fair value through profit or loss unless it is classified at amortised cost.
- (c) Financial liabilities
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.
All other financial liabilities are subsequently measured at amortised cost using EIR method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are de-recognised as well as through the EIR amortisation process.

1.27.3 De-recognition of financial instruments

A financial asset is de-recognised when:

- The rights to receive cash flows from the asset have expired, or
- the Company has transferred substantially all the risks and rewards of the asset, or the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability or a part of financial liability is de-recognised from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

1.27.4 Forward contracts

Forward contracts are measured at marked to market value at every reporting date.

2. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

2.1 First time adoption of Ind AS

These consolidated financial statements of RITES Ltd. for the financial year ended 31st March, 2017 have been prepared in accordance with Ind AS. For the purpose of transition to Ind AS, the Group has followed guidelines prescribed in Ind AS 101-First time adoption of Indian Accounting Standard, with 1st April, 2015 as transition date and IGAAP as previous GAAP.

The transition to Ind AS has resulted in changes in the presentation of the financial statements, disclosures in the notes thereto and accounting policies and principles. The accounting policies set out in note 1 have been applied in preparing the Consolidated financial statements for the financial year ended 31st March, 2017 and the comparative information. An explanation of how the transition from previous GAAP to Ind AS has affected the Consolidated Balance Sheet, Consolidated Statement of Profit & Loss and Consolidated Statement of Cash Flows, is set out in note 2.2. Exemptions on first time adoption of Ind AS availed in accordance with Ind AS 101 have been set out in note 2.1.1.

2.1.1 Exemptions availed on first time adoption of Ind AS 101

Ind AS 101 allows first time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Group has accordingly applied the following exemptions:-

- (a) Investments in subsidiaries, joint ventures and associates:
The Group has elected to adopt the carrying value under previous GAAP as on the date of transition i.e. April 1, 2015 in its separate financial statements.
- (b) Deemed Cost of Property, Plant and Equipment (PPE), Intangible Assets and Investment Property:
There is no change in functional currency of the Group on the date of transition to Ind AS, hence Group has elected to continue with the carrying value for all of its property, plant and equipment (PPE), intangible assets and investment property recognised under Indian GAAP as deemed cost at transition date (i.e. 01.04.2015) in the consolidated financial statements.

2.2 RECONCILIATIONS

THE FOLLOWING RECONCILIATIONS PROVIDES THE EFFECT OF TRANSITION TO IND AS FROM IGAAP IN ACCORDANCE WITH IND AS 101:

2.2.1 RECONCILIATION OF EQUITY AS AT 31.03.2016 AND 01.04.2015 AS PREVIOUSLY REPORTED UNDER INDIAN GAAP TO IND AS

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2016					AS AT 01.04.2015				
		IGAAP	Prior Period Adjustments	Changes in Accounting Policies	Other Reclassification /Restatement	Ind AS	IGAAP	Prior Period Adjustments	Changes in Accounting Policies	Other Reclassification /Restatement	Ind AS
ASSETS											
NON CURRENT ASSETS											
PROPERTY, PLANT AND EQUIPMENT	A	425.76	(1.82)	-	(8.51)	415.43	216.56	(1.77)	-	(8.97)	205.82
CAPITAL WORK IN PROGRESS	B	26.83	(2.19)	-	(17.34)	7.30	74.14	(0.22)	-	(48.15)	25.77
INVESTMENT PROPERTY		1.29	-	-	-	1.29	1.33	-	-	-	1.33
INTANGIBLE ASSETS		3.10	-	-	-	3.10	4.79	-	-	-	4.79
INTANGIBLE ASSETS UNDER DEVELOPMENT		1.58	-	-	-	1.58	0.75	-	-	-	0.75
INVESTMENT IN JOINT VENTURES APPLYING EQUITY METHOD		30.58	-	-	-	30.58	25.81	-	-	-	25.81
FINANCIAL ASSETS											
INVESTMENTS	C	220.04	-	-	(50.00)	170.04	200.04	-	-	-	200.04
LOANS	D	13.55	-	(3.23)	-	10.32	104.75	-	(4.07)	-	100.68
OTHER FINANCIAL ASSETS	E	198.13	-	(1.44)	-	196.69	192.29	-	-	-	192.29
DEFERRED TAX ASSETS (NET)	F	27.51	-	12.88	-	40.39	46.24	-	12.88	-	59.12
OTHER NON CURRENT ASSETS	G	69.49	0.44	2.59	27.42	99.94	78.58	0.46	2.98	58.49	140.51
		1,017.86	(3.57)	10.80	(48.43)	976.66	945.28	(1.53)	11.79	1.37	956.91
CURRENT ASSETS											
INVENTORIES		11.41	-	-	-	11.41	6.66	-	-	-	6.66
FINANCIAL ASSETS											
INVESTMENTS	C	-	-	-	50.00	50.00	-	-	-	-	-
TRADE RECEIVABLES	H	538.09	(5.37)	-	1.41	534.13	371.45	(4.54)	-	1.27	368.18
CASH AND CASH EQUIVALENTS-OWNED FUND	I	238.46	-	-	0.09	238.55	250.68	-	-	0.06	250.74
CASH AND CASH EQUIVALENTS-CLIENTS FUND		190.35	-	-	-	190.35	199.36	-	-	-	199.36
OTHER BANK BALANCES-OWNED FUND	I	480.98	-	-	4.40	485.38	463.83	-	-	4.59	468.42
OTHER BANK BALANCES-CLIENTS FUND		1,636.81	-	-	-	1,636.81	1,139.08	-	-	-	1,139.08
LOANS		7.17	-	-	-	7.17	12.20	-	-	-	12.20
OTHER FINANCIAL ASSETS	J	219.37	0.22	(37.21)	(5.70)	176.68	179.84	0.22	(38.22)	(6.75)	135.09
CURRENT TAX ASSETS (NET)		38.66	-	-	-	38.66	1.62	-	-	-	1.62
OTHER CURRENT ASSETS	K	80.84	(0.74)	2.02	0.47	82.59	28.02	(0.76)	1.00	0.47	28.73
		3,442.14	(5.89)	(35.19)	50.67	3,451.73	2,652.74	(5.08)	(37.22)	(0.36)	2,610.08
TOTAL ASSETS		4,460.00	(9.46)	(24.39)	2.24	4,428.39	3,598.02	(6.61)	(25.43)	1.01	3,566.99
EQUITY AND LIABILITIES											
EQUITY											
EQUITY SHARE CAPITAL		100.00	-	-	-	100.00	100.00	-	-	-	100.00
OTHER EQUITY	L	1,708.76	(11.46)	86.12	-	1,783.42	1,534.67	(10.10)	14.08	-	1,538.65
EQUITY ATTRIBUTABLE TO EQUITY SHAREHOLDERS		1,808.76	(11.46)	86.12	-	1,883.42	1,634.67	(10.10)	14.08	-	1,638.65
NON-CONTROLLING INTERESTS		26.03	-	-	-	26.03	14.70	-	-	-	14.70
		1,834.79	(11.46)	86.12	-	1,909.45	1,649.37	(10.10)	14.08	-	1,653.35
LIABILITIES											
NON CURRENT LIABILITIES											
FINANCIAL LIABILITIES											
BORROWINGS		110.54	-	-	-	110.54	-	-	-	-	-
TRADE PAYABLES		0.66	-	-	-	0.66	2.67	-	-	-	2.67
OTHER FINANCIAL LIABILITIES		99.62	-	-	-	99.62	82.21	-	-	-	82.21
PROVISIONS	M	100.84	-	(0.98)	-	99.86	104.70	-	(1.00)	-	103.70
OTHER NON CURRENT LIABILITIES		2.07	-	-	-	2.07	6.41	-	-	-	6.41
		313.73	-	(0.98)	-	312.75	195.99	-	(1.00)	-	194.99
CURRENT LIABILITIES											
FINANCIAL LIABILITIES											
TRADE PAYABLES	N	84.97	2.38	-	2.16	89.51	81.54	3.69	-	0.99	86.22
OTHER FINANCIAL LIABILITIES	O	1,895.89	0.09	-	0.04	1,896.02	1,504.37	0.06	-	-	1,504.43
PROVISIONS	P	214.18	-	(109.53)	-	104.65	115.23	-	(38.51)	-	76.72
CURRENT TAX LIABILITIES (NET)		1.01	-	-	-	1.01	0.01	-	-	-	0.01
OTHER CURRENT LIABILITIES	Q	115.43	(0.47)	-	0.04	115.00	51.51	(0.26)	-	0.02	51.27
		2,311.48	2.00	(109.53)	2.24	2,206.19	1,752.66	3.49	(38.51)	1.01	1,718.65
TOTAL EQUITY AND LIABILITIES		4,460.00	(9.46)	(24.39)	2.24	4,428.39	3,598.02	(6.61)	(25.43)	1.01	3,566.99

EXPLANATIONS FOR RECONCILIATION OF BALANCE SHEET AS PREVIOUS YEAR REPORTED UNDER IGAAP TO IND AS

(A) PROPERTY, PLANT AND EQUIPMENT

- (a) Adjustments on account of prior period errors/omissions.
- (b) Reclassification/Restatement of Leasehold assets from tangible assets to pre payments under current/non-current assets.

(B) CAPITAL WORK IN PROGRESS

- (a) Adjustments on account of prior period errors/omissions.
- (b) Reclassification/Restatement of Capital work in progress to Capital advance under non-current assets.

(C) INVESTMENTS

Reclassified from Non current to Current at year ended 31.03.2016.

(D) LOANS

- (a) As per IND AS, staff loan and interest accrued thereon are presented/restated at present value applying effective interest rate method and balance is shown separately under other non-current/current assets as deferred cost towards staff loan.

(E) OTHER NON-CURRENT FINANCIAL ASSETS

- (a) As per IND AS, amount recoverable from Govt of Mozambique (GOM) is presented/restated at present value applying effective interest rate method and balance is shown separately under other non-current/current assets as deferred cost.

(F) DEFERRED TAX ASSETS (NET)

Tax impact on adjustments of Work-in-Progress(WIP) is made as per IND AS.

(G) OTHER NON CURRENT ASSETS

- (a) Adjustments on account of prior period errors/omissions.
- (b) Reclassification/Restatement of Leasehold assets from tangible assets to pre payments under current/non-current assets.
- (c) Reclassification/Restatement of Capital work in progress to Capital advance under non-current assets.
- (d) As per IND AS, staff loan and amount recoverable from Govt of Mozambique (GOM) and interest accrued thereon are presented/restated at present value applying effective interest rate method and balance is shown separately under other non-current/current assets as deferred cost.
- (e) Restatement towards Joint Operations.

(H) TRADE RECEIVABLES

- (a) Adjustments on account of prior period errors/omissions.(b) Restatement towards Joint Operations.

(I) CASH AND BANK BALANCE

Restatement towards Joint Operations.

(J) OTHER CURRENT FINANCIAL ASSETS

- (a) Adjustments on account of prior period errors/omissions. (b) Adjustments on account of Work-in-Progress(WIP) are made as per IND AS.
- (c) Restatement towards Joint Operations.

(K) OTHER CURRENT ASSETS

- (a) Adjustments on account of prior period errors/omissions.
- (b) Reclassification/Restatement of Leasehold assets from tangible assets to pre payments under current/non-current assets.
- (c) Adjustments on account of change in accounting policy on prepaid expenses.
- (d) As per IND AS, staff loan and amount recoverable from Govt of Mozambique (GOM) and interest accrued thereon are presented/restated at present value applying effective interest rate method and balance is shown separately under other non-current/current assets as deferred cost.

(L) OTHER EQUITY

Adjustments on account of proposed dividend, dividend tax, work-in-progress, tax impact on work-in-progress, change in accounting policy on pre-paid, prior period errors/omissions etc. have been made as per IND AS.

(M) NON CURRENT- PROVISIONS

Impact on account of discounting of Provision for warranties.

(N) TRADE PAYABLES

- (a) Adjustments on account of prior period errors/omissions.
- (b) Restatement towards Joint Operations.

(O) OTHER FINANCIAL LIABILITIES

Adjustments on account of prior period errors/omissions.

(P) CURRENT PROVISIONS

Adjustments reflect dividend (including corporate dividend tax) declared and approved post reporting date.

(Q) OTHER CURRENT LIABILITIES

- (a) Adjustments on account of prior period errors/omissions.
- (b) Restatement towards Joint Operations.

2.2.2 RECONCILIATION OF NET PROFIT FOR THE YEAR ENDED 31.03.2016 AS PREVIOUSLY REPORTED UNDER INDIAN GAAP TO IND AS

(₹ in crore)

PARTICULARS	NOTE NO.	IGAAP	YEAR ENDED 31.03.2016			Ind AS
			Prior Period Adjustments	Changes in Accounting Policies	Other Reclassification /Restatement	
CONTINUING OPERATIONS						
REVENUE						
REVENUE FROM OPERATIONS	R	1,102.43	(0.55)	-	-	1,101.88
OTHER INCOME	S	208.40	0.03	0.83	(16.45)	192.81
TOTAL REVENUE		1,310.83	(0.52)	0.83	(16.45)	1,294.69
EXPENDITURE						
EMPLOYEE BENEFIT EXPENSES	T	341.72	-	(0.49)	(0.32)	340.91
TRAVEL	U	35.69	-	-	(0.15)	35.54
SUPPLIES & SERVICES	V	96.51	0.46	-	-	96.97
COST OF EXPORT SALES	W	159.63	(0.21)	0.02	(1.65)	157.79
COST OF TURNKEY CONSTRUCTION PROJECTS (INCREASE) /DECREASE IN WORK IN PROGRESS-CONSULTANCY PROJECTS	X	35.35	0.05	(0.14)	-	35.26
TRANSMISSION AND WHEELING CHARGES	Y	0.88	-	(0.88)	-	-
DEPRECIATION & AMORTISATION EXPENSES	Z	2.17	-	-	(0.46)	2.17
OTHER EXPENSES	AA	35.15	0.05	-	(0.46)	34.74
PRIOR PERIOD ADJUSTMENTS (NET)	AB	81.85	2.73	(0.12)	(13.87)	70.59
		2.23	(2.23)	-	-	-
TOTAL EXPENDITURE		791.18	0.85	(1.61)	(16.45)	773.97
PROFIT BEFORE SHARE OF PROFIT/(LOSS) OF JOINT VENTURES AND TAX FROM CONTINUING OPERATIONS		519.65	(1.37)	2.44	-	520.72
SHARE OF PROFIT/(LOSS) OF JOINT VENTURES		(2.60)	-	-	-	(2.60)
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		517.05	(1.37)	2.44	-	518.12
TAX EXPENSES						
- CURRENT YEAR	AC	(158.62)	-	(0.46)	-	(159.08)
DEFERRED TAX (NET)		(18.70)	-	-	-	(18.70)
PROFIT AFTER TAX FROM CONTINUING OPERATIONS		339.73	(1.37)	1.98	-	340.34
DISCONTINUED OPERATIONS						
LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS		(0.39)	-	-	-	(0.39)
TAX EXPENSES OF DISCONTINUED OPERATIONS		(0.03)	-	-	-	(0.03)
LOSS FROM DISCONTINUED OPERATIONS		(0.42)	-	-	-	(0.42)
PROFIT/(LOSS) FOR THE YEAR		339.31	(1.37)	1.98	-	339.92
OTHER COMPREHENSIVE INCOME						
ITEMS THAT WILL BE RECLASSIFIED SUBSEQUENTLY TO PROFIT & LOSS						
FOREIGN CURRENCY TRANSLATION RESERVE	AD	-	-	(0.09)	-	(0.09)
INCOME TAX EFFECT		-	-	-	-	-
		-	-	(0.09)	-	(0.09)
ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO PROFIT & LOSS						
REMEASUREMENTS OF THE DEFINED BENEFIT LIABILITY/ASSET	AD	-	-	(1.32)	-	(1.32)
INCOME TAX EFFECT	AC	-	-	0.46	-	0.46
		-	-	(0.86)	-	(0.86)
TOTAL OTHER COMPREHENSIVE INCOME (NET OF TAX)		-	-	(0.95)	-	(0.95)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		339.31	(1.37)	1.03	-	338.97

EXPLANATIONS FOR RECONCILIATION OF STATEMENT OF PROFIT & LOSS AS PREVIOUS YEAR REPORTED UNDER INDIAN GAAP TO IND AS

(R) REVENUE FROM OPERATIONS

Adjustments on account of prior period errors/omissions.

(S) OTHER INCOME

- (a) Adjustments on account of prior period errors/omissions.
- (b) Recognition of deferred income on recoverables from GOM (Govt. of Mozambique) and interest on staff loans at effective interest rate have been made as per IND AS.
- (c) Reclassification/restatement of other income.

(T) EMPLOYEE BENEFIT EXPENSES

- (a) As per Ind AS, Interest on staff loans is recognised at effective interest rate method and actuarial gain and loss are recognised in Other Comprehensive Income (OCI) & not reclassified to Profit & Loss in subsequent period.
- (b) Reclassification/restatement of employee benefit expenses.

(U) TRAVEL

Reclassification/restatement of employee benefit expenses.

(V) SUPPLIES & SERVICES

Adjustments on account of prior period errors/omissions.

(W) COST OF EXPORT SALES

- (a) Adjustments on account of prior period errors/omissions.
- (b) Impact on account of discounting of warranty provisions.
- (c) Reclassification/restatement of cost of export sales.

(X) COST OF TURNKEY CONSTRUCTION PROJECTS

- (a) Adjustments on account of prior period errors/omissions.
- (b) As per Ind AS, adjustments on account of work-in-progress have been made.

(Y) (INCREASE)/DECREASE IN WORK IN PROGRESS-CONSULTANCY PROJECTS

As per Ind AS, adjustments on account of work-in-progress have been made.

(Z) DEPRECIATION

- (a) Adjustments on account of prior period errors/omissions.
- (b) Reclassification/restatement of depreciation due to reclassification of tangible assets to pre-payments towards leasehold assets.

(AA) OTHER EXPENSES

- (a) Adjustments on account of prior period errors/omissions.
- (b) Adjustments on account of change in accounting policy on prepaid expenses.
- (c) Reclassification/restatement of other expenses.

(AB) PRIOR PERIOD ADJUSTMENTS (NET)

Adjustments of prior period errors/omissions have been made as per IND AS.

(AC) INCOME TAX

Adjustments of tax on remeasurement of defined benefits have been made as per IND AS.

(AD) REMEASUREMENTS OF THE DEFINED BENEFITS PLANS

Re-measurement of defined benefit plan and foreign currency translation reserve have been considered in Other Comprehensive Income (OCI) as per IND AS.

2.2.3 RECONCILIATION OF CASH FLOWS FOR THE YEAR ENDED 31.03.2016 AS PREVIOUSLY REPORTED UNDER INDIAN GAAP TO IND AS:

There were no significant reconciliation items between cash flows prepared under Indian GAAP and those prepared under Ind AS.

2.3 PROPERTY, PLANT AND EQUIPMENT

FOLLOWING ARE THE CHANGES IN THE CARRYING VALUE OF PROPERTY, PLANT AND EQUIPMENT FOR THE YEAR ENDED 31.03.2017

(₹ in crore)

DESCRIPTION	GROSS BLOCK						DEPRECIATION/AMORTISATION						NET BLOCK	
	AS AT 01/04/2016	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	ADJ OF EXCHANGE RATE	DELETIONS DURING THE YEAR	TOTAL	AS AT 01/04/2016	FOR THE YEAR	ADJ DURING THE YEAR	ADJ OF EXCHANGE RATE	DELETIONS DURING THE YEAR	TOTAL	AS AT 31/03/2017	
LEASED HOLD														
LAND [^]	1.10	-	-	-	-	1.10	0.07	0.04	-	-	-	0.11	0.99	
BUILDING	5.04	5.64	-	-	-	10.68	1.28	0.16	-	-	-	1.44	9.24	
RESIDENTIAL QUARTERS	3.80	-	-	-	-	3.80	3.80	-	-	-	-	3.80	-	
MULTIFUNCTIONAL COMPLEX	5.90	0.11	-	-	0.25	5.76	0.16	0.17	-	-	0.25	0.08	5.68	
SUB TOTAL	15.84	5.75	-	-	0.25	21.34	5.31	0.37	-	-	0.25	5.43	15.91	
OTHERS														
LAND	29.57	0.79	-	-	-	30.36	-	-	-	-	-	-	30.36	
BUILDING	41.80	-	-	-	-	41.80	7.98	0.68	-	-	-	8.66	33.14	
RESIDENTIAL QUARTERS	3.34	-	-	-	0.37	2.97	2.37	0.02	-	-	0.37	2.02	0.95	
SURVEY AND OTHER INSTRUMENTS	14.36	1.06	-	-	0.26	15.16	11.24	0.71	-	-	0.26	11.69	3.47	
COMPUTER AND EQUIPMENTS	18.40	2.04	-	-	1.19	19.25	15.24	2.22	-	-	1.18	16.28	2.97	
SERVER & NETWORK	8.58	0.05	-	-	-	8.63	5.30	1.00	-	-	-	6.30	2.33	
OFFICE AND OTHER EQUIPMENTS	11.76	0.93	-	-	0.71	11.98	9.95	0.93	-	-	0.67	10.21	1.77	
AIR-CONDITIONER AND EQUIPMENTS	1.87	0.27	-	-	0.08	2.06	1.14	0.20	-	-	0.06	1.28	0.78	
AIR CONDITIONER PLANT	13.63	0.05	-	-	0.05	13.63	8.24	1.36	-	-	0.04	9.56	4.07	
FURNITURES	6.93	0.46	-	-	0.19	7.20	4.41	0.53	-	-	0.19	4.75	2.45	
FIXTURES	7.54	0.05	-	-	0.05	7.54	6.63	0.47	-	-	0.03	7.07	0.47	
VEHICLES	4.00	-	-	-	0.17	3.83	2.67	0.30	-	-	0.17	2.80	1.03	
VEHICLES ABROAD	0.13	-	-	0.01	-	0.14	0.12	0.01	-	-	-	0.13	0.01	
LOCOMOTIVES NEW	60.30	-	-	-	-	60.30	2.85	4.02	-	-	-	6.87	53.43	
LOCOMOTIVES IN SERVICE	170.43	13.35	-	-	-	183.78	59.03	17.76	-	-	-	76.79	106.99	
COACHES*	7.52	-	-	-	-	7.52	7.52	-	-	-	-	7.52	-	
PLANT & MACHINERY [^]	152.22	-	-	-	-	152.22	2.79	6.09	-	-	-	8.88	143.34	
SUB TOTAL	552.38	19.05	-	0.01	3.07	568.37	147.48	36.30	-	-	2.97	180.81	387.56	
TOTAL	568.22	24.80	-	0.01	3.32	589.71	152.79	36.67	-	-	3.22	186.24	403.47	

NOTE :

- DEPRECIATION ON FREEHOLD FLATS IS CHARGED ON THE TOTAL COST OF FLATS IN THE ABSENCE OF BREAK-UP OF LAND COMPONENTS IN THE FLATS VALUE.

- IN RESPECT OF LEASE AGREEMENT PENDING

[^] LAND OF ₹ 1.05 CRORE AND PLANT & MACHINERY OF ₹ 152.22 CRORE ARE MORTGAGE/HYPOTHECATED AGAINST BORROWINGS (REFER NOTE NO. 2.24).

* KEPT FOR DISPOSAL.

FOLLOWING ARE THE CHANGES IN THE CARRYING VALUE OF PROPERTY, PLANT AND EQUIPMENT FOR THE YEAR ENDED 31.03.2016

(₹ in crore)

DESCRIPTION	GROSS BLOCK						DEPRECIATION/AMORTISATION						NET BLOCK	
	AS AT 01/04/2015	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	ADJ OF EXCHANGE RATE	DELETIONS DURING THE YEAR	TOTAL	AS AT 01/04/2015	FOR THE YEAR	ADJ DURING THE YEAR	ADJ DURING THE YEAR	DELETIONS DURING THE YEAR	TOTAL	AS AT 31/03/2016	AS AT 01/04/2015
LEASED HOLD														
LAND [^]	0.05	1.05	-	-	-	1.10	0.05	0.02	-	-	-	0.07	1.03	0.00
BUILDING	5.04	-	-	-	-	5.04	1.11	0.17	-	-	-	1.28	3.76	3.93
RESIDENTIAL QUARTERS	3.80	-	-	-	-	3.80	3.71	0.09	-	-	-	3.80	-	0.09
MULTIFUNCTIONAL COMPLEX	4.44	1.46	-	-	-	5.90	0.02	0.14	-	-	-	0.16	5.74	4.42
SUB TOTAL	13.33	2.51	-	-	-	15.84	4.89	0.42	-	-	-	5.31	10.53	8.44

(₹ in crore)

DESCRIPTION	GROSS BLOCK						DEPRECIATION/AMORTISATION						NET BLOCK	
	AS AT 01/04/2015	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	ADJ OF EXCHANGE RATE	DELETIONS DURING THE YEAR	TOTAL	AS AT 01/04/2015	FOR THE YEAR	ADJ DURING THE YEAR	ADJ OF EXCHANGE RATE	DELETIONS DURING THE YEAR	TOTAL	AS AT 31/03/2016	AS AT 01/04/2015
OTHERS														
LAND	29.57	-	-	-	-	29.57	-	-	-	-	-	-	29.57	29.57
BUILDING	40.49	1.31	-	-	-	41.80	7.30	0.68	-	-	-	7.98	33.82	33.19
RESIDENTIAL QUARTERS	3.34	-	-	-	-	3.34	2.35	0.02	-	-	-	2.37	0.97	0.99
SURVEY AND OTHER INSTRUMENTS	14.62	0.12	-	-	0.38	14.36	10.94	0.68	-	-	0.38	11.24	3.12	3.68
COMPUTER AND EQUIPMENTS	17.11	2.46	-	-	1.17	18.40	14.26	2.13	-	-	1.15	15.24	3.16	2.85
SERVER & NETWORK	8.30	0.23	-	-	0.01	8.52	4.28	0.97	-	-	0.01	5.24	3.28	4.02
OFFICE AND OTHER EQUIPMENTS	11.32	1.03	-	-	0.53	11.82	9.19	1.32	-	-	0.50	10.01	1.81	2.13
AIR-CONDITIONER AND EQUIPMENTS	1.79	0.32	-	-	0.24	1.87	1.19	0.18	-	-	0.23	1.14	0.73	0.60
AIR CONDITIONER PLANT	12.80	0.83	-	-	-	13.63	6.88	1.36	-	-	-	8.24	5.39	5.92
FURNITURES	6.21	0.96	-	-	0.24	6.93	4.08	0.54	-	-	0.21	4.41	2.52	2.13
FIXTURES	7.30	0.24	-	-	-	7.54	5.90	0.73	-	-	-	6.63	0.91	1.40
VEHICLES	4.28	-	-	-	0.28	4.00	2.63	0.31	-	-	0.27	2.67	1.33	1.65
VEHICLES ABROAD	0.22	-	-	(0.01)	0.08	0.13	0.19	0.01	-	-	0.08	0.12	0.01	0.03
LOCOMOTIVES NEW	-	60.30	-	-	-	60.30	-	2.85	-	-	-	2.85	57.45	-
LOCOMOTIVES IN SERVICE	150.42	20.01	-	-	-	170.43	41.20	17.83	-	-	-	59.03	111.40	109.22
COACHES*	7.52	-	-	-	-	7.52	7.52	-	-	-	-	7.52	-	-
PLANT & MACHINERY [^]	-	152.22	-	-	-	152.22	-	2.79	-	-	-	2.79	149.43	-
SUB TOTAL	315.29	240.03	-	(0.01)	2.93	552.38	117.91	32.40	-	-	2.83	147.48	404.90	197.38
TOTAL	328.62	242.54	-	(0.01)	2.93	568.22	122.80	32.82	-	-	2.83	152.79	415.43	205.82

[^] Land of ₹ 1.05 crore and plant and machinery of ₹ 152.22 crore are Mortgated/Hypothecated against borrowing (Refer Note No. 2.24)

* Kept for disposal

2.4 CAPITAL WORK IN PROGRESS

(₹ in crore)

DESCRIPTION	GROSS BLOCK						DEPRECIATION/AMORTISATION						NET BLOCK
	OPENING	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	ADJ OF EXCHANGE RATE	DELETIONS DURING THE YEAR	TOTAL	OPENING	FOR THE YEAR	ADJ DURING THE YEAR	ADJ OF EXCHANGE RATE	DELETIONS DURING THE YEAR	TOTAL	
AS AT 31.03.2017	7.30	4.05	(6.92)	-	0.24	4.19	-	-	-	-	-	-	4.19
AS AT 31.03.2016	25.77	148.61	(167.08)	-	-	7.30	-	-	-	-	-	-	7.30
AS AT 01.04.2015	-	-	-	-	-	-	-	-	-	-	-	-	25.77

2.5 INVESTMENT PROPERTY

(₹ in crore)

DESCRIPTION	GROSS BLOCK						DEPRECIATION/AMORTISATION						NET BLOCK
	OPENING	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	ADJ OF EXCHANGE RATE	DELETIONS DURING THE YEAR	TOTAL	OPENING	FOR THE YEAR	ADJ DURING THE YEAR	ADJ OF EXCHANGE RATE	DELETIONS DURING THE YEAR	TOTAL	
LEASEHOLD BUILDING													
AS AT 31.03.2017	1.61	-	-	-	-	1.61	0.32	0.04	-	-	-	0.36	1.25
AS AT 31.03.2016	1.61	-	-	-	-	1.61	0.28	0.04	-	-	-	0.32	1.29
AS AT 01.04.2015	-	-	-	-	-	-	-	-	-	-	-	-	1.33

REFER NOTE NO. 2.47

2.6 INTANGIBLE ASSETS

(₹ in crore)

DESCRIPTION	GROSS BLOCK						DEPRECIATION/AMORTISATION						NET BLOCK
	OPENING	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	ADJ OF EXCHANGE RATE	DELETIONS DURING THE YEAR	TOTAL	OPENING	FOR THE YEAR	ADJ DURING THE YEAR	ADJ OF EXCHANGE RATE	DELETIONS DURING THE YEAR	TOTAL	
SOFTWARES (ACQUIRED)													
AS AT 31.03.2017	12.96	0.28	-	-	0.30	12.94	9.86	1.63	-	-	0.29	11.20	1.74
AS AT 31.03.2016	12.65	0.34	-	-	0.03	12.96	7.86	2.02	-	-	0.02	9.86	3.10
AS AT 01.04.2015	-	-	-	-	-	-	-	-	-	-	-	-	4.79

2.7 INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ in crore)

DESCRIPTION	GROSS BLOCK						DEPRECIATION/AMORTISATION						NET BLOCK
	OPENING	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	ADJ OF EXCHANGE RATE	DELETIONS DURING THE YEAR	TOTAL	OPENING	FOR THE YEAR	ADJ DURING THE YEAR	ADJ OF EXCHANGE RATE	DELETIONS DURING THE YEAR	TOTAL	
SOFTWARES (ACQUIRED)													
AS AT 31.03.2017	1.58	-	-	-	-	1.58	-	-	-	-	-	-	1.58
AS AT 31.03.2016	0.75	0.83	-	-	-	1.58	-	-	-	-	-	-	1.58
AS AT 01.04.2015	-	-	-	-	-	-	-	-	-	-	-	-	0.75

AGREEGATE DEPRECIATION AND AMORTISATION HAS BEEN INCLUDED UNDER DEPRECIATION AND AMORTISATION EXPENSES IN THE STATEMENT OF PROFIT AND LOSS.

DEPRECIATION OF ₹ 0.09 CRORE (PREVIOUS YEAR ₹ 0.14 CRORE) ON ASSETS PERTAINS TO DISCONTINUED OPERATIONS ARE CONSIDERED IN DISCONTINUED OPERATIONS INSTEAD OF DEPRECIATION EXPENSES.

2.8 INVESTMENT IN JOINT VENTURES APPLYING EQUITY METHOD

(₹ in crore)

PARTICULARS	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 01.04.2015
COMPANHIA DOS CAMINHOS DE FERRO DA BEIRA, SA (CCFB), MOZAMBIQUE*	-	11.00	10.86
SAIL-RITES BENGAL WAGON INDUSTRY PRIVATE LIMITED	14.83	19.58	14.95
BNV GUJARAT RAIL PRIVATE LIMITED	0.01	-	-
TOTAL	14.84	30.58	25.81

* DISPUTE OF CCFB, MOZAMBIQUE HAS BEEN AMICABLY SETTLED WITH GOVERNMENT OF MOZAMBIQUE (GOM) IN 2015-16 (REFER NOTE NO. 2.62).

REFER NOTE NO. 2.49.3.3

2.9 INVESTMENTS

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 01.04.2015
-------------	----------	------------------	------------------	------------------

2.9.1 NON CURRENT INVESTMENTS

A) INVESTMENT IN UNQUOTED EQUITY INSTRUMENTS OF (INVESTMENT CARRIED AT COST):

COOPERATIVE SOCIETIES

- (i) **Moru Mahal Co-operative Society Limited** 2.75 - - -
5 (previous year 5) Equity Shares of face value of ₹ 50/- each acquired for purchase of residential quarter.

PARTICULARS	NOTE NO.	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 01.04.2015
(ii) Amit Industrial Premises Co-operative Society Limited 10 (previous year 10) Equity Shares of face value of ₹ 50/- each acquired for purchase of laboratory.	2.75	-	-	-
OTHERS				
Global Procurement Consultants Limited*** 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).		0.04	0.04	0.04
AGGREGATE OF UNQUOTED INVESTMENTS (NON CURRENT)		<u>0.04</u>	<u>0.04</u>	<u>0.04</u>
B) INVESTMENT IN QUOTED TAX FREE BONDS OF (INVESTMENT CARRIED AT AMORTISED COST):				
(i) INDIAN RAILWAY FINANCE CORPORATION* (7 YEAR SECURED REDEEMABLE 6.30% TAX FREE BONDS 08 MAR., 2017) 5,000 Bonds of face value of ₹ 100,000/- each, fully paid		-	-	50.00
(ii) INDIAN RAILWAY FINANCE CORPORATION (7 YEAR SECURED REDEEMABLE 6.32% TAX FREE BONDS 20 DEC., 2017) 5,000 Bonds of face value of ₹ 100,000/- each, fully paid		-	50.00	50.00
(iii) INDIAN RAILWAY FINANCE CORPORATION (10 YEAR SECURED REDEEMABLE 7.55% TAX FREE BONDS 08 NOV., 2021) 2,500 Bonds of face value of ₹ 100,000/- each, fully paid		25.00	25.00	25.00
(iv) INDIAN RAILWAY FINANCE CORPORATION (10 YEAR SECURED REDEEMABLE 7.21% TAX FREE BONDS 26 NOV., 2022) 300 Bonds of face value of ₹ 1,000,000/- each at premium of ₹100/- each, fully paid		30.00	30.00	30.00
(v) INDIAN RAILWAY FINANCE CORPORATION (10 YEAR SECURED REDEEMABLE 7.22% TAX FREE BONDS 30 NOV., 2022) 100 Bonds of face value of ₹ 1,000,000/- each at premium of ₹100/- each, fully paid		10.00	10.00	10.00
(vi) INDIAN RAILWAY FINANCE CORPORATION (10 YEAR SECURED REDEEMABLE 7.18% TAX FREE BONDS 19 FEB., 2023) 100,000 Bonds of face value of ₹ 1,000/- each, fully paid		10.00	10.00	10.00
(vii) INDIAN RAILWAY FINANCE CORPORATION (10 YEAR SECURED REDEEMABLE 8.35% TAX FREE BONDS 21 NOV., 2023) 250 Bonds of face value of ₹ 1,000,000/- each at premium of ₹100/- each, fully paid		25.00	25.00	25.00
(viii) 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)		<u>120.00</u>	<u>170.00</u>	<u>200.00</u>
TOTAL (NON CURRENT)		<u>120.04</u>	<u>170.04</u>	<u>200.04</u>

(₹ in crore)

PARTICULARS	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 01.04.2015
2.9.2 CURRENT INVESTMENTS			
A) INVESTMENT IN UNQUOTED MUTUAL FUNDS (INVESTMENT CARRIED AT FAIR VALUE THROUGH PROFIT OR LOSS):			
UTI LIQUID CASH PLAN	71.28	-	-
699229.967 (PREVIOUS YEAR NIL) UNITS OF ₹ 1019.4457 PER UNIT			
CANARA ROBECO LIQUID FUND	71.76	143.04	-
713603.584 (PREVIOUS YEAR NIL) UNITS OF ₹ 1005.5000 PER UNIT.			
AGGREGATE OF UNQUOTED INVESTMENT (CURRENT)	143.04	-	-
B) INVESTMENT IN QUOTED TAX FREE BONDS OF (INVESTMENT CARRIED AT AMORTISED COST):			
(i) INDIAN RAILWAY FINANCE CORPORATION* (7 YEAR SECURED REDEEMABLE 6.30% TAX FREE BONDS 08 MAR., 2017) 5,000 Bonds of face value of ₹ 100,000/- each, fully paid	-	50.00	-
(ii) INDIAN RAILWAY FINANCE CORPORATION (7 YEAR SECURED REDEEMABLE 6.32% TAX FREE BONDS 20 DEC., 2017) 5,000 Bonds of face value of ₹ 100,000/- each, fully paid	50.00	-	-
AGGREGATE OF QUOTED INVESTMENTS (CURRENT)	50.00	50.00	-
TOTAL (CURRENT)	193.04	50.00	-
GRAND TOTAL	313.08	220.04	200.04
A AGGREGATE AMOUNT OF QUOTED INVESTMENTS	170.00	220.00	200.00
B MARKET VALUE OF QUOTED INVESTMENTS (INCLUDING INTEREST ACCRUED)**	178.56	229.67	209.67
C AGGREGATE AMOUNT OF UNQUOTED INVESTMENTS	143.08	0.04	0.04
D AGGREGATE AMOUNT OF IMPAIRMENT IN VALUE OF INVESTMENTS	-	-	-

* RECLASSIFIED FROM NON CURRENT TO CURRENT AT THE YEAR ENDED ON 31.03.2016.

** MARKET VALUE OF SOME OF THE BONDS ARE NOT AVAILABLE AS THESE BONDS ARE NOT FREQUENTLY TRADED, HENCE TAKEN AT AMORTISED COST.

*** EQUITY SHARES OF GLOBAL PROCUREMENT CONSULTANTS LIMITED ARE NOT TRADABLE AND AMOUNT OF INVESTMENT IN THE ENTITY IS NOT MATERIAL, HENCE INVESTMENT IS RECOGNISED AT COST.

REFER NOTE NO. 2.54

2.10 NON CURRENT LOANS

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 01.04.2015
(SECURED, CONSIDERED GOOD)				
LOANS TO EMPLOYEES		9.61	8.96	8.36
(UNSECURED, CONSIDERED GOOD)				
LOANS TO EMPLOYEES		0.04	1.36	1.47
LOANS TO CCFB, MOZAMBIQUE (RELATED PARTY)*	2.62	-	-	90.85
TOTAL		9.65	10.32	100.68

*Shareholders loan, loan in lieu of equity and loan to meet arbitration expenses.

2.11 OTHER NON CURRENT FINANCIAL ASSETS

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 01.04.2015
SECURITY DEPOSITS		2.64	1.54	1.11
INTEREST ACCRUED (INCLUDING ACCRUED BUT NOT DUE) ON:				
-BANK DEPOSITS		2.50	1.21	2.92
-LOANS TO CCFB, MOZAMBIQUE (RELATED PARTY)	2.62	-	-	6.45
RETENTION MONEY		15.23	11.03	7.27
GOVT. OF MOZAMBIQUE RECEIVABLES	2.62	68.49	45.96	-
BANK DEPOSITS HAVING MATURITY OVER 12 MONTHS FROM REPORTING DATE:				
-OWNED FUND	2.16.3	105.88	108.29	104.02
-CLIENTS FUND	2.17.3	49.94	28.66	70.52
TOTAL		244.68	196.69	192.29

2.12 DEFERRED TAX ASSETS/ (LIABILITY) (NET)

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 01.04.2015
DEFERRED INCOME TAX ASSETS:				
LEAVE ENCHASHMENT AND OTHER PROVISIONS		21.44	33.13	48.39
PROVISION FOR DOUBTFUL DEBTS, SECURITY DEPOSITS/ EMD, ADVANCES ETC.		27.87	20.53	20.75
CARRY FORWARD LOSSES/BUSINESS LOSS (AS PER IT ACT, 1961)		0.02	0.02	0.04
PRELIMINARY EXPENSES		0.02	0.05	0.06
TOTAL DEFERRED INCOME TAX ASSETS - I		49.35	53.73	69.24
DEFERRED INCOME TAX LIABILITIES:				
PROPERTY, PLANT & EQUIPMENT		21.02	13.34	10.12
TOTAL DEFERRED INCOME TAX LIABILITIES - II		21.02	13.34	10.12
DEFERRED INCOME TAX ASSETS (NET)	2.70	28.33	40.39	59.12

2.13 OTHER NON CURRENT ASSETS

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 01.04.2015
ADVANCE INCOME TAX (NET OF PROVISION)	2.70	107.95	69.81	80.00
PREPAID EXPENSES		1.08	1.21	0.88
PRE-PAYMENT TOWARDS LEASEHOLD ASSETS		7.62	8.04	8.50
DEFERRED COST TOWARDS STAFF LOAN		2.08	2.23	2.98
CAPITAL ADVANCE		11.44	17.34	48.15
DEFERRED COST TOWARDS GOVT OF MOZAMBIQUE RECEIVABLES		1.78	0.34	-
MAT CREDIT		7.09	0.97	-
TOTAL		139.04	99.94	140.51

2.14 INVENTORIES (AT THE LOWER OF COST AND NET REALISABLE VALUE)

(₹ in crore)

PARTICULARS	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 01.04.2015
(AS CERTIFIED BY MANAGEMENT)			
STORES & SPARES	2.58	2.11	0.24
STOCK IN TRADE*	44.01	9.30	6.42
TOTAL	46.59	11.41	6.66

* Includes inventory of ₹ 38.83 crore (previous year ₹ 5.74 crore, 01.04.2015 ₹ 4.50 crore) lying with third parties.

2.15 CURRENT TRADE RECEIVABLES

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 01.04.2015
UNSECURED				
CONSIDERED GOOD	2.46	465.23	534.13	368.18
CONSIDERED DOUBTFUL		63.53	41.74	45.60
		528.76	575.87	413.78
LESS: ALLOWANCES FOR EXPECTED CREDIT LOSSES		(63.53)	(41.74)	(45.60)
TOTAL		465.23	534.13	368.18

2.16 CASH AND BANK BALANCES-OWNED FUND

(₹ in crore)

PARTICULARS	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 01.04.2015
2.16.1 CASH AND CASH EQUIVALENTS			
CASH IN HAND	0.03	0.03	0.02
CHEQUES IN HAND	0.34	0.18	0.22
BANK BALANCES IN :			
CURRENT ACCOUNTS	38.66	127.52	11.06
DEPOSITS #	202.97	241.63	239.44
		110.82	250.50
		238.34	
TOTAL	242.00	238.55	250.74
2.16.2 OTHER BANK BALANCES			
DEPOSITS ##	642.94	485.38	468.42
TOTAL	642.94	485.38	468.42
2.16.3 BANK BALANCE MORE THAN 12 MONTHS MATURITY-OWNED FUND (NOTE NO. 2.11)			
DEPOSITS ###	105.88	108.29	104.02
TOTAL	105.88	108.29	104.02
2.16.4 BOOK OVERDRAFT#### (NOTE NO. 2.30)			
	(1.68)	-	-
TOTAL CASH & BANK BALANCE-OWNED FUND*	989.14	832.22	823.18

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 ₹ 4.24 crore (previous year ₹ 6.49 crore, 01.04.2015 ₹ 7.29 crore) on account of bank balance held as margin money deposits against guarantees issued by banks.

Refer note no. 2.69 for disclosure on specified bank notes as defined in MCA notification G.S.R. 308 (E) dated 31.03.2017.

2.17 CASH AND BANK BALANCES-CLIENTS FUND

(₹ in crore)

PARTICULARS	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 01.04.2015
2.17.1 CASH AND CASH EQUIVALENTS			
BANK BALANCES IN :			
CURRENT ACCOUNTS	58.09	6.46	33.66
DEPOSITS #	275.28	183.89	165.70
TOTAL	333.37	190.35	199.36
2.17.2 OTHER BANK BALANCES			
DEPOSITS ##	1,659.09	1,636.81	1,139.08
TOTAL	1,659.09	1,636.81	1,139.08
2.17.3 BANK BALANCE MORE THAN 12 MONTHS			
MATURITY- CLIENTS FUND (NOTE NO. 2.11)			
DEPOSITS ###	49.94	28.66	70.52
TOTAL	49.94	28.66	70.52
2.17.4 BOOK OVERDRAFT#### (NOTE NO. 2.30)	(26.58)	(3.58)	(25.34)
TOTAL CASH & BANK BALANCE- CLIENTS FUND	2,015.82	1,852.24	1,383.62

Having maturity within 3 months from the date of acquisition.

Having maturity over 3 months from the date of acquisition and upto 12 months from reporting date.

Having maturity over 12 months from reporting date.

Book overdraft due to issuance of cheques, which will be cleared against term deposits available in banks.

2.18 CURRENT LOANS

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 01.04.2015
(SECURED, CONSIDERED GOOD)				
LOANS TO EMPLOYEES		3.94	3.90	3.98
(UNSECURED, CONSIDERED GOOD)				
LOANS TO JV (RELATED PARTY)	2.46	7.00	1.73	7.10
FOR WORKING CAPITAL REQUIREMENTS				
LOANS TO EMPLOYEES		0.48	1.54	1.12
TOTAL		11.42	7.17	12.20

2.19 OTHER CURRENT FINANCIAL ASSETS

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 01.04.2015
GOVT. OF TANZANIA RECEIVABLES	2.63	58.72	60.09	56.65
AMOUNT RECOVERABLES		29.42	32.05	28.88
LESS: ALLOWANCES FOR EXPECTED CREDIT LOSSES		(15.94)	(16.43)	(13.96)
INTEREST ACCRUED (INCLUDING ACCRUED BUT NOT DUE) ON:				
- BANK DEPOSITS HAVING MATURITY:				
WITHIN 3 MONTHS FROM THE DATE OF ACQUISITION		-	0.35	18.52
OVER 3 MONTHS FROM THE DATE OF ACQUISITION AND UPTO 12 MONTHS FROM REPORTING DATE		39.98	41.59	25.61
- BONDS		7.47	8.36	8.23
- LOANS TO SRBWIPL (RELATED PARTY)		0.14	0.31	0.07
- OTHER LOANS AND ADVANCES		-	-	0.21
RETENTION MONEY		7.21	7.53	8.21
GOVT. OF MOZAMBIQUE RECEIVABLES		36.20	36.99	-
ADVANCES TO RELATED PARTIES	2.46	0.07	0.10	0.05
SECURITY DEPOSITS		4.15	4.55	3.31
LESS: ALLOWANCES FOR EXPECTED CREDIT LOSSES		(0.68)	(0.76)	(0.70)
UNBILLED REVENUE		2.55	0.29	-
OTHER ADVANCES		3.83	1.66	0.01
TOTAL		173.12	176.68	135.09

2.20 CURRENT TAX ASSETS (NET)

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 01.04.2015
INCOME TAX RECEIVABLES	2.70	10.35	38.66	1.62
TOTAL		10.35	38.66	1.62

2.21 OTHER CURRENT ASSETS

(₹ in crore)

PARTICULARS	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 01.04.2015
PREPAID EXPENSES	4.94	3.40	1.92
OTHER ADVANCES	42.13	77.00	25.64
LESS: ALLOWANCES FOR EXPECTED CREDIT LOSSES	(0.39)	(0.38)	(0.39)
PRE-PAYMENT TOWARDS LEASEHOLD ASSETS	0.44	0.47	0.47
DEFERRED COST TOWARDS STAFF LOAN	0.84	1.00	1.09
DEFERRED COST TOWARDS GOVT. OF MOZAMBIQUE RECEIVABLES	2.03	1.10	-
TOTAL	49.99	82.59	28.73

2.22 EQUITY SHARE CAPITAL

(₹ in crore)

PARTICULARS		AS AT 31.03.2017	AS AT 31.03.2016	AS AT 01.04.2015
2.22.1	AUTHORISED			
	300,000,000 (PREVIOUS PERIOD 150,000,000) EQUITY SHARES OF ₹ 10/- EACH	<u>300.00</u>	<u>150.00</u>	<u>150.00</u>
2.22.2	ISSUED, SUBSCRIBED AND FULLY PAID-UP			
	200,000,000 (PREVIOUS PERIOD 100,000,000) EQUITY SHARES OF ₹ 10/- EACH	<u>200.00</u>	<u>100.00</u>	<u>100.00</u>
		<u>200.00</u>	<u>100.00</u>	<u>100.00</u>
		No. of Shares (₹ in crore)	No. of Shares (₹ in crore)	No. of Shares (₹ in crore)
2.22.3	RECONCILIATION OF NUMBER OF EQUITY SHARES			
	OPENING BALANCE	100,000,000 100.00	100,000,000 100.00	100,000,000 100.00
	ADD/(LESS) DURING THE PERIOD	100,000,000 100.00	- -	- -
	CLOSING BALANCE	<u>200,000,000 200.00</u>	<u>100,000,000 100.00</u>	<u>100,000,000 100.00</u>
2.22.4	RIGHTS, PREFERENCES AND RESTRICTIONS ATTACHED TO EQUITY SHARES			
	THE COMPANY HAS ONE CLASS OF EQUITY SHARES HAVING A PAR VALUE OF ₹ 10 EACH. EACH SHAREHOLDER IS ELIGIBLE FOR ONE VOTE PER SHARE HELD IN CASE POLL IS DEMANDED BY THE MEMBERS IN ACCORDANCE WITH THE PROVISIONS OF THE COMPANIES ACT, 2013. IN THE EVENT OF LIQUIDATION, THE EQUITY SHAREHOLDERS ARE ELIGIBLE TO RECEIVE THE REMAINING ASSETS OF THE COMPANY AFTER DISTRIBUTION OF ALL PREFERENTIAL AMOUNTS, IN PROPORTION TO THEIR SHAREHOLDING.			
		No. of Shares	No. of Shares	No. of Shares
2.22.5	EQUITY SHARES HELD BY EACH SHAREHOLDER MORE THAN 5% OF SHARES			
	PRESIDENT OF INDIA ACTING THROUGH MINISTRY OF RAILWAYS	199,960,000	99,980,000	99,980,000
		(99.98 %)	(99.98 %)	(99.98 %)
2.22.6	FULLY PAID-UP AGGREGATE NUMBER OF EQUITY SHARES ALLOTTED BY WAY OF BONUS SHARES DURING THE YEAR OF FIVE YEARS IMMEDIATELY PRECEDING BALANCE SHEET DATE.			
		No. of Shares	No. of Shares	No. of Shares
	NUMBER OF BONUS SHARES ISSUED IN 2012-13 : 6 CRORE OF ₹ 10/- EACH			
	NUMBER OF BONUS SHARES ISSUED IN 2016-17 : 10 CRORE OF ₹ 10/- EACH (ISSUED TWICE: 5 CRORE EACH TIME)	<u>160,000,000</u>	<u>60,000,000</u>	<u>60,000,000</u>

2.23 OTHER EQUITY (REFER STATEMENT OF CHANGE IN EQUITY)

(₹ in crore)

PARTICULARS		AS AT 31.03.2017	AS AT 31.03.2016	AS AT 01.04.2015
2.23.1	RESERVE & SURPLUS			
	GENERAL RESERVE	1,835.80	1,782.77	1,536.63
2.23.2	OTHER COMPREHENSIVE INCOME			
	REMEASUREMENT OF DEFINED BENEFITS	1.62	1.03	1.89
	FOREIGN CURRENCY TRANSLATION RESERVE	<u>0.10</u> 1.72	<u>0.04</u> 1.07	<u>0.13</u> 2.02
2.23.3	DISCONTINUED OPERATIONS	<u>(0.52)</u>	<u>(0.42)</u>	-
	ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY (2.22.1+2.22.2+2.22.3)	<u>1,837.00</u>	<u>1,783.42</u>	<u>1,538.65</u>
2.23.4	NON-CONTROLLING INTERESTS	44.83	26.03	14.70
	TOTAL	<u>1,881.83</u>	<u>1,809.45</u>	<u>1,553.35</u>

2.24 NON CURRENT BORROWINGS

(₹ in crore)

PARTICULARS	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 01.04.2015
SECURED TERM LOAN FROM INDIAN BANK*	75.76	110.54	-
TOTAL	75.76	110.54	-

Refer note no. 2.30 for current maturity of above term loan (payable within 1 year from reporting date).

* The details of security for the secured term loan from Indian Bank are as follows:-

- Hypothecation of all the movable assets pertaining to project including but not limited to plant and machinery, machinery spares, tools and accessories.
- Hypothecation charge on the Borrower's book debts, operating cash flows, receivables, commissions, revenues of whatsoever nature and where ever arising, present and future, intangibles, goodwill present and future, related to project.
- A first charge on the company's bank accounts related to project including but not limited to the Escrow Account (Escrow) opened with our Bank, where all cash inflows of the company related to the project shall be deposited and all proceeds shall be utilised in a manner and priority to be decided by the Lenders.
- Mortgage charges on the rights on the sub-leased land in Jaisalmer, Rajasthan for the purpose of the Project - to be executed by way of an equitable mortgage.

* Terms of repayment of term loan are as under:-

- Repayment of loan to be made in 144 monthly installments started from April 2016.
- Repayment of interest on term loan to be made monthly till closure of term loan.
- Term Loan can be prepaid as per the availability of cash generation without any pre-payment charges.

2.25 NON CURRENT TRADE PAYABLES

(₹ in crore)

PARTICULARS	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 01.04.2015
CREDITORS FOR SUPPLIES AND SERVICES			
OTHER THAN MICRO, SMALL AND MEDIUM ENTERPRISES	0.06	0.66	2.67
TOTAL	0.06	0.66	2.67

2.26 OTHER NON CURRENT FINANCIAL LIABILITIES

(₹ in crore)

PARTICULARS	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 01.04.2015
SECURITY DEPOSITS	108.46	99.62	82.21
TOTAL	108.46	99.62	82.21

2.27 NON CURRENT PROVISIONS

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 01.04.2015
EMPLOYEE BENEFITS	2.44	97.55	89.89	94.62
WARRANTIES	2.51.1	15.13	9.97	9.08
TOTAL		112.68	99.86	103.70

2.28 OTHER NON CURRENT LIABILITIES

(₹ in crore)

PARTICULARS	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 01.04.2015
CLIENTS ADVANCES	7.27	2.07	6.41
TOTAL	7.27	2.07	6.41

2.29 CURRENT TRADE PAYABLES

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 01.04.2015
CREDITORS FOR SUPPLIES AND SERVICES				
MICRO, SMALL AND MEDIUM ENTERPRISES	2.60	1.74	0.78	0.07
OTHER THAN MICRO, SMALL AND MEDIUM ENTERPRISES		81.32	88.73	86.15
TOTAL		83.06	89.51	86.22

2.30 OTHER CURRENT FINANCIAL LIABILITIES

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 01.04.2015
CURRENT MATURITY OF SECURED TERM LOAN FROM INDIAN BANK	2.24	7.67	10.05	-
CLIENTS DEPOSITS		1,723.86	1,742.14	1,357.40
SECURITY DEPOSITS		80.63	58.78	67.67
FOREIGN SERVICE CONTRIBUTION	2.64	5.62	1.93	1.87
SALARY PAYABLES		49.19	50.26	40.01
BOOK OVERDRAFT-OWNED FUND*	2.16.4	1.68	-	-
BOOK OVERDRAFT-CLIENTS FUND*	2.17.4	26.58	3.58	25.34
STAFF & OTHER CLAIMS		5.66	4.98	6.39
SUNDRY CREDITORS FOR OTHER EXPENSES		24.17	23.26	5.75
INTEREST ACCRUED AND DUE ON BORROWINGS		0.88	1.04	-
TOTAL		1,925.94	1,896.02	1,504.43

* Book overdraft due to issuance of cheques, which will be cleared against term deposits clients fund available in banks.

2.31 CURRENT PROVISIONS

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 01.04.2015
EMPLOYEE BENEFITS	2.44	113.76	78.95	55.42
EXCISE DUTY		1.79	0.50	0.50
WARRANTIES	2.51.1	34.99	21.77	18.52
COMMITMENTS	2.51.1	-	3.43	2.28
TOTAL		150.54	104.65	76.72

2.32 CURRENT TAX LIABILITIES (NET)

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 01.04.2015
INCOME TAX (NET OF ADVANCE TAX)	2.70	0.01	1.01	0.01
TOTAL		0.01	1.01	0.01

2.33 OTHER CURRENT LIABILITIES

(₹ in crore)

PARTICULARS	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 01.04.2015
CUSTOMERS ADVANCES	225.42	93.17	44.06
STATUTORY LIABILITIES	21.37	18.28	7.21
ADVANCE AGAINST WIND MILL PROJECT	3.55	3.55	-
TOTAL	250.34	115.00	51.27

2.34 REVENUE FROM OPERATIONS

(₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2017	YEAR ENDED 31.03.2016
SALE OF SERVICES			
CONSULTANCY FEE (GROSS)		760.02	723.89
LESS: SERVICE TAX		(97.16)	(87.78)
CONSULTANCY FEE (NET)	2.66	662.86	636.11
QUALITY ASSURANCE (GROSS)		199.13	153.71
LESS: SERVICE TAX		(25.38)	(18.42)
QUALITY ASSURANCE (NET)		173.75	135.29
LEASE SERVICES (GROSS)		103.92	108.15
LESS: SERVICE TAX		(10.64)	(9.09)
LEASE SERVICES (NET)		93.28	99.06
		929.89	870.46
SALE OF PRODUCTS			
EXPORT SALES		377.40	185.94
SALE OF POWER GENERATION		16.94	6.92
OTHERS			
TURNKEY CONSTRUCTION PROJECTS	2.43	31.23	38.56
TOTAL		1,355.46	1,101.88

2.35 OTHER INCOME

(₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2017	YEAR ENDED 31.03.2016
INTEREST EARNED ON:			
- DEPOSITS WITH BANK		80.88	81.68
- TAX FREE BONDS		15.14	14.85
- STAFF ADVANCES		1.79	2.13
- LOAN TO SRBWIPL (RELATED PARTY)		0.14	0.26
- LOAN TO CCFB (RELATED PARTY)		-	30.45
- OTHERS		8.63	-
		106.58	129.37
PROVISION NO LONGER REQUIRED		5.52	5.02
PROFIT ON SALE OF FIXED ASSETS		0.06	0.12
PROFIT ON SALE OF INVESTMENT IN JOINT VENTURE	2.62	66.48	-
DEFERRED INCOME TOWARDS		1.96	-
GOVT OF MOZAMBIQUE RECEIVABLES			
DIVIDEND FROM:			
- RITES (AFRIKA) (RELATED PARTY)		-	-
- TRADE CURRENT INVESTMENTS		4.45	1.25
		4.45	1.25
EXPORT INCENTIVES		14.01	0.06
RENT FROM INVESTMENT PROPERTIES		1.05	1.03
EXCHANGE VARIATION		-	50.02
MISCELLANEOUS INCOME		3.03	5.94
TOTAL		203.14	192.81

2.36 EMPLOYEE BENEFIT EXPENSES

(₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2017	YEAR ENDED 31.03.2016
SALARIES-DOMESTIC		246.37	210.69
SALARIES-ABROAD		3.58	3.79
SALARIES CONTRACT EMPLOYEES		23.53	25.21
FOREIGN SERVICE CONTRIBUTION	2.64	5.61	2.04
CONTRIBUTION TO PROVIDENT FUND & OTHER FUNDS	2.44	19.75	18.55
GRATUITY	2.44	40.63	4.55
POST RETIRAL BENEFITS (PENSION/MEDICAL)	2.44	24.27	22.72
STAFF WELFARE EXPENSES		15.88	20.25
LEAVE TRAVEL CONCESSION	2.44	0.06	-
PERFORMANCE RELATED PAYMENT		13.00	16.00
LEAVE ENCASHMENT	2.44	24.17	17.11
TOTAL		416.85	340.91

2.37 COST OF EXPORT SALES

(₹ in crore)

PARTICULARS	YEAR ENDED 31.03.2017	YEAR ENDED 31.03.2016
COST OF TRADED GOODS	252.59	137.95
CONSUMABLES	2.87	2.72
FREIGHT & FORWARDING	4.63	2.19
INSURANCE	0.05	0.10
FEES FOR SERVICES OBTAINED	15.73	7.57
PROVISION FOR WARRANTIES	19.57	7.16
UNWINDING WARRANTIES COST	0.66	0.10
TOTAL	296.10	157.79

2.38 COST OF TURNKEY CONSTRUCTION PROJECTS

(₹ in crore)

PARTICULARS	YEAR ENDED 31.03.2017	YEAR ENDED 31.03.2016
SUPPLIES & SERVICES	27.85	35.26
TOTAL	27.85	35.26

2.39 OTHER EXPENSES

(₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2017	YEAR ENDED 31.03.2016
PRINTING, STATIONERY AND DOCUMENTATION		3.89	4.14
BUSINESS PROMOTION		2.51	1.82
AUDITORS' REMUNERATION	2.39.1	0.20	0.19
AUDITORS' OUT OF POCKET EXPENSES	2.39.1	0.02	0.02
RATES & TAXES		4.01	1.15
OFFICE RENT		5.76	5.11
POSTAGE & TELECOMMUNICATION		4.15	4.10
OFFICE MAINTENANCE		7.91	8.05
REPAIRS TO MACHINERY/EQUIPMENTS		3.24	1.26
REPAIRS TO BUILDING		0.02	0.05
POWER AND FUEL CHARGES		4.64	4.61
STORES AND SPARES CONSUMED-LEASED	2.39.2	3.61	2.18
STORES AND SPARES CONSUMED-OTHERS	2.39.3	6.73	3.83
BOOKS AND PERIODICALS		0.14	0.16
INTERNAL AUDIT FEE		0.13	0.12
ADVERTISEMENT AND PUBLICITY		3.79	3.06
SUBSCRIPTION AND MEMBERSHIP FEE		0.25	0.63
LEGAL AND PROFESSIONAL FEE		1.79	1.54
INSURANCE CHARGES		3.33	1.42
BANK CHARGES		2.01	1.18
BAD DEBTS		3.42	1.17
FIXED ASSETS WRITTEN OFF		0.02	0.03
VEHICLE RUNNING AND MAINTENANCE		0.98	1.03
MANPOWER DEVELOPMENT		1.20	1.09
LOSS ON SALE OF FIXED ASSETS		0.04	0.02
IMPAIRMENT FOR:			
-DOUBTFUL DEBTS, ADVANCES, SECURITY DEPOSITS ETC.		22.15	2.13
PROVISION FOR:			
-COMMITMENTS		-	1.52
-EXCISE DUTY BONDS		1.29	-
DIRECTORS' SITTING FEE		0.12	-
EXCHANGE VARIATION		4.55	-
CORPORATE SOCIAL RESPONSIBILITY		9.20	8.28
RESEARCH AND DEVELOPMENT		-	0.12
OPERATING LEASE PAYMENTS		0.44	0.46
AMORTISED DEFERRED COST TOWARDS GOVT OF MOZAMBIQUE RECEIVABLES		1.96	-
MISCELLANEOUS EXPENSES (COST OF TENDER DOCUMENTS, VISA CHARGES, ETC.)		15.34	10.12
TOTAL		118.84	70.59

2.39.1 AUDITORS' REMUNERATION

(₹ in crore)

PARTICULARS	YEAR ENDED 31.03.2017	YEAR ENDED 31.03.2016
(A) STATUTORY AUDITORS		
STATUTORY AUDIT FEE	0.09	0.08
TAX AUDIT FEE	0.02	0.02
LIMITED REVIEW AUDIT AND CONSOLIDATION FEE	0.04	0.03
OTHER SERVICES, i.e. CERTIFICATION ETC.	-	0.01
SUB TOTAL (A)	0.15	0.14
(B) BRANCH AUDITORS		
STATUTORY AUDIT FEE	0.02	0.02
TAX AUDIT FEE	0.01	0.01
LIMITED REVIEW AUDIT FEE	0.02	0.02
SUB TOTAL (B)	0.05	0.05
AUDITORS' REMUNERATION (A+B)	0.20	0.19
AUDITORS' OUT OF POCKET EXPENSES	0.02	0.02

2.39.2 STORES AND SPARES CONSUMED-LEASED

(₹ in crore)

PARTICULARS	YEAR ENDED 31.03.2017	YEAR ENDED 31.03.2016
STORES AND SPARES CONSUMED	3.23	1.11
CONSUMABLES	0.13	0.75
FREIGHT & FORWARDING INWARD	0.20	0.26
OTHER PROCUREMENT EXPENSES	0.05	0.06
TOTAL	3.61	2.18

2.39.3 STORES AND SPARES CONSUMED-OTHERS

(₹ in crore)

PARTICULARS	YEAR ENDED 31.03.2017	YEAR ENDED 31.03.2016
CONSUMABLES	5.98	3.66
FREIGHT & FORWARDING INWARD	0.75	0.17
TOTAL	6.73	3.83

2.40 SHARE OF PROFIT/(LOSS) OF JOINT VENTURES

(₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2017	YEAR ENDED 31.03.2016
COMPANHIA DOS CAMINHOS DE FERRO DA BEIRA, SA (CCFB), MOZAMBIQUE	2.62	-	0.14
SAIL-RITES BENGAL WAGON INDUSTRY PRIVATE LIMITED		(6.48)	(2.74)
TOTAL	2.49.3.3	(6.48)	(2.60)

2.41 DEFERRED TAX (NET)

(₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2017	YEAR ENDED 31.03.2016
CREDIT/(CHANGE) RELATING TO TEMPORARY DIFFERENCES		(12.06)	(18.70)
TOTAL	2.70	(12.06)	(18.70)

DISCLOSURES AS PER INDIAN ACCOUNTING STANDARDS (IND AS):

2.42 The subsidiary companies considered in the financial statements are as follows:

Name of Subsidiary Companies	Country of Incorporation	% of Shareholding as on 31.03.2017	% of Shareholding as on 31.03.2016
• RITES(Afrika) (Pty) Limited	Botswana	100%	100%
• RITES Infrastructure Services Limited* (RISL)	India	100%	100%
• Railway Energy Management Company Limited (REMCL)	India	51%	51%

*Under liquidation

2.43 Disclosure on Construction Contracts (Indian Accounting Standard-11) is as follows:

S. No.	Particulars	₹ in crore	
		Year ended	
		31.03.17	31.03.16
1.	Contract revenue recognized during the year	31.23	38.61
2.	Aggregate amount of Costs incurred upto reporting date	367.16	328.98
3.	Recognized profits up to reporting date	6.33	13.28
4.	Amount of advances received	111.21	92.17

2.44 In case of holding company, disclosures on Employee benefits (Indian Accounting Standard-19) are as follows:

2.44.1 Defined Benefit Plan

2.44.1.1 Gratuity (Funded)

2.44.1.1.1 Changes in Present Value of the Benefit Obligation are as follows:

Particulars	₹ in crore	
	31.03.17	31.03.16
Present Value of obligation as at beginning of year	79.97	74.87
Interest Cost	6.26	5.99
Current Service Cost	4.99	4.85
Benefits paid	(5.95)	(6.84)
Actuarial (Gain)/Loss on obligation	(0.35)	1.10
Past Service Cost	34.80	-
Present Value of Obligation as at end of year	119.72	79.97

2.44.1.1.2 Changes in the Fair Value of Plan Assets are as follows:

Particulars	₹ in crore	
	31.03.17	31.03.16
Fair Value of Plan Assets at beginning of year	74.10	74.74
Investment Income	5.80	6.29
Contributions	5.87	0.13
Benefits Paid	(5.95)	(6.84)
Actuarial Gain / (Loss) on Plan Assets	1.01	(0.22)
Fair value of Plan Assets at the end of year	80.83	74.10

2.44.1.1.3 The amount recognized in the Balance Sheet is as follows:

Particulars	₹ in crore	
	31.03.17	31.03.16
Defined Benefit Obligation at end of year	119.72	79.97
Fair value of Plan Assets at the end of year	80.83	74.10
Funded Status - (Surplus)/ Deficit	38.89	5.87
Net (Liability)/Asset recognized in Balance Sheet	(38.89)	(5.87)

2.44.1.1.4 Amount recognized in the Statement of Profit & Loss is as follows:

Particulars	₹ in crore	
	31.03.17	31.03.16
Current Service Cost	4.99	4.85
Net Interest on Net Defined Benefit Liability	0.46	5.99
Past Service Cost	34.80	-
Expected Return on Plan Assets	-	(6.29)
Net actuarial (Gain)/Loss	-	1.32
Liability/(Asset) Recognized in Statement of Profit and Loss	40.25	5.87

2.44.1.1.5 Amount recognized in other Comprehensive Income is as follows:

Particulars	₹ in crore	
	31.03.17	31.03.16
Experience (Gains)/ Losses on Liability	(6.62)	1.10
Assumptions (Gains)/Losses on Liability	6.27	
Actuarial (Gains)/Losses on Assets	(1.01)	0.22
Other Comprehensive (Income)/Expense	(1.36)	1.32

2.44.1.1.6 Changes in the Fair Value of Plan Assets are as follows:

Particulars	31.03.17	31.03.16
Discounting rate (%)	7.47%	7.83%
Future salary increase (%)	8%	8%
Expected Return on Assets	7.47%	8.45%

The significant actuarial assumptions for the determination of the defined obligations are discount rate and expected salary increase. The sensitivity for actuarial assumptions have been computed by varying respective actuarial assumption used for valuation of the defined benefit obligation by one percentage, while holding all other assumptions constant.

If the discount rate increases (decreases) by 1%, the defined obligations would Increase by ₹ 8.73 crore (Decrease by ₹ 7.70 crore) as on 31st March, 2017 and if the expected salary growth increases (decreases) by 1%, the defined benefit obligations would increase by ₹ 5.03 crore (decrease by ₹ 5.08 crore) as on 31st March, 2017.

However, the actual change in assumptions would not necessarily behave in isolation to each other. The defined benefit obligations would change accordingly.

The expected benefits are based on the same assumptions as are used to measure company's defined benefit plan obligations as on 31.03.2017. Actual return on assets for the year ended 31.03.2017 and 31.03.2016 was ₹ 5.80 crore and ₹ 6.29 crore respectively. The Company is expected to contribute ₹ 16.76 crore to defined benefit plan obligations towards gratuity during the year 2017-18. Remeasurement (gain)/loss of defined employee benefit plans in Other Comprehensive Income (OCI) for the year ended 31.03.2017 and 31.03.2016 are (₹ 1.36 crore) and ₹ 1.32 crore respectively.

The defined benefit obligation shall mature after year ended 31.03.2017 as follows:

Year ending March, 31	Defined benefit obligations (₹ in crore)
2018	9.33
2019	10.49
2020	10.40
2021	10.40
2022	8.95
2023 to 2027	42.50

2.44.1.2 Provident Fund (Funded)

All eligible employees of the company are entitled to receive benefits under the Provident Fund, a defined benefit plan, set up through a Trust named as RITES Contributory Provident Fund Trust. Both employee and employer contribute monthly at a determined rate as specified under the law to the Trust. The obligation of the company is limited to such contribution and to make good the shortfall, if any, between the returns from the investments of the trust and the notified interest rate. Short fall, if any, is recognised as an expense during the year. As per actuarial valuation, present value of the expected future earnings on the fund is higher than the expected amount to be contributed to the individual members based on the expected guaranteed rate of interest, resulting in no liability on the company.

The company contributed ₹ 19.44 crore and ₹ 18.27 crore to the provident fund during the year ended 31st March, 2017 and 31st March, 2016 respectively.

2.44.1.3 Other Benefits (Unfunded)

2.44.1.3.1 Present value of the defined benefits plan obligations i.e. Leave Encashment, LTC, Medical leave, Leave Encashment (contract employee) and the effects during the period attributable to each are as follows:

Particulars	₹ in crore							
	Leave Encashment		LTC		Medical Leave		Leave Encashment (Contract Employee)	
	31.03.17	31.03.16	31.03.17	31.03.16	31.03.17	31.03.16	31.03.17	31.03.16
Opening Balance	52.88	59.30	0.15	1.34	46.93	39.42	0.69	0.76
Interest Cost	4.23	4.74	0.01	0.11	3.68	3.15	0.05	0.06
Current Service Cost	3.30	3.84	0.01	0.09	2.93	2.56	0.17	0.20
Benefit paid	(11.59)	(14.61)	(0.08)	(0.05)	(1.36)	(1.41)	(0.51)	(0.56)
Actuarial (Gain)/ Loss on obligation	10.29	(0.39)	0.04	(1.34)	(0.94)	3.21	0.46	0.23
Closing Balance	59.11	52.88	0.13	0.15	51.24	46.93	0.86	0.69

2.44.1.3.2 Total expenses recognized in the Statement of Profit & Loss are as follows:

Particulars	₹ in crore							
	Leave Encashment		LTC		Medical Leave		Leave Encashment (Contract Employee)	
	31.03.17	31.03.16	31.03.17	31.03.16	31.03.17	31.03.16	31.03.17	31.03.16
Current Service Cost	3.30	3.84	0.01	0.09	2.93	2.56	0.17	0.20
Interest Cost	4.23	4.74	0.01	0.11	3.68	3.15	0.05	0.06
Net actuarial (Gain)/ Loss recognized during the year	10.29	(0.39)	0.04	(1.34)	(0.94)	3.21	0.46	0.23
Expenses recognized in the statement of Profit & Loss	17.82	8.19	0.06	(1.14)	5.67	8.92	0.68	0.49

2.44.1.3.3 Net present values of long service award (unfunded) for regular employees and Gratuity (unfunded) for contract employees as on 31st March, 2017 are ₹ 1.59 crore (previous year ₹ 1.55 crore) and ₹ 2.01 crore (previous year ₹ 1.65 crore) respectively.

2.44.1.3.4 The principal actuarial assumptions used at the Balance Sheet date are as follow:

Particulars	Leave Encashment		LTC		Medical Leave		Long Service Award		Gratuity (Contract Employees)	
	31.03.17	31.03.16	31.03.17	31.03.16	31.03.17	31.03.16	31.03.17	31.03.16	31.03.17	31.03.16
Discount rate (%)	7.47%	7.83%	7.47%	7.83%	7.47%	7.83%	7.47%	7.83%	7.47%	7.83%
Future salary increase (%)	8%	8%	8%	8%	8%	8%	8%	-	4%	4%

Particulars	Leave Encashment (Contract Employee)	
	31.03.17	31.03.16
Discount rate (%)	7.47%	7.83%
Future salary increase (%)	4%	4%

2.44.2 Defined Contribution Plans

2.44.2.1 Post Retirement Benefits (Pension & Medical)

All eligible employees are entitled to benefit under defined contribution plans towards pension under EPFO scheme, post retirement pension fund and medical schemes as defined contribution plans. The company has no obligations other than the contribution payable to such funds/schemes. The company recognizes such contributions as expenses when an employee renders the related service.

During the year, company contributed/provided ₹ 12.33 crore (previous year ₹ 12.00 crore) towards pension under EPFO, ₹ 4.21 crore (previous year ₹ 3.88 crore) towards post retirement pension fund and ₹ 7.73 crore (previous year ₹ 6.84 crore) towards medical schemes.

2.45 Disclosures on Operating Segments (Indian Accounting Standard-108) are as follows:

Operating segments are defined as components of the Group for which discrete financial information is available which is being evaluated regularly by the Chief Operating Decision Maker (CODM) in deciding how to allocate resources and assessing performance. The company's chief operating decision maker is the Chief Executive Officer and Chairman & Managing Director.

2.45.1 The group has identified five operational reportable segments based on operations being carried out which are as under:-

- Consultancy Services
- Turnkey Construction Projects
- Export of rolling stock, equipments and spares
- Leasing of railway rolling stock & equipments
- Power Generation

2.45.2 Geographical wise revenue segment is disclosed as under:-

- (a) Revenue within India from consultancy includes quality assurance & project management services, turnkey construction projects and domestic lease rental services to clients located inside India.
- (b) Revenue from outside India includes services rendered, export sales of rolling stock & spare parts and lease rental services to the clients located outside India.

2.45.3 The accounting principles used in the preparation of the financial statements are consistently applied to record revenue & expenditure in individual segment, as set out in the note of significant accounting policies.

2.45.4 Revenue and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reporting segment have been allocated on the basis of attributed direct cost. All other expenses which are not attributable or allocable to the segments have been disclosed as un-allocable expenses.

2.45.5 Assets and liabilities used in the Group's business are not identified to any of the reportable segments as these are used interchangeably between segments. Depreciation, amortisation & impairment on Property, Plant & Equipment and Intangible Assets cannot be allocated to a specific segment. The Group believes that it is currently not practicable to provide segmental disclosure relating to total assets, total liabilities and depreciation, amortisation & impairment since a meaningful segregation of the available data could be onerous.

2.45.6 Operational Segments:
Year ended 31.03.2017

(₹ in crore)

Description	Consultancy Services		Leasing		Export Sale	Turnkey Const. Projects-Domestic	Power Generation	Total
	Domestic	Abroad	Domestic	Abroad				
Revenue	807.52	29.09	70.91	22.37	377.40	31.23	16.94	1355.46
Identifiable operating expenses	516.62	12.16	44.50	11.95	311.73	38.08	21.69	956.73
Segmental profit from operations	290.90	16.93	26.41	10.42	65.67	(6.85)	(4.75)	398.73
Add: Interest Income*								106.58
Add: Other Income **								96.56
Less: Un-allocable Expenses								90.15
Share of Profit/(Loss) of Joint Ventures								(6.48)
Net Profit Before Tax								505.24
Less: Income Tax (including Deferred Tax)								167.49
Net Profit After Tax								337.75
Loss from discontinued operation (net of tax)								(0.10)
Profit for the year								337.65
Additional Information:								
Depreciation and amortisation								38.25
Non-cash expenses/ (Income) other than depreciation and amortisation								63.26
Reversal of provisions								5.52
Profit on sale of PPE								0.06
Loss on sale of PPE								0.04
Non Cash Income								
Profit on sale of investment								66.48
Deferred Income								1.96

Year ended 31.03.2016

(₹ in crore)

Description	Consultancy Services		Leasing		Export Sale	Turnkey Const. Projects-Domestic	Power Generation	Total
	Domestic	Abroad	Domestic	Abroad				
Revenue	756.45	14.95	64.42	34.64	185.94	38.56	6.92	1101.88
Identifiable operating expenses	446.81	10.83	29.03	11.98	167.50	38.22	9.84	714.21
Segmental profit from operations	309.64	4.12	35.39	22.66	18.44	0.34	(2.92)	387.67
Add: Interest Income*								129.37
Add: Other Income **								63.44
Less: Un-allocable Expenses								59.76
Share of Profit/(Loss) of Joint Ventures								(2.60)
Net Profit Before Tax								518.12
Less: Income Tax (including Deferred Tax)								177.78
Net Profit After Tax								340.34
Loss from discontinued operation (net of tax)								(0.42)
Profit for the year								339.92
Additional Information:								
Depreciation and amortisation								34.74
Non-cash expenses/ (Income) other than depreciation and amortisation								(25.93)
Reversal of provisions								5.02
Profit on sale of PPE								0.12
Loss on sale of PPE								0.02

2.45.7 Geographical Segment

Year ended 31.03.2017

(₹ in crore)

Description	Year ended 31.3.2017				Year ended 31.3.2016			
	India	Abroad		Total	India	Abroad		Total
		Asia	Africa			Asia	Africa	
Revenue	926.60	373.91	54.95	1355.46	866.35	176.46	59.07	1101.88
Identifiable operating expenses	620.89	307.22	28.62	956.73	523.90	170.06	20.25	714.21

BOARD AND
MANAGEMENT
REPORTS

STANDALONE
FINANCIAL
STATEMENTS

CONSOLIDATED
FINANCIAL
STATEMENTS

OFFICES
AUDITORS
AND BANKERS

Description	Year ended 31.3.2017				Year ended 31.3.2016			
	India	Abroad		Total	India	Abroad		Total
		Asia	Africa			Asia	Africa	
Segmental profit from operations	305.71	66.69	26.33	398.73	342.45	6.40	38.82	387.67
Add: Interest Income*				106.58				129.37
Add: Other Income **				96.56				63.44
Less: Un-allocable Expenses				90.15				59.76
Share of Profit/(Loss) of Joint Ventures				(6.48)				(2.60)
Net Profit Before Tax				505.24				518.12
Less: Income Tax (including Deferred Tax)				167.49				177.78
Net Profit After Tax				337.75				340.34
(Loss from discontinued operations (net of tax))				(0.10)				(0.42)
Profit for the year				337.65				339.92
Additional Information:								
Depreciation and amortisation				38.25				34.74
Non-cash expenses/ (Income) other than depreciation and amortisation				63.26				(25.93)
Reversal of provisions				5.52				5.02
Profit on sale of PPE				0.06				0.12
Loss on sale of PPE				0.04				0.02
Non Cash Income								
Profit on sale of investment				66.48				-
Deferred Income				1.96				-

* Interest income includes interest on bank deposits, bonds, staff advances, loans, income tax refunds etc.

** Other income includes provision no longer required, profit on sale of assets, export incentives, rental income from investment properties, dividend on trade current & non-current investments, exchange gain etc.

Note :- No Impairment and its reversal has been recognized in Other Comprehensive Income (OCI) during the year ended 31.03.2017 and 31.03.2016.

2.45.8 Revenue of ₹ 646.07 crore (previous year ₹ 369.38 crore) from major customers is given below :-

(₹ in crore)

Description	Year ended 31.3.2017					Year ended 31.3.2016				
	Consul-tancy	Export Sales	Turnkey Construction Projects-Domestic	Power Generation	Total	Consul-tancy	Export Sales	Turnkey Construction Projects-Domestic	Power Generation	Total
Customer 1	235.60	-	28.11	16.94	280.65	185.20	-	11.85	6.92	203.97
Customer 2	-	365.51	-	-	365.51	-	165.41	-	-	165.41
Total	235.60	365.51	28.11	16.94	646.16	185.20	165.41	11.85	6.92	369.38

2.46 Related Party Disclosures (Indian Accounting Standard-24) are as follows:-

Subsidiary Companies

Name of Subsidiaries	Country	Holding as on	
		31.03.17	31.03.16
M/s RITES (Afrika) (Pty) Ltd. (RAPL)	Botswana	100%	100%
M/s RITES Mohawarean Arabia Co. Ltd. (RMAC)*	Saudi Arabia	76%	76%
M/s RITES Infrastructure Services Ltd. (RISL)*	India	100%	100%
M/s Railway Energy Management Company Ltd. (REMCL)	India	51%	51%

*Under Liquidation

2.46.1.1 Joint Ventures

Name of Joint Ventures	Country	Holding as on	
		31.03.17	31.03.16
M/s Companhia Dos Caminhos De Ferro Da Beira, SA, (CCFB)*	Mozambique	-	26%
M/s SAIL-RITES Bengal Wagon Industry Private Limited	India	50%	50%
M/s BNV Gujarat Rail Private Limited**	India	26%	-

* refer note no. 2.62

** Joint venture entity incorporated in the year 2016-17.

2.46.1.2 Other Related Parties

Name of Other Related Parties	Country	Nature of Relationship
RITES Contributory Provident Fund Trust	India	Post- Employment Benefit Plan of RITES
RITES Ltd. Superannuation Pension Trust	India	Post- Employment Benefit Plan of RITES
RITES Ltd. Retired Employees Medical Trust	India	Post- Employment Benefit Plan of RITES
RITES Employees Group Gratuity Cum Life Insurance Scheme Trust	India	Post- Employment Benefit Plan of RITES

2.46.1.3 Key Management Personnel

<p>Chairman & Managing Director (Chief Executive Officer) Shri Rajeev Mehrotra</p> <p>Whole Time Directors Shri Arbind Kumar, Director Projects Shri Ajay Kumar Gaur, Director Finance (Chief Finance Officer) Shri S.B. Malik, Director Technical (Up to 30.11.2016) Shri Mukesh Rathore, Director Technical (From 01.12.2016)</p> <p>Government Nominee Directors Shri A.P. Dwivedi, Director Shri Ravi Shanker Kochak, Director (Upto 31.07.2016) Shri Ravindra Nath Misra, Director (From 31.10.2016)</p> <p>Non-Executive (Independent) Directors Smt. Vidya Rajiv Yeravdekar (From 01.04.2016) Shri Anil Kumar Goel (From 01.04.2016) Shri Satish Sareen (From 01.04.2016)</p> <p>Company Secretary Shri P.T. Mittal, Company Secretary</p>
--

2.46.2 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 realised within reasonable time.

2.46.2.1 Subsidiary Companies

Transactions with Subsidiary Companies

Particulars	₹ in crore					
	RAPL		RISL**		REMCL	
	Year ended		Year ended		Year ended	
	31.03.17	31.03.16	31.03.17	31.03.16	31.03.17	31.03.16
Investment	-	-	-	-	10.20	10.20
Recoverable/ Advances	-	-	(6.92)	1.04	0.48	4.14
Consultancy Fee/ Income from Construction Turnkey Projects	0.21	-	0.03	13.65	4.80	2.87
Dividend Received	-	0.03	-	-	-	-

Balances with Subsidiary Companies

Particulars	₹ in crore							
	RAPL		RMAC*		RISL**		REMCL	
	As on		As on		As on		As on	
	31.03.17	31.03.16	31.03.17	31.03.16	31.03.17	31.03.16	31.03.17	31.03.16
Investments	0.01	0.01	-	-	0.05	0.05	35.70	25.50
Recoverable /Advances	-	-	-	0.41	0.32	8.01	4.09	4.12
Receivables	0.21	-	-	-	0.26	1.59	-	0.92

*RITES Mohawarean Arabia Company Ltd. (RMAC), a subsidiary company with 76% stake, is under liquidation. Investment in equity of ₹ 0.47 crore made by the company has been returned by RMAC during the financial year 2014-15.

**RITES Infrastructure Services Limited (RISL) is under liquidation. Prior to initiating process of liquidation, all assets & liabilities have been taken over by RITES on 30th September, 2016.

2.46.2.2 Joint Ventures

Transactions with Joint Ventures

Particulars	₹ in crore					
	CCFB*		SAIL-RITES Bengal Wagon Industry Private Ltd.		BNV Gujarat Rail Private Limited	
	Year ended		Year ended		Year ended	
	31.03.17	31.03.16	31.03.17	31.03.16	31.03.17	31.03.16
Investments (equity)	-	-	1.73	7.37	0.01	NIL
Recoverable/Advances	-	-	0.08	0.05	-	-
Operating Income (Consultancy Fee/ Income from Construction Turnkey Projects/Export Sales/Leasing Service)	-	11.50	3.06	10.53	-	-
Loans	-	5.92	7.00	2.00	-	-
Interest on Loans given	-	30.45	0.14	0.26	-	-
Provision write back	-	6.24	-	-	-	-

Balance with Joint Ventures

Particulars	₹ in crore					
	CCFB*		SAIL-RITES Bengal Wagon Industry Private Ltd.		BNV Gujarat Rail Private Limited	
	As on		As on		As on	
	31.03.17	31.03.16	31.03.17	31.03.16	31.03.17	31.03.16
Investments (equity)	-	6.01	24.00	22.27	0.01	NIL
Recoverable/ Advances	-	-	0.07	0.10	-	-
Receivables	-	-	0.01	3.52	-	-
Loans	-	-	7.00	1.73	-	-
Interest accrued	-	-	0.14	0.31	-	-

* Refer Note No. 2.62

2.46.2.3 Transactions with other related parties (Post-Retirement Benefits Trusts/Plans):

Transactions regarding Post-Retirement Benefit Plans, as mentioned vide note no. 2.46.1.2, are indicated vide note 2.44.

2.46.2.4 Transactions with Key Managerial Personnel:

Description	₹ in crore	
	Year ended	
	31.03.17	31.03.16
Compensation to CMD, Whole Time Directors & Company Secretary:		
• Short Term Employee Benefits	2.71	1.75
• Post-employment Benefits	0.37	0.25
• Other Long Term Benefits	0.31	0.17
Sub- Total	3.39	2.17
Sitting fees to Non-Executive (Independent) Directors	0.12	-
Total	3.51	2.17

2.46.3 Government related entities

Government of India (GOI) is holding 100% equity shares of the company, which are held by President of India acting through Ministry of Railways and its nominees. GOI controls the company through Ministry of Railways.

The Group has made various transactions with the Ministry of Railways and 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:

Particulars	₹ in crore	
	Year ended	
	31.03.17	31.03.16
Revenue	280.65	203.97
Procurements	190.27	98.51
Consumables	9.07	3.82
Freight	4.05	1.71
Training Exp.	0.12	-
Redemption of Tax Free Bonds	50.00	-
Advance against Renewable Projects	-	3.55

Significant balances with Government related entities:

Particulars	₹ in crore	
	Year ended	
	31.03.17	31.03.16
Capital Advances	5.96	16.67
Other Advances	27.52	48.19
Payables	4.16	2.11
Advance Received	4.79	0.47
Clients Funds	75.49	1.67
Receivables	126.28	72.34
Tax Free Bonds	170.00	220.00
Advance against Renewable Projects	3.55	3.55

2.47 Disclosures on Leases (Indian Accounting Standard-17) are as follows:

2.47.1 Operating Lease (Cancelable)

2.47.1.1 The holding company has leasing arrangement of locomotives in domestic and overseas markets, Company is also providing services of its experts for maintenance of these locomotives for which lease rent is received from the clients as per terms of the contracts.

2.47.1.2 Detail of the leased assets: New & In-Service Locomotives (refer note no. 2.3)

Description	₹ in crore	
	Year ended	
	31.03.17	31.03.16
Gross carrying amount	244.08	230.73
Accumulated depreciation	83.66	61.88
Net carrying amount	160.42	168.85
Depreciation provided for the year	21.78	20.68

2.47.2 Other Lease (Cancelable)

2.47.2.1 Description of lease arrangement of Scope Office Complex

Holding company has leased 545 sq. m. area of furnished accommodation to Railway Board, Indian Railways on lease rent basis receivable every month. The lease arrangement is upto 31st March, 2018.

2.47.2.2 Details of the leased assets: Office Premises*

Description	₹ in crore	
	Year ended	
	31.03.17	31.03.16
Gross carrying amount	1.84	1.84
Accumulated depreciation	0.52	0.47
Net carrying amount	1.32	1.37
Depreciation provided for the year	0.05	0.06

* Leased assets include building, air conditioners, AC plant, furniture and fixture.

2.47.2.3 The Group has not sub-leased any of the assets taken on lease.

2.47.2.4 Operating Leases for Holding Company's offices, staff residential premises and vehicles are renewable / cancelable as laid down in the respective agreements. The total of minimum lease payments recognized in the Statement of Profit & Loss for the year is ₹ 23.92 crore (previous year ₹ 21.88 crore).

2.47.3 There are no provisions relating to contingent rent.

2.48 Disclosure on Earning Per Share (EPS) (Indian Accounting Standard-33) are as follows:

	Particulars	Year ended	
		31.03.17	31.03.16
A	Net Profit available for Equity Shareholder from continuing operation (₹ in crore)	337.75	340.34
B	Net Profit/(Loss) available for Equity Shareholder from discontinuing operation (₹ in crore)	(0.10)	(0.42)
C	Net Profit available for Equity Shareholder from continuing and discontinuing operation (₹ in crore)	337.65	339.92
D	Weighted average number of Equity Shares	200,000,000	200,000,000
E	Earning Per Share from continuing operation (Basic & Diluted) (A)/(D)	₹ 16.89	₹ 17.02
F	Earning Per Share from discontinuing operation (Basic & Diluted) (B)/(D)	₹ (0.01)	₹ (0.02)
G	Earning Per Share from continuing and discontinuing operation (Basic & Diluted) (C)/(D)	₹ 16.88	₹ 17.00
H	Face value per equity share	₹ 10/-	₹ 10/-

2.49 Disclosure of Interest in Other Entities (Indian Accounting Standard-112) are as follows:

2.49.1 Disclosure in respect of subsidiary that has non-controlling interests:

2.49.1.1 Dividend to non-controlling interest by subsidiary company (refer note no. 2.57.2)

2.49.1.2 Summarised financial information of the subsidiary that has non-controlling interests are as under:

(₹ in crore)

Description of Subsidiary that have non -controlling interest	Railway Energy Management Company Limited (REMCL)	
	31.03.2017	31.03.2016
Fixed Assets (Net)/Non-Current Assets	155.79	151.44
Current Assets, Loans & Advances	42.79	34.63
Current Liabilities & Provisions	19.55	20.94
Non Current Liabilities and provisions	87.55	112.01
Capital	70.00	50.00
Retained Earnings / (losses)	21.48	3.12
Total Revenue	58.49	18.04
Expenditure including tax	40.13	14.91
Profit After tax	18.36	3.13
Additional information:		
Cash and Cash Equivalents	12.96	20.07
Current financial liabilities (excluding trade and other payables and provisions)	17.47	18.33
Non- Current financial liabilities (excluding trade and other payables and provisions)	75.76	110.54
Depreciation and Amortisation	6.14	2.81
Interest Income	2.82	0.93
Interest Expense	11.33	4.71
Income tax expenses or (income)	10.31	1.56

2.49.2 The Holding Company has following Joint Arrangements:

Name of Joint Arrangements	Nature of Interest/Relationship with Joint Arrangements	Principal Place of Business of Joint Arrangements	Proportionate ownership interest or participating share
Geoconsult - RITES	RITES has formed a Joint venture with M/s. Geoconsult-ZT-Gmbh (Austria) for detailed design consultancy and construction supervision of about 11 kms long railway tunnel in J&K State. Both the venturers contributed in the seed money as agreed for operational and execution purposes.	India	13%
Geoconsult - RITES, NRT-1	RITES has formed a Joint venture with M/s. Geoconsult-ZT-Gmbh (Austria) for detailed design consultancy and construction supervision of Tunnel No.1 (3.1 km long) on Udampur - Katra Section for the USBRL project in the state of J&K.	India	16%
Geoconsult ZT GmbH - RITES	RITES has formed a Joint venture with M/s. Geoconsult ZT GmbH (Austria) for detailed design and construction supervision of Tunnel No.10 (Approx. Length 3.3 km) in connection with Jiribam-Tupul new railway line project in the state of Manipur.	India	39.40%
Geoconsult-RITES (JV)	RITES has formed a Joint venture with M/s. Geoconsult India Pvt. Ltd. for instrumentation, monitoring and design of remedial works as per requirement for vulnerable locations for two monsoon seasons in Lumding-Silchar BG Rail Line.	India	37.50%
RICON	RITES has formed a Joint Venture with M/s. IRCON International Ltd. to secure and execute contracts to be awarded by M/s Companhia Dos Caminhos de Ferro Da Beira, SA, Mozambique to RICON for rendering Management Support Services, Consultancy Works, Project Management, Construction Supervision, Supply of Materials, Rolling Stock and equipment, Works Contracts, Leasing of Equipments / Rolling Stocks etc.	India	51%
SAIL-RITES Bengal Wagon Industry Private Limited	RITES has formed a Joint Venture with SAIL for manufacturing Wagons at SGW, Kulti, West Bengal.	India	50%
BNV Gujarat Rail Private Limited	RITES has formed a Joint Venture with Shapoorji Pallonji Roads Private Limited and PCM Cement Concrete Private Limited to set up, own, operate, finance and maintain the Bhuj-Naliya-Vayor rail connectivity project in Kutch district of the state of Gujarat	India	26%

2.49.3 Disclosures in respect of Joint Ventures:

2.49.3.1 Investment is measured by using equity method.

2.49.3.2 Summarised financial information of the Joint Ventures is as under:

(₹ in crore)

Description / JVs	COMPANHIA DOS CAMINHOS DE FERRO DA BEIRA, SA, (CCFB)	SAIL-RITES BENGAL WAGON INDUSTRY PRIVATE LIMITED*		BNV Gujarat Rail Private Limited
	Year ended 31.12.15	Year ended 31.03.17	Year ended 31.03.16	Period ended 31.03.17
Fixed Assets (Net)/Non Current Assets	-	103.60	105.64	-
Current Assets, Loans & Advances	109.26	18.43	6.41	0.05
Current Liabilities & Provisions	74.41	39.34	23.49	-
Non Current Liabilities and provisions	-	53.03	49.39	-
Capital	15.68	48.00	44.54	0.05
Retained Earnings / (losses)	19.17	(18.34)	(5.37)	-
Revenue	14.41	9.22	0.43	-
Expenditure including tax	8.24	22.19	5.91	-
Profit After tax	6.17	(12.97)	(5.48)	-
Additional information:				
Cash and Cash Equivalents	3.81	1.55	3.31	0.05
Current financial liabilities (excluding trade and other payables and provisions)	74.41	28.83	17.54	-
Non- Current financial liabilities (excluding trade and other payables and provisions)	-	53.03	49.39	-
Depreciation and Amortisation	-	5.83	1.79	-
Interest Income	0.18	0.22	0.31	-
Interest Expense	-	6.10	3.30	-
Income tax expenses or (income)	-	-	(0.03)	-

BNV Gujarat Rail Private Limited was incorporated in financial year 2016-17 but no operation was started till 31st March 2017.

2.49.3.3 Reconciliation of Company's interest in Joint Ventures:

(₹ in crore)

Description / JVs	COMPANHIA DOS CAMINHOS DE FERRO DA BEIRA SA, (CCFB)	SAIL-RITES BENGAL WAGON INDUSTRY PRIVATE LIMITED		BNV GUJARAT RAIL PRIVATE LIMITED
	2015-16	2016-17	2015-16	2016-17
Net Assets				
Net Assets of Joint Venture	34.85	29.66	39.17	0.05
Proportionate share in Joint Venture (%)	26%	50%	50%	26%
Share of interest in net assets of Joint Venture	9.06	14.83	19.58	0.01
Add/(Less): Adjustment, if any	1.94	-	-	-
Carrying amount of interest in Joint Venture	11.00	14.83	19.58	0.01
Net Profits				
Net Profit of Joint Venture	6.17	(12.97)	(5.48)	-
Proportionate share in net profit of Joint Venture (%)	26%	50%	50%	26%
Share of interest in net profit of Joint Venture	1.60	(6.48)	(2.74)	-
Add/(Less): Adjustment, if any	(1.46)	-	-	-
Amount of interest in net profit of Joint Venture	0.14	(6.48)	(2.74)	-

- i) There is no restriction on the ability of Joint Ventures to transfer funds to the company in the form of cash dividends or to repay loans and advances made by the company.
- ii) The financial year of M/s Companhia Dos Caminhos De Ferro de Beira, SA, (CCFB) is calendar year as per local statutory requirement of Mozambique and figures indicated above/below are from the financial statements for the year ended 31st December, 2015. As per settlement agreement with Government of Mozambique in respect of CCFB, equity stake of the company in CCFB has been transferred to CFM Mozambique, a nominated agency of Government of Mozambique, on 22nd September, 2016, accordingly, joint control ceased thereafter and hence no transactions have been indicated.
- iii) Holding Company has invested in M/s BNV Gujarat Rail Private Limited during the year 2016-17. Venture Company is incorporated in the year 2016-17 but no operation has started till 31st March, 2017.

2.49.3.4 All the investments in Joint Ventures are non-tradable in market.

2.49.3.5 Contingent Liabilities:

Due to transfer of equity in CCFB, there is no contingent liability as on 31st December, 2016. In the previous year ended 31st December, 2015, withholding tax demand against CCFB was ₹ 1.05 crore (equivalent MZN 8036076), in which share of RITES @ 26% comes ₹ 0.27 crore.

2.49.3.6 Capital commitment:

SAIL-RITES Bengal Wagon Industry Private Limited has liability on account of capital commitment of ₹ Nil (previous year ₹ 3.33 crore) in which share of the company @ 50% comes to ₹ Nil (previous year ₹ 1.67 crore).

2.49.4 Summarised financial information of the Joint Operations:

(₹ in crore)

Description / JVs	RICON		Geoconsult-RITES		Geoconsult – RITES, NRT-1		Geoconsult ZT GmbH - RITES		Geoconsult-RITES (JV)*
	Year ended 31.03.17	Year ended 31.03.16	Year ended 31.03.17	Year ended 31.03.16	Year ended 31.03.17	Year ended 31.03.16	Year ended 31.03.17	Year ended 31.03.16	Period ended 31.03.17
Fixed Assets (Net)/ Non Current Assets	-	-	-	-	-	-	0.61	0.43	0.28
Current Assets, Loans & Advances	21.43	21.11	5.59	5.67	3.92	4.07	0.96	3.30	0.71
Current Liabilities & Provisions	0.75	0.84	3.65	3.82	3.42	3.68	1.85	3.14	0.57
Other Liabilities	-	-	-	-	-	-	-	-	-
Capital	-	-	-	-	-	-	-	-	-
Retained Earnings / (losses)	20.68	20.27	1.94	1.85	0.50	0.39	(0.28)	0.59	0.42
Revenue	0.65	0.76	0.18	0.18	0.22	0.08	1.79	4.01	2.77
Expenditure including Tax	0.24	0.21	0.08	0.17	0.11	0.18	2.66	3.77	2.34
Profit /(Loss) After tax	0.41	0.55	0.10	0.01	0.11	(0.10)	(0.87)	0.24	0.43
Additional information:									
Cash and Cash Equivalents	8.51	7.89	1.53	1.47	1.87	1.34	0.28	0.16	0.24
Current financial liabilities (excluding trade and other payables and provisions)	0.60	0.61	0.01	0.01	0.01	0.01	0.12	0.11	0.05
Non- Current financial liabilities (excluding trade and other payables and provisions)	-	-	-	-	-	-	-	-	-
Depreciation and Amortisation	-	-	-	-	-	-	0.02	0.02	-
Interest Income	0.62	0.70	0.09	0.18	0.10	0.08	-	0.01	-
Interest Expense	-	-	-	-	-	-	-	-	-
Income tax expenses or (income)	0.17	0.20	0.06	0.01	0.03	-	-	0.19	0.22

*Holding company entered into an agreement for joint operation with Geoconsult-RITES (JV) during the year 2016-17.

2.49.5 Holding Company jointly participated in the followings projects with other entities:-

Project Name	Name of entities
General Consultancy to Delhi Metro Rail Corporation Ltd. for Delhi Mass Rapid Transit System Project-Phase-III.	M/s Oriental Consultants Co. Ltd. M/s Parsons Brickerhoff International INC. M/s Tonichi Engineering Consultants INC.
General Consultancy to Bangalore Metro Rail Corporation Ltd. for Bangalore Metro.	M/s Oriental Consultants Co. Ltd. M/s Parsons Brickerhoff International INC. M/s Systra SA
General Consultancy to Metro Link Express for Gandhinagar & Ahmedabad (MEGA) Company Ltd. for Mass Rapid Transit System project at Ahmedabad.	M/s Systra SA France (Lead). M/s Oriental Consultants Global Co. Ltd., Japan. M/s AECOM Asia Company Ltd., HongKong.
General consultancy to Nagpur Metro Rail Corporation Ltd. for Nagpur Metro.	M/s Systra, France M/s AECOM Asia Co. Ltd. M/s EGIS Rail S.A.
Detailed design consultancy services for power supply & distribution system, 750 V DC, 3rd rail traction electrification & SCADA system of Metro Link Express for Ghandhinagar & Ahmedabad (MEGA) Company Ltd. for mass Rapid Transit System Project at Ahmedabad.	M/s TUV SUD South Asia Pvt. Ltd. (TUV)
DPR for MRTS between Ahmedabad and Dholera for DMICDC.	M/s Stanley Consultants inc.
Modernization of Signaling System in Ghaziabad - Kanpur section.	M/s De Consult - Germany
Consulting Services for feasibility & detailed Design of Road Tunnels in Shimla and other parts of Himachal Pradesh.	M/s Geo-Consult-ZT Gmbh (Austria) M/s Secon Pvt. Ltd., India
Independent Engineer Services for development of Chennai Outer Ring Road on DBFOT on annuity basis-Phase I in the state of Tamil Nadu.	M/s Mukesh & Associates
1. Taj International Airport project work at Agra. 2. Feasibility report /DPR for development and operation of airport at Singrauli, M.P.	M/s KPMG
Consultancy for Emission Reduction for Generation and transaction of certified Emission Reduction (CERs) for Punatsangchhu Hydroelectric Project (PHPA I & II) and Mangdechhu Hydroelectric Project (MHPA) towards replacement of fossil fuel based power.	M/s ITP Senergy Ltd.
Development of six lane supervision cable Greenfield bridge over river Ganga from Kacchi Dargah on NH-30 to Bidupur in District Vaishali on NH-103.	M/s IDFC Limited M/s Infrastructure Development Corporation (Karnataka) Limited (IDeCK)
Preparation of feasibility report for proposed six lane bridge over river Brahmaputra connecting Narengi (near Guwahati) with Kurua (at North Bank) with a road link up to Dumnichowki on NH-52, Assam.	M/s STUP Consultants Pvt. Limited M/s Gifford India Pvt. Limited
Project Management Consultancy for river morphological analysis and design of river training and bank protection works in the state of Uttarakhand.	M/s DHI (India) Water & Environment Pvt. Ltd.
Pre-feasibility study for Delhi-Chandigarh - Amritsar high speed railway.	M/s Systra SA
Consultancy for feasibility studies for package-2 (Mumbai-Chennai) of Diamond Quadrilateral Network of High Speed Rail Corridors.	M/s Systra M/s Ernst & Young LLP
Consultancy services for the construction of Cargo Complex Parallel Taxiway and Modification of Old Terminal Building at PARO International Airport, Bhutan.	M/s PRCS, Bhutan

2.50 Group has carried out the assessment on impairment of assets in terms of IND AS 36 "Impairment of Assets" accordingly impairment losses or reversal, if any, has been recognized during the year in the Statement of Profit & Loss.

2.51 In case of Holding Company Disclosures on Provisions, Contingent Liabilities and Contingent Assets (Indian Accounting Standard-37) are as follows:

2.51.1 Provision includes mainly towards warranty which has been made for fulfillment of warranty obligation after export sale of rolling stocks/ locomotives & spares. Estimation of such provision is based on past experience, nature of rolling stock exported to various clients and period specified in the agreements with them. Actual expenditure may vary during the warranty period as per the requirements.

(₹ in crore)

Items	Carrying amount 01.04.16	Additional Provision made during the year	Provisions used during the year	Unused amount reversed during the year	Increase/ (decrease) in discounted amount	Carrying amount as on 31.03.17
Warranties	31.74	26.48	1.84	4.21	(2.05)	50.12
Commitments	3.43	-	-	3.43	-	-

Effect of change in the discount rate:

As per the agreements with the customers, warranty periods are varying from two to five years, i.e. extending beyond one year, require discounting to work out net present value of such provisions made towards warranty.

Discount rate is based on the average of interest rates in Fixed Deposits with banks during the year. Average interest rate for the year 2016-17 is of 7.50% vice 8.80% for the year 2015-16. The effect of interest rate change on the above provisions is ₹ 0.42 crore.

2.51.2 Contingent liabilities and commitments to the extent not provided for include:

2.51.2.1 Contingent Liabilities

- (a) Claims against holding company not acknowledged as debts as certified by the Management are ₹ 491.60 crore (previous year ₹ 582.96 crore). These include:-
- Claims (excluding interest) amounting to ₹ 458.76 crore (previous year ₹ 391.73 crore) against the company by the sub-contractors / other agencies including award against the company pending in courts. The management does not foresee any liability on the company as the same are contested by the company for and or on behalf of the clients.
 - Other claims (excluding interest) amounting to ₹ 32.84 crore (previous year ₹ 191.23 crore) are contested by the company and the company has made counter claims of ₹ 644.53 crore (previous year ₹ 644.53 crore) on the executing agency (refer note no.2.61.1). The company is subject to legal/arbitration proceedings and claims, which have arisen in the ordinary course of business. Management doesn't reasonably expect that when these cases ultimately conclude and determined, will have material and adverse effect on the company's results of operations or financial conditions.
 - Claims against the company not acknowledged as debts as certified by the Management includes 9 nos. of cases amounting to ₹ 47.60 crore has been settled after the decision of the respective appellate authority and 15 nos. of cases for an amount of ₹ 125.32 crore added during the year.
- (b) Other money for which group is contingently liable:
- In case of Holding company, excise bonds amounting to ₹ 4.89 crore (previous year ₹ 10.88 crore) are outstanding against export obligations with Central Excise Department. Out of this, bonds value of ₹ 3.59 crore (previous year ₹ 8.20 crore) are due for release by the department.
 - In respect of joint venture entities refer to note no. 2.49
 - Demands on account of taxes viz. VAT, Service Tax & Income Tax amounting to ₹ 1.34 crore (previous year ₹ 0.81 crore) are contested by the company.
 - In case of REMCL, an amount of ₹ 1.21 crore on account of transmission and willing charges towards generation of electric energy from wind mill plant.

2.52.2.2 Commitments

- Estimated amount of contracts remaining to be executed on capital account as certified by the management and not provided for amounts to ₹ 3.38 crore (previous year ₹ 16.67 crore).
- In respect of joint venture entities refer to note no. 2.49

2.53 In case of Holding Company Disclosures on Investment Property (Indian Accounting Standard-40) are as follows:

2.53.1 Amounts recognized in the Statement of Profit and Loss are as follows :

(₹ in crore)

Particulars	Year ended	
	31.03.17	31.03.16
Rental income	0.99	0.99
Direct operating expenses (including repair & maintenance)	0.20	0.22
Profit before depreciation	0.79	0.77
Depreciation for the year	0.05	0.06
Profit from investment property	0.74	0.71

2.53.2 Fair Value

(₹ in crore)

Particulars	As at 31.03.17	As at 31.03.16
Investment property	2.74	2.55

Methods & assumptions for valuation:

Reproductive cost of building: To arrive at the cost to be incurred, valuer follow the CPWD Plinth Area Rates as on 1st October, 2012 with base 100 & enhance the same by applicable cost index & better specification considered.

Valuation of plant and machinery: Cost Indexation Method under cost approach to valuation is employed. RBI Indexation on the original purchase price has been used to arrive at Gross Current Replacement Cost.

Qualification of valuer: The valuation is carried out by Independent agency comprising of team of experts on board. There is no Capital Commitment in respect of investment property, however, revenue commitment in respect of repair and maintenance based on current year allocated cost is ₹ 0.20 crore (previous year ₹ 0.20 crore).

2.54 Financial Instruments of Group

2.54.1 Financial Instruments by category

The carrying value and fair value of financial instruments categories-wise as on 31st March, 2017 are as under:
(₹ in crore)

Particulars	Total carrying value	Amortised Cost	Financial assets/liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI	
			Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory
Financial Assets:						
Cash and Bank Balance**	3004.96	-	-	3004.96	-	-
Investments:						
Equity*	0.04	-	-	0.04	-	-
Tax Free Bonds	170.00	170.00	-	-	-	-
Liquid Plan of Mutual Funds	143.04	-	-	143.04	-	-
Trade Receivables**	465.23	465.23	-	-	-	-
Loans**	21.07	21.07	-	-	-	-
Other Financial Assets**	261.98	261.98	-	-	-	-
Total	4066.32	918.28	-	3148.04	-	-
Financial Liabilities:						
Borrowing	75.76	75.76	-	-	-	-
Trade Payables**	83.12	83.12	-	-	-	-
Other Financial Liabilities**	2006.14	2006.14	-	-	-	-
Total	2165.02	2165.02	-	-	-	-

The carrying value and fair value of financial instruments categories-wise as on 31st March, 2016 are as under:

(₹ in crore)

Particulars	Total carrying value	Amortised Cost	Financial assets/liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI	
			Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory
Financial Assets:						
Cash and Bank Balance**	2684.46	-	-	2684.46	-	-
Investments:						
Equity*	0.04	-	-	0.04	-	-
Tax Free Bonds	220.00	220.00	-	-	-	-
Trade Receivables**	534.13	534.13	-	-	-	-
Loans**	17.49	17.49	-	-	-	-
Other Financial Assets**	236.42	236.42	-	-	-	-
Total	3692.54	1008.04	-	2684.50	-	-
Financial Liabilities:						
Borrowing**	110.54	110.54	-	-	-	-
Trade Payables**	90.17	90.17	-	-	-	-
Other Financial Liabilities**	1992.06	1992.06	-	-	-	-
Total	2192.77	2192.77	-	-	-	-

*In case of holding company, equity shares includes ₹ 0.04 crore of Global Procurement Consultants Limited (GPCL) which are not tradable and amount of investment in the entity is immaterial, hence investment is recognised at cost and same is considered as its fair value.

**The carrying amounts of trade receivables, trade payables, cash and cash equivalents, short term loans, other current financial assets and liabilities are considered to be same as their amortised cost due to their short-term nature. As per practice, Security Deposits and Retention money represent source of protection with respect to contract performance rather than a source of financing, hence shown at transaction value.

2.54.2 Fair value hierarchy & valuation techniques

To provide an indication about the reliability of method used in determining fair value, group has classified its financial instruments into three levels prescribed under the Indian Accounting Standard (Ind AS-113) on fair value measure.

Level 1 : Quoted prices in active markets for identical assets or liabilities.

Level 2 : Fair value of financial instruments that are not traded in an active markets is determined using valuation techniques and observable inputs for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the assets or liabilities that are not based on observable market data (observable inputs).

Fair value hierarchies of assets and liabilities as on 31st March, 2017 are as follows:

(₹ in crore)

Particulars	As on 31.03.2017	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Financial Assets:				
Cash and Bank Balance	3004.96	3004.96	-	-
Investments:				
- Equity*	0.04	-	-	0.04
- Liquid plan of Mutual Funds**	143.04	-	143.04	-

Fair value hierarchies of assets and liabilities as on 31st March, 2016 are as follows:

(₹ in crore)

Particulars	As on 31.03.2016	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Financial Assets:				
Cash and Bank Balance	2684.46	2684.46	-	-
Investments:				
- Equity*	0.04	-	-	0.04

*In case of holding company, equity shares includes ₹ 0.04 crore of Global Procurement Consultants Limited (GPCL) which are not tradable and amount of investment in the entity is immaterial, hence investment is recognised at cost and same is considered as its fair value.

**Liquid plan of mutual funds are valued at NAV.

2.55 Financial Risk Management

The Group's activities are exposed to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Group's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from few customers.

2.55.1 Market Risk of Holding company

The Company operates internationally and a major portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk for its sales and services in the Middle East and South Asian countries. The exchange rates between the rupee and foreign currencies have changed substantially in recent years which may also fluctuate substantially in the future. However, company has currency risk management policy and exchange fluctuations are regularly monitored by the risk management committee to mitigate this risk. Policy covers various aspects of currency risk management, benchmarking, hedging and risk appetite, permissible instruments, hedging policy, structure of the risk management committee and treasury group, reporting procedures etc.

Analysis of foreign currency risk from financial instruments is as follows:

Particulars	As at 31.03.2017	As at 31.03.2016
	US Dollar (Figure in Millions)	
Cash & Cash equivalents	3.15	19.90
Trade Receivables	13.42	10.61
Other financial assets	2.54	2.09
Trade Payable	12.74	15.65
Other financial liabilities	0.09	0.07
Net assets/(liabilities)	6.28	16.88

For the year ended 31st March, 2017 and 31st March, 2016, every percentage increase/decrease in the exchange rate between the INR & US Dollar has affected the Company's incremental margins by approximately 0.82% (previous year 2.30%) each.

Sensitivity analysis is computed based on the changes in the income and expenses in foreign currency upon conversion into functional currency, due to exchange rate fluctuations between the previous reporting period and the current reporting period.

2.55.2 Credit Risk of Group

Credit Risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. Primarily exposure to the credit risk is from trade receivables amounting to ₹ 465.23 crore (previous year ₹ 534.13 crore) and unbilled revenue amounting to ₹ 2.33 crore (previous year ₹ Nil) which are typically unsecured. Credit risk is being managed by continuously monitoring the outstanding dues from the customers. Trade Receivables towards export sales are generally managed by establishing Letter of Credit with the customer. Further most of the clients of the company are Government or Government Undertakings; hence credit risk is bare minimum. Company has impaired, as a prudent measure, the trade receivables towards expected credit loss as per company accounting policy to the extent of ₹ 3.42 crore (previous year ₹ 1.17 crore).

No significant credit risk on cash and bank balance of group is ₹ 3004.96 crore (previous year ₹ 2684.46 crore) is expected as group parks surplus funds with Schedule Banks having good credit adequacy ratio and least NPA as determined by RBI and guidelines of the company. Group has parked its funds in fixed deposits of ₹ 951.79 crore (previous year ₹ 704.49 crore) with Schedule banks with negligible credit risks.

Non-Strategic Investments of holding company primarily include investments in liquid mutual fund units of ₹ 143.04 crore (previous year ₹ Nil) and tax free bonds of ₹ 170 crore (previous year ₹ 220 crore) issued by Public Sector Undertaking where risk is minimal.

Holding company has given loans to employees and one of the joint ventures. House building, Multi-purpose loans etc. to the employee are secured by way of insurance and mortgage of the house properties or hypothecation of vehicles in line with the policies of the company. The loan provided to the joint venture is for short term working capital requirements. The risk of default in respect of these loans is considered negligible.

2.55.3 Liquidity Risk of Group

Group's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. Group has outstanding bank borrowings of ₹ 75.76 crore (previous year ₹ 110.54 crore). Group has a working capital of ₹ 1417.25 crore (previous year ₹ 1245.54 crore) including cash and bank balance (owned funds) of ₹ 989.14 crore (previous year ₹ 832.22 crore) and current investment ₹ 193.04 crore (previous year ₹ 50 crore). Group believes that the working capital is sufficient to meet its requirements, accordingly no liquidity risk is perceived by the company.

2.56 In case of Holding Company, Disclosures on Accounting Policies, Change in Accounting Estimates and Errors (Indian Accounting Standard-8) related with Holding Company are as follows

2.56.1 Prior Period Transactions:

(₹ in crore)

Nature	2016-17	2015-16
Fees	4.31	0.05
Supplies & Services	4.15	2.06
Employee Benefits	0.01	0.03
Others	2.99	0.09
Total	11.46	2.23

2.56.2 Correction of Prior Period transactions with impact on profit.

2.56.2.1 Impact on Balance Sheet Items is as follows:

(₹ in crore)

Prior period for the year	2016-17			2015-16
Line Items	Impact on 2015-16	Prior to 01.04.15	Total	Prior to 01.04.15
PPE	(0.05)	(1.77)	(1.82)	-
Capital WIP	(1.97)	(0.22)	(2.19)	-
Trade Receivables	4.49	(4.49)	-	(0.05)
Other Current Assets	0.02	(0.76)	(0.74)	-
Other non current assets	(0.02)	0.46	0.44	-
Trade receivables	(5.37)	-	(5.37)	-
Other Financial Assets	(0.01)	0.23	0.22	-
Total Assets	(2.91)	(6.55)	(9.46)	(0.05)
Trade Payables	0.77	1.61	2.38	2.08
Other Financial Liabilities	0.13	(0.04)	0.09	0.10
Other Current Liabilities	(0.21)	(0.26)	(0.47)	-
Total Liabilities	0.69	1.31	2.00	2.18
Net Assets (Equity)	(3.60)	(7.86)	(11.46)	(2.23)

2.56.2.2 Impact on Statement of Profit & Loss Items is as follows:

(₹ in crore)

Prior Period for the year 2016-17	
Line Items	Impact on 2015-16
Revenue from Operations	(0.55)
Other Income	0.03
Total Revenue	(0.52)
Supplies & services	0.46
Cost of export sale	(0.21)
Cost of turnkey Construction projects	0.05
Other Expenses	2.78
Total Expenditure	3.08
Profit Before Tax	(3.60)

Prior period items have been re-stated in 2015-16, however, there is no impact of provision for taxation on account of prior period re-statement.

Aforesaid figures are crystallized during the year 2016-17 though these are prior period transactions and tax benefit on such transactions is available in the year 2016-17. However, these figures are re-stated as per IND AS 8 to the respective years on which no tax benefit is available on these respective years due to the reasons given above. The tax impact on such transitions is of (₹ 1.25 crore) which is not considered in EPS calculation for the same reason stated above.

2.56.3 Correction of Prior Period errors/omissions in Earning Per Share (Basic & Diluted) :

Year	2015-16
Impact on Profit attributable to Equity Share Holders (₹ in crore)	(3.60)
Weighted average nos. of Equity Shares	20,00,00,000
Impact on Earning Per Share (Basic & Diluted)	(₹ 0.18)

2.57 Disclosures on Presentation of Financial Statements (Indian Accounting Standard-1) are as follows:

2.57.1 Capital Management

Capital management objectives are to ensure group's ability to continue as a going concern to provide an adequate return to shareholders. Group objectives when managing capital are to safeguard the ability to continue as a going concern in order to provide returns for shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Group determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are primarily being met through operating cash flows generated.

2.57.2 Subsequent Event -Dividend in case of Holding and its Indian subsidiary

2.57.2.1 Dividends declared by the Subsidiary Company are based on Net Worth or Profits After Tax as reported in the financial statements of the subsidiary Company and guidelines issued by DPE/Presidential directives.

Dividend paid during the current year ended 31.03.2017 is ₹ 146 crore which includes final dividend of ₹ 91 crore (₹ 9.10 per equity share to 10 crore equity shares) for the financial year 2015-16 and interim dividend of ₹ 55 crore (₹ 3.67 per equity share to 15 crore equity share) for the financial year 2016-17.

2.57.2.2 Dividend paid during the previous year ended 31.03.2016 is ₹ 77 crore which includes final dividend of ₹ 32 crore (₹ 3.20 per equity share to 10 crore equity shares) for the financial year 2014-15 and interim dividend of ₹ 45 crore ₹ 4.50 per equity share to 10 crore equity share) for the financial year 2015-16.

2.57.2.3 The Board of Directors of holding Company proposed a final dividend of ₹ 78 crore (₹ 3.90 per share to 20 crore equity shares) in respect of the year ending 31.03.2017 subject to approval of shareholders in Annual General Meeting. If approved, the dividend would result in a cash outflow of ₹ 93.88 crore inclusive of dividend distribution tax of ₹ 15.88 crore.

The Board of Directors of the subsidiary Company have proposed a final dividend of ₹ 0.52 per share to 7 crore equity shares in respect of the year ending 31.03.2017 subject to approval of shareholders of REMCL in Annual General Meeting. If approved, the dividend would result in a cash outflow of ₹ 4.43 crore inclusive of dividend distribution tax of ₹ 0.75 crore.

2.58 Provisions towards Pay Commissions (In case of holding Company)

- 2.58.1 Company has made a provision of ₹ 2.02 crore towards salary increase for staff in CDA pay scales based on the approved recommendations of 7th Pay Commission which is effective from 1st January, 2016.
- 2.58.2 Company has made a provision of ₹ 18.25 crore towards salary increase for staff in IDA pay scales based on the draft recommendations of 3rd PRC which is effective from 1st January, 2017.
- 2.58.3 Company has made a provision of ₹ 40.90 crore towards enhanced gratuity limit from ₹ 0.10 crore to ₹ 0.20 crore based on draft the recommendations of Pay Commissions.
- 2.59 Information on CSR expenditure in case of holding company:
- (a) Gross amount required to be spent during the year ₹ 9.20 crore (previous year ₹ 8.10 crore).
- (b) Amount spent during the year on:

(₹ in crore)

Particulars	Amount Paid		Yet to be Paid		Total	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
(i) Construction/ acquisition of any asset	5.21	2.31	-	-	5.21	2.31
(ii) On purposes other than (i) above	3.99	5.97	-	-	3.99	5.97
Total	9.20	8.28	-	-	9.20	8.28

- 2.60 In case of Holding Company, details of dues to micro, small and medium enterprises as defined under the Micro and Small Enterprise Development Act, 2006* are given on the basis of information available with the management.

(₹ in crore)

S. No.	Particulars	As at 31.03.2017	As at 31.03.2016
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 - Interest due on above	1.74 -	0.78 -
b	The amount of interest paid by the buyer in terms of Section 16 of the Micro and Small Enterprise 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 year) but without adding the interest specified under Micro and Small 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 Micro and Small Enterprise Development Act, 2006.	-	-

*The Holding Company has initiated the process of identification of suppliers registered under Micro and Small Enterprise Development Act, 2006, by obtaining confirmations from all suppliers. Information has been collated only to the extent of information received.

- 2.61 In a pre-closed contract in the year 2005-06, holding company raised claims of ₹ 233.93 crore (previous year ₹ 233.93 crore) against a client and the client raised counter claims of ₹ 469.10 crore (previous year ₹ 469.10 crore).

The arbitrator on 19th January, 2011 rejected the aforesaid counter claims of the client and awarded ₹ 88.31 crore in favour of holding company against claims of ₹ 233.93 crore. Holding company filed an appeal before the appellate authority on 21st March, 2011 against the said award. Further on 16th September, 2011, the appellate authority awarded ₹ 231.68 crore with interest in favour of holding company. Client filed a petition in the Civil Court of Ranchi on 31st July, 2011 & thereafter amendment for setting aside the aforesaid award of the appellate authority which is still pending before the Civil Court, thus the award has not been recognized.

- 2.61.1 The executing agency also raised claims (excluding interest) of ₹ 184.41 crore (previous year ₹ 184.41 crore) against holding company before the arbitration tribunal at Ranchi and holding company also raised counter claims of ₹ 644.53 crore (previous year ₹ 644.53 crore) against the executing agency for the contract which became void due to commitment of fraud by the agency, thus terminated. Both the parties have concluded their arguments before the Tribunal and award has been published on 18th October, 2016 in favour of holding company. As per the award, Company will get ₹ 63 crore from executing agency effective from the date of publication of award i.e. 18th October, 2016. Executing agency has the right to file the objection before the Jharkhand High Court, Ranchi within 4 months of receipt of copy of award by executing agency. As per information of the Tribunal, agency received the copy of award on 1st March, 2017. In view of the above company has not recognized the award amount in the books of account.

Further, holding company has to pay ₹ 25.92 crore to executing agency after receiving the said amount from the client. However, matter with client is pending for settlement before Civil Court, Ranchi. The said amount of ₹ 25.92 crore is included in the contingent liabilities. (Refer note no. 2.51.2.1).

- 2.61.2 In case of holding company, cumulative interest up to ₹ 31.03.17 due from the executing agency of ₹ 23.97 crore (previous year ₹ 21.95 crore) on mobilization advance of ₹ 16.80 crore has not been recognized as income due to uncertainty as regard to realizability. This includes Interest of ₹ 2.02 crore for the year (previous year ₹ 2.02 crore).

- 2.62 A joint venture company named CCFB was incorporated in Mozambique in 2004 for rehabilitation, operation and management of Beira Rail Corridor, Mozambique by entering into a 25 years concessioning agreement with the Government of Mozambique. Company invested a sum of ₹ 6.01 crore in equity in the said joint venture company for a 26% share. Other shareholders are IRCON & CFM, Mozambique with 25% & 49% share respectively. The company extended a shareholder loan of ₹ 87.89 crore (equivalent to US\$ 19.79 million) inclusive of interest accrued which was converted to principal as per agreement, out of which company received repayment of part loan amounting to ₹ 4.44 crore (equivalent to US\$ one million) during the year 2012-13.

- 2.62.1 On 8th December, 2011, Government of Mozambique (GoM) unilaterally terminated the concessioning agreement and took over the project which in the opinion of the company was unlawful and against the provisions of the agreement. Consequently CCFB initiated arbitration against the said decision of GoM.

- 2.62.2 Dispute has been amicably settled with Government of Mozambique (GoM) on 21st October, 2015 through settlement agreement. As per schedule of payment of the settlement agreement, upfront payment of USD 17.07 million was received in financial year 2015-16 and LC was also established by GoM in financial year 2016-17. Further, 1st installment of USD 5.655 million as per schedule of payment has also been received in financial year 2016-17.

- 2.62.3 In view of receipt of payments and establishment of LC duly confirmed by Scheduled Bank in India, holding company transferred its shareholding in CCFB to CFM, a nominated agency of GoM on 22nd September, 2016 and consequently profit of ₹ 71.47 crore on such transfer of equity shares has been recognized in Statement of Profit and Loss for financial year 2016-17.

- 2.63 Under the settlement agreement with Government of Tanzania, last three installments out of six installments of principal amounting to ₹ 58.72 crore (equivalent US\$ 9.19 million) {Previous year is ₹ 60.09 crore (equivalent US\$ 9.19 million)} are still outstanding. Since the payment is due from Government of Tanzania which has also been acknowledged by them, the amount is considered good for recovery in view of the management and hence no provision is required to be made. Interest on principal and on delayed payments of ₹ 17.66 crore (equivalent US\$ 2.76 million) {Previous year is ₹ 14.89 crore (equivalent US\$ 2.28 million)} have not been recognised by holding company.

- 2.64 In case of holding company, Foreign Service Contribution is recognized on accrual basis in the Statement of Profit and Loss Account as per the deputation terms with parent organizations in respect of officers taken on deputation from other organizations.

- 2.65 In case of holding company, lease deeds are pending for execution in respect of the office building at Central Metro Railway Building, 56, C.R. Avenue, Kolkata of ₹ 3.46 crore (previous year ₹ 3.46 crore), the physical testing laboratory at 52A&B, C.R. Avenue, Kolkata of ₹ 1.24 crore (previous year ₹ 1.24 crore), office building at DLF Cybercity, Bhubaneswar of ₹ 5.64 crore (previous year ₹ Nil) and multi-functional complexes of ₹ 6.00 crore (Previous Year ₹ NIL).

- 2.66 In case of holding company, Consultancy fee of ₹ Nil (previous year ₹ 2.43 crore) due in one of the overseas projects is not being recognized as works have not been carried out by the contractors to the satisfaction of the client and the realisability of the fee based on the works done seems to be uncertain.
- 2.66.1 In case of REMCL, company installed 26 MW Wind Mill plant at Jaisalmer, Rajasthan for utilisation of energy generated from wind mill plant by West Central Railway (WCR) for a period of 25 years in accordance with Power Purchase Agreement (PPA) signed between West Central Railways (WCR) and REMCL. The Wind mill Plant was commissioned on 16th October, 2015 and since then energy generated from Wind Mill Plant is being continuously utilised by WCR up to 09th January, 2017 at three Traction Sub Stations (TSS) (Bharatpur, Hindaun & Ramganj Mandi) in Rajasthan as a consumer of Rajasthan DISCOM Jaipur Vidyut Vitran Nigam limited (JVVNL).
With effect from 10th January 2017 status of WCR has been changed from consumer to "deemed distribution licensee" in Rajasthan. WCR started taking power at Six TSS as a deemed distribution licensee through open access route from M/s JITPL which includes 3 TSS (Bharatpur, Hindaun & Ramganj) where WCR was taking Wind power from REMCL. Due to change in status of WCR from consumer to deemed distribution utility licensee, accountal/methodology for utilization of energy generated by Wind Mill Plant have gone underchanged. They are contesting that after starting of open access connection at above mentioned three TSSs, existing connection have been disconnected from M/s JVVNL & final energy bill of M/s JVVNL have been passed with the set-off of wind power up to Dec'16 and thereafter the Kota division has paid the due amount of metered supply during Jan & Feb '17 to M/s JITPL and hence WCR has not been agreed to pay bills for energy generated from Wind Mill Plant for the period from January, 2017 to March, 2017.
In present circumstances, there is uncertainty regarding realisation of revenue. As per Ind AS -18 When there is uncertainty as to realisability, recognition of revenue is postponed until such uncertainty is removed. Therefore revenue amounting to ₹ 4.51 crore has been postponed and not recognised during the current financial Year.
Wheeling and Transmission charges payable to Rajasthan State utilities are directly paid by WCR and deduction for the same is made by WCR in gross bill and only net amount i.e. after deduction towards wheeling & transmission is paid to REMCL on monthly basis. Therefore wheeling & transmission charges for the corresponding period i.e. January, 2017 to March, 2017 which are payable to Rajasthan State utilities has not been recognized and shown as contingent liability under note no. 2.51.2.1.
- 2.67 Sundry creditors, customers advances, amounts recoverable, security deposits receivable/payable are subject to confirmation.
- 2.68 In case of Holding Company Information as regard to loans, investments made as required under section 186 (4) of the Companies Act, 2013 have been given vide note no. 2.9, 2.10 & 2.18.
- 2.69 During the year, Group had specified bank notes or Other Denomination Note (ODN) as defined in the MCA notification G.S.R. 308(E) dated 31st March, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016, the denomination wise SBNs and other notes as per the notification is given below:

(Amount in ₹)

Particulars	SBNs	ODNs	Total
Closing cash on hand as on 08.11.2016	Nil	9904.50	9904.50
(+) Permitted receipts	Nil	96524	96524
(-) Permitted payments	Nil	48196.50	48196.50
(-) Amounts Deposited in Banks	Nil	47024	47024
Closing cash on hand as on 30.12.2016	Nil	11208	11208

- 2.70 Income tax expense in the consolidated statement of profit and loss comprises:

(₹ in crore)

Particulars	For the Year Ended March 31st	
	2017	2016
	Consolidated Total	Consolidated Total
Income Tax Expenses:		
- Current Taxes	147.79	157.74
- Earlier Years (Net)	7.95	0.88
Total - A	155.74	158.62
Deferred Taxes(Net) - B	12.06	18.73
Total(A+B)	167.80	177.35

Entire deferred income tax for the year ended 31st March, 2017 and 31st March, 2016 relates to origination and reversal of temporary differences.

- 2.70.1 Reconciliation of the Income Tax expenses to the computed expected tax expenses for the year by applying the applicable statutory income tax rate to the Profit Before Taxes is as follows:

(₹ in crore)

Particulars	For the Year Ended March 31st	
	2017	2016
	Consolidated Total	Consolidated Total
Profit Before Income Tax on Normal Business	446.03	522.58
Profit Before Income Tax on Capital Gains	71.47	-
	517.50	522.58
Enacted Tax Rates in India on Normal Income	34.61%	34.61%
Enacted Tax Rates in India on LTCG	23.07%	23.07%
Computed Expected Tax Expense	160.96	179.31
Tax effect of Exempted Non-Operating Income	(0.02)	(0.12)
Additional Tax Effect due to Income from HP	(0.11)	(0.11)
Additional Tax Effect due to Income from LTCG	(3.25)	-
Tax Effect on Cost Of Investment (LTCG)	1.39	-
Effect of Non-Deductible Expenditures	28.40	4.16
Tax effect due to Non-Taxable Income	(39.74)	(25.67)
Tax Reversals & Others	20.17	19.78
Income Tax Expense for the year	167.80	177.35

- 2.70.2 REMCL is taxable Under section - 115JB (MAT) of the income tax act. The enacted tax rates on normal income is 21.34% and 20.39% for the year ended 31st March, 2017 and 2016 respectively. The enacted tax rates of RAPL is 22% for the year ended 31st March, 2017 and 2016. The consolidated statement includes unabsorbed business loss and unabsorbed depreciation of REMCL for the year ended 31st March, 2017 ₹ 0.06 Crore and ₹ 93.88 Crore respectively and for the year ended 31st March, 2016 is ₹ 0.06 Crore & ₹ 68.46 Crore respectively.
- 2.70.3 The consolidated statement of Profit & Loss comprises the balance of tax expenses of RISL, which has discontinued the operation since 30th September, 2016.
- 2.70.4 The following table provides the details of income tax assets and liabilities as of March 31, 2017, March 31, 2016 and April 1, 2015.

(₹ in crore)

Particulars	For the Year Ended	
	2017	2016
	Consolidated Total	Consolidated Total
Income Tax Assets	272.44	263.50
Less: Current income tax liabilities	147.62	157.74
Net Current Income Tax Assets/(Liability) at the end	124.82	105.76

- 2.70.5 The gross movement in the current income tax asset/(liability) for the year ended March 31, 2017 and March 31, 2016 is as follows:

(₹ in crore)

Particulars	For the Year Ended	
	March 31, 2017	March 31, 2016
	Consolidated Total	Consolidated Total
Net current income tax asset/(liability) at the beginning	105.76	(0.10)
Income Tax paid	(130.58)	(34.19)
Current income tax expense	147.79	157.74
Income Tax on Other Comprehensive Income	0.31	(0.46)
Translation Difference/Exchange Variation	1.54	(17.23)
Retained Earnings (WIP)	-	-
Net Current Income Tax Asset/(Liability) at the end	124.82	105.76

- 2.70.6 The tax effects of significant temporary differences that resulted in deferred income tax asset and liabilities are as follows:
(₹ in crore)

Particulars	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
	Consolidated Total	Consolidated Total	Consolidated Total
Deferred Income Tax Assets:			
Accrued Compensation to Employees	21.45	33.14	48.39
Trade Receivables & Others	60.41	43.23	20.86
Total Deferred Income Tax Assets - I	81.86	76.37	69.25
Deferred Income Tax Liabilities:			
Property Plant & Equipment & Others	53.53	35.98	10.13
Total Deferred Income Tax Liabilities - II	53.53	35.98	10.13
Deferred Income Tax Assets after set off	28.33	40.39	59.12
Deferred Income Tax Liabilities after set off	-	-	-

- 2.70.6.1 Deferred tax assets and liabilities have been offset wherever the company has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.
- 2.70.6.2 The ultimate realisation of deferred income tax assets is dependent upon the generation of future taxable income during the period in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income and tax planning strategies in making the assessment.

Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Group will realise the benefits of those deductible differences. The amount of deferred income tax assets considered realisable, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

- 2.70.7 The gross movement in the deferred income tax account for the year ended March 31, 2017 and March 31, 2016 are as follows:

Particulars	(₹ in crore)	
	March 31, 2017	March 31, 2016
	Consolidated Total	Consolidated Total
Net deferred income tax asset/(liability) at the beginning	40.39	59.12
Credit/(Change) relating to temporary differences	(12.06)	(18.73)
Temporary differences on Other Comprehensive Income	-	-
Net Deferred Income Tax Asset/(Liability) at the end	28.33	40.39

- 2.70.7.1 The composition of deferred assets relating to temporary differences during the year ended March 31, 2017 are primarily on account of property plant and equipment, Trade receivables and compensation to employees, Pre-paid Expenses and WIP.

2.71 Other disclosure of Group

- 2.71.1.1 In case of RISL, Contract for development of Bus Terminal on Turnkey basis on cost plus basis was awarded to the Company which has subsequently been awarded to the Holding Company for execution. The settlement of final bill of contractor for above work is pending till the closure of the reporting period i.e. 30.09.2016, however the holding company has taken all assets and liabilities of the company therefore RITES Ltd. will settle the final bill.
- 2.71.1.2 In case of RISL, Rail Land Development Authority (RLDA) has given leased land on various locations for periods varying from 35-45 years to the company for construction of MFCs. Pending decision of RLDA as regard to lease rent, same has not been provided for as this cannot be reliably estimated.

However, life of the building on the leased land has been taken as 35 years for charging depreciation. After approval of BOD all MFCs have been transferred to the holding company on 30.09.2016.

2.71.1.3 In case of RISL Disclosure regarding discontinuing operations by winding up proposal are as under :

2.71.1.3.1 With Respect to Board Resolution passed in the Board Meeting held on 04.03.2016, board has proposed to wind up the company during FY 16-17, subject to approval of shareholder in the general meeting. The BOD of the holding Company in their meeting held on 16.08.2016 has passed resolution that all assets and liabilities of the company (RISL) to be taken over by the holding company. The BOD RISL in their meeting held on 31.08.2016 has passed a resolution to hand over all assets and liabilities of RISL to the holding company, and accordingly all assets and liabilities as on 30.09.2016 have been transferred to the holding company on book value. Considering these facts going concern assumption seems to be inappropriate. Company has prepared the financial statement on historical cost basis, as shareholders have not approved the winding up of the company till the date of signing of financial statement of RISL, the subsidiary company. Shareholders of the said subsidiary company have approved the winding up in Extra-ordinary General Meeting (EGM) took place on 28.11.2016.

2.71.1.3.2 Revenue, expenses, pre-tax loss, net cash flows from operating, investing and financial activities of the company have been considered as discontinuing operations.

2.71.1.4 Management of RISL has decided to windup the company during the financial year 2016-17 and therefore financial statement prepared up to 30.09.2016 after taking into consideration transfer of all assets and liabilities to the holding company, and consequently financial figures are not comparable with previous year annual figure.

2.71.2 In case of SRBWIPL, Company has disclosed their borrowing facilities with banks and their repayment terms as mentioned below:

(₹ in crore)

Bank name	Sanction Amount	Outstanding as at 1 April, 2015	Current portion	Long term	Repayment Term
DENA Bank	72.00	44.70	-	44.70	Repayable in 30 quarterly instalments of ₹ 2.40 crore each with total period of 11 years after moratorium period of 3.5 years. Repayment of Term Loan will start from 01.04.2016, as per the modification in terms in sanction.

(₹ in crore)

Bank name	Sanction Amount	Outstanding as at 31 March, 2016	Current portion	Long term	Repayment Term
DENA Bank	72.00	58.73	9.60	49.13	Repayable in 30 quarterly instalments of ₹ 2.40 crore each with total period of 10 years after moratorium period of 3.5 years. 01 Loan will start from 01.04.2016, as per the modification in terms sanction. Interest is payable at Base Rate of Bank i.e. 10.45% at the time of sanction.

(₹ in crore)

Bank name	Sanction Amount	Outstanding as at 31 March, 2017	Current portion	Long term	Repayment Term
DENA Bank	72.00	62.32	9.60	52.72	Repayable in 30 quarterly instalments of ₹ 2.40 crore each with total period of 10 years after moratorium period of 3.5 years. Repayment of Term Loan will start from 01.04.2016, as per the modification in terms sanction. Interest is payable at Base Rate of Bank i.e. 10.45% at the time of sanction.

This is secured a) by way of first charge on Hypothecation of goods, book debts and other moveable assets of the Company and b) by way of first charge on Building of the Company situated at Kulti, Burdwan, West Bengal.

During the year, the company has received ₹ 7 Crore from each of its JV Venturer (RITES LTD. and SAIL).

(₹ in crore)

Particulars	Short Term	Short Term	Short Term
	31st March, 2017	31st March, 2016	1st April, 2015
Cash credit from Dena Bank	4.24	-	-
Unsecured Loan from RITES Limited	7.13	2.04	7.10
Unsecured Loan from SAIL	7.14	5.40	-
Total	18.51	7.44	7.10

2.71.3 In case of REMCL, company has borrowed term loan of ₹ 120.59 crore from Indian Bank for setting up 26 MW Wind Mill plants at Jaisalmer. The entire amount of loan was borrowed during the financial year 2015-16 and company has incurred interest cost of ₹ 11.33 crore during the year (Previous Year ₹ 5.80 crore).

2.71.4 In case of BNV Gujarat Private Limited, In the absence of virtual certainty of availability of taxable business income and capital gains in near future against which the deferred tax assets can be adjusted, the Company has not recognised the deferred tax assets on unabsorbed business losses and capital losses.

2.72 The financial statements are presented in ₹ crore. Those items which are required to be disclosed but can't be presented in the financial statement due to rounding off to the nearest ₹ crore are given as follows:-

Balance sheet items of holding company

(Figures in ₹)

Description	Note No.	As at 31.03.2017	As at 31.03.2016
Non-current investment	2.9		
(i) Moru Mahal Co-operative Society Ltd.		250.00	250.00
(ii) Amit Industrial Co-operative Society Ltd.		500.00	500.00

2.73 Assets & Liabilities have been translated at closing exchange rate and profit & loss items have been translated at average exchange rate.

Currency	INR			
	2016-17		2015-16	
	Closing rate	Average rate	Closing rate	Average rate
1 Pula (Botswana)	6.147897	6.18329	5.95856	6.12096
1MZN (Mozambique)			1.30630	1.56221

(Source: oanda.com)

2.74 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 31.03.2017

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in Other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ in crore)	As % of consolidated net assets	Amount (₹ in crore)	As % of consolidated net assets	Amount (₹ in crore)	As % of consolidated net assets	Amount (₹ in crore)
	Holding Company							
RITES LTD.	99.84	2033.65	100.66	330.82	90.77	0.59	100.64	331.41
Subsidiaries								
Indian								
RITES Infrastructure Services Ltd. (RISL)	(0.03)	(0.58)	(0.03)	(0.10)	-	-	(0.03)	(0.10)
Railway Energy Management Company Limited (REMCL)	4.49	91.48	5.58	18.36	-	-	5.57	18.36
Foreign								
RITES(Afrika) (Pty) Limited (RITES-Afrika)	0.10	2.12	0.01	0.02	-	-	0.01	0.02
Minority Interests in all subsidiaries	(2.20)	(44.83)	(2.74)	(9.00)	-	-	(2.73)	(9.00)
Joint Ventures								
Indian								
SAIL-RITES Bengal Wagon Industry Private Limited (SRBWIPL)	0.73	14.83	(1.97)	(6.48)	-	-	(1.97)	(6.48)
BNV Gujarat Rail Private Limited*	-	0.01	-	-	-	-	-	-
Foreign								
Companhia Dos Caminhos De Ferro Da Beira, SA, (CCFB)	-	-	-	-	-	-	-	-
Total Eliminations	(2.93)	(59.68)	(1.51)	(4.97)	9.23	0.06	(1.49)	(4.91)
TOTAL	100	2037.00	100	328.65	100	0.65	100	329.30

Information for the year ended 31.03.2016

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in Other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ in crore)	As % of consolidated net assets	Amount (₹ in crore)	As % of consolidated net assets	Amount (₹ in crore)	As % of consolidated net assets	Amount (₹ in crore)
	Holding Company							
BITES LTD.	99.71	1877.96	100.31	339.44	90.53	(0.86)	100.33	338.58
Subsidiaries								
Indian								
BITES Infrastructure Services Ltd. (RISL)	(0.03)	(0.48)	(0.12)	(0.41)	-	-	(0.12)	(0.41)
Railway Energy Management Company Limited (REMCL)	2.82	53.12	0.93	3.14	-	-	0.93	3.14
Foreign								
BITES(Afrika) (Pty) Limited (BITES-Afrika)	0.11	2.03	0.10	0.34	-	-	0.10	0.34
Minority Interests in all subsidiaries	(1.38)	(26.03)	(0.45)	(1.53)	-	-	(0.45)	(1.53)
Joint Ventures								
Indian								
SAIL-BITES Bengal Wagon Industry Private Limited (SRBWIPL)	1.04	19.58	(0.81)	(2.74)	-	-	(0.81)	(2.74)
BNV Gujarat Rail Private Limited*	-	-	-	-	-	-	-	-
Foreign								
Companhia Dos Caminhos De Ferro Da Beira, SA, (CCFB)	0.58	11.00	0.04	0.14	-	-	0.04	0.14
Total Eliminations	(2.85)	(53.76)	-	0.01	9.47	(0.09)	(0.02)	(0.08)
TOTAL	100.00	1883.42	100.00	338.39	100.00	(0.95)	100.00	337.44

- 2.75 In case of REMCL, professional charges/consultancy fees amounting to ₹ 0.57 crore for the period January, 2016 to March 2016 in respect of professional services provided to South Eastern Railway (SER) is crystallized and due in the month of July, 2016 since Bi-Partite agreement for professional charges between SER and REMCL has been signed in July, 2016 and therefore accounted the same during current year.
- 2.76 In case of SRBWIPL, sales revenue for rehabilitation of BOXNR wagons have been accounted for based on the Basic Price (including CRRM) and escalation clause specified in the order by the Eastern Railway. The CRRM generated in the process of rehabilitation of wagons is booked under current assets at the time of raising of bills at value specified in the work order.
- 2.77 In case of SRBWIPL, free supply materials from Railways against the order for manufacture of new BOXNHL wagons are kept within the factory premises for utilising the same in manufacture of new wagons, against which an indemnity bonds has been given by the joint venture company in favour of Railways.

2.78 Recent Accounting Pronouncements

Standard issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Company (Indian Accounting Standards) (Amendment Rules, 2017) notifying amendment to Ind AS, "Statement of cash flows". This amendment is in accordance with the recent amendment made by International Accounting Standards Board (IASB) to IAS 7, "Statement of cash flows". This amendment is applicable to the company from April 1, 2017.

Amendment to Ind AS 7

The amendment to IND AS 7 requires the entity to provide disclosures that would enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirements. The company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

COMMENTS BY CAG

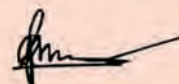
COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF RITES LIMITED FOR THE YEAR ENDED 31 MARCH, 2017.

The preparation of consolidated financial statements of RITES Limited for the year ended 31 March, 2017 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139 (5) read with section 129(4) of the Act are responsible for expressing opinion on the financial statements under Section 143 read with section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 4th July, 2017.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) read with section 129(4) of the Act of the consolidated financial statements of RITES Limited for the year ended 31 March, 2017. We conducted a supplementary audit of the financial statements of Rites Infrastructure Services Limited, but did not conduct supplementary audit of the financial statements of Subsidiaries and Jointly Controlled Entities (as per Annexure) for the year ended on that date. Further, section 139(5) and 143(6)(b) of the Act are not applicable of RITES (Afrika) (Pty) Limited and Companhia Dos Caminhos De Ferro Da Beira, SA being private entities incorporated in Foreign country under the respective laws, for appointment of their Statutory Auditor nor for conduct of supplementary audit. Accordingly, C&AG has neither appointed the Statutory Auditors nor conducted the supplementary audit of these companies. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the Statutory Auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' report.

For and the behalf of the
Comptroller & Auditor General of India



(B.R. Mondal)

Place : New Delhi
Dated : 9th August, 2017

Principal Director of Audit, Railway Commercial, New Delhi

ANNEXURE

List of subsidiaries, Associate company and Joint Ventures of RITES LIMITED, New Delhi for which Supplementary audit was not conducted under section 143(6)(a) read with section 129(4) of the Companies Act, 2013 for the year 2016-17.

Subsidiaries:

1. Railway Energy Management Company Limited

Joint Ventures

2. SAIL RITES Bengal Wagon Industry Private Limited
3. BNV Gujrat Rail Private Limited

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/JOINT VENTURES FOR THE YEAR ENDED 31ST MARCH, 2017

(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		3	
2	Name of the Subsidiary	RITES (Afrika) (Pty) Limited		RITES Infrastructure Services Limited (RISL)**		Railway Energy Management Company Limited (REMCL)***	
3	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Botswana Pula (BWP)*		INR		INR	
		31.03.2017	31.03.2016	31.03.2017	31.03.2016	31.03.2017	31.03.2016
		₹ in crore)		₹ in crore)		₹ in crore)	
4	Share Capital	0.01	0.01	0.05	0.05	70.00	50.00
5	Reserves & Surplus	2.11	2.03	(0.63)	(0.53)	21.48	3.12
6	Total Assets	2.59	2.68	-	15.25	198.59	186.08
7	Total Liabilities	0.47	0.64	0.58	15.73	107.11	132.96
8	Investments	-	-	-	-	-	-
9	Operating Turnover	1.45	1.37	0.03	13.69	55.67	17.10
10	Profit before taxation	0.03	0.45	(0.10)	(0.39)	28.67	4.70
11	Provision for taxation	0.01	0.11	-	0.03	10.31	1.56
12	Profit after taxation	0.02	0.34	(0.10)	(0.42)	18.36	3.14
13	Proposed Dividend	-	0.03	-	-	3.68	-
14	% of shareholding	100%		100%		51%	

* As on 31.03.2017: 1BWP= ₹ 6.147897 ; Average Rate 1BWP= ₹ 6.18329, As on 31.03.2016: 1BWP= ₹ 5.95856 ; Average Rate 1BWP= ₹ 6.12096

** RISL is under liquidation and is consolidated as discontinued entity.

*** REMCL figures are inclusive of non-controlling interest.

Note: RITES Mohawarean Arabia Company Ltd.(RMAC) in Saudi Arabia is under liquidation, hence its financial statements are not considered for consolidation. Investment in equity of ₹ 0.47 crore were made by the holding company has been returned by RMAC during the financial year 2014-15.

PART "B" : JOINT VENTURES

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Joint Ventures

1	Sl. No.	1		2		3	
2	Name of Joint Ventures	Companhia Dos Caminhos De Ferro De Beira, SA, (CCFB), Mozambique*		SAIL-RITES Bengal Wagon Industry Private Limited (SRBWIPL)		BNV GUJARAT RAIL PVT. LTD. ****	
3	Latest Audited Balance Sheet Date	31.12.2015		31.03.2017	31.03.2016	31.03.2017	
4	Shares of Joint Ventures held by the company on the year end:						
4(i)	No.	1,300,000		24,000,000	22,270,000	13,000	
4(ii)	Amount of investment in Joint Venture (₹ in crore)	6.01		24.00	22.27	0.01	
4(iii)	Extent of Holding/Profit Sharing %	26%		50%	50%	26%	

1	Sl. No.	1	2	3	
2	Name of Joint Ventures	Companhia Dos Caminhos De Ferro De Beira, SA, (CCFB), Mozambique*	SAIL-RITES Bengal Wagon Industry Private Limited (SRBWPL)	BNV GUJARAT RAIL PVT. LTD. ****	
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)	11.00	14.83	19.58	0.01
8	Profit/Loss for the year				
8(i)	Considered in Consolidation (₹ in crore)***	0.14	(6.48)	(2.74)	-
8(ii)	Not Considered in Consolidation	-	-	-	-

* CCFB, Mozambique which has been taken over by CFM, a nominated agency of Government of Mozambique, on 22nd September, 2016, accordingly, it has not been consolidated in the current year.

** Share in net assets of CCFB attributable to shareholders of the company as per equity method.

*** Addition in investment in CCFB during the previous year due to profit of joint venture as per equity method.

**** BNV Gujarat Rail Pvt. Ltd. is incorporated in the year 2016-17.

As on 31.03.2016: 1MZN= ₹ 1.30630: Average Rate 1MZN= ₹ 1.56221.

For and on behalf of the Board

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

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

P.T. Mittal
Company Secretary and
General Manager (Legal)
M.No. : FCS 2529

For AGIWAL & ASSOCIATES, Chartered Accountants, FRN 000181N

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

Place : Delhi
Dated : 4th July, 2017

OFFICES, AUDITORS AND BANKERS

OFFICES

INDIA

Registered Office RITES Limited
SCOPE Minar, Core-1
Laxmi Nagar, Delhi-110092
Phone : (011) 23354800, 22024610
Fax : (011) 22024660
info@rites.com, www.rites.com

Corporate Office-I RITES Limited
RITES Bhawan, No.-1, Sector - 29,
Gurgaon - 122001 (Haryana), India
Phone : (0124) 2571666
Fax : (0124) 2571660
info@rites.com, www.rites.com

Corporate Office-II RITES Limited
RITES Bhawan, No.-144, Sector - 44,
Gurgaon - 122001 (Haryana), India
Phone : (0124) 2728299
Fax : (0124) 2728371
info@rites.com, www.rites.com

PROJECT OFFICES

Bhubaneswar 0674 - 2575493 / 2570775 / 2575284 (Fax)
bbsrpo@rites.com

Kolkata 033 - 22367162 / 22367118 / 22367143 (Fax)
pokolkata@rites.com

Lucknow 0522 - 2771892 / 2771893 (Fax)
lucknowpo@rites.com

Mumbai 022 - 27812491 / 93 / 27812495 (Fax)
mumbaipo@rites.com

Nagpur 0712 - 2520127 / 2547109 / 2565228 /
2527673 (Fax)
nagpurpo@rites.com

Secunderabad 040 - 27812817 / 27841499 / 27818397 /
27813894 (Fax)
secbadpo@rites.com

Ahmedabad 079 - 27700421
27700418 (Fax)
ahmedabadpo@gmail.com

Raigarh 07762 - 235800
235300 (Fax)
raigarhpo@gmail.com

INSPECTION OFFICES

Bhilai 0788 - 2228661 / 2227776 / 2227305 (Fax)
crinspn@rites.com

Chennai 044 - 28523364 / 28521142 / 28525408 (Fax)
srinspn@rites.com

Delhi 011 - 22029119 / 22029109 / 22024665 (Fax)
nrinspn@rites.com

Kolkata 033 - 22348912 / 22348665 / 22348704 (Fax)
erinspn@rites.com

Mumbai 022 - 22012523 / 22016621 / 22084155 (Fax)
wrinspn@rites.com

RITES OVERSEAS TEAMS:

Botswana 00267 - 3914113 (Telefax)
00267 - 74715499
ritesafrika@mega.bw

Mozambique 002588 - 24726706
vrbhairi@yahoo.com

002588 - 23013402
devendrakumarparashar@yahoo.co.in

Bangladesh +8801776839228
govindkavya1406@yahoo.com

AUDITORS

STATUTORY AUDITORS

M/s Agiwal & Associates

Delhi

BRANCH AUDITORS

M/s S.K. Bhattachariya & Co.
M/s Pratap B. Sheth & Co.
M/s Venkat and Vasani

Kolkata
Mumbai
Chennai

BANKERS

Axis Bank

State Bank of India

ICICI Bank

Union Bank of India

Indian Bank

Kotak Mahindra Bank

IndusInd Bank

Yes Bank



rites

RIES Limited

(A Govt. of India Enterprises)

Registered Office: SCOPE Minar, Core-I, Laxmi Nagar, Delhi - 110 092 (India)

Phone : +91 (011) 23354800, 22024610 Fax : +91 (011) 22024660

Corporate Office: RITES Bhawan, No. 1, Sector-29, Gurgaon-122 001, Haryana (India)

Phone : +91 (124) 2571666, 2571667 Fax : +91 (124) 2571660

E-mail : info@rites.com | Website : www.rites.com

CIN : U74899DL1974GOI007227